

COMMUNITY OPERATIONAL MANUAL

JEEVIKA

Bihar Rural Livelihoods Project

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Acronyms / Abbreviations

COM	Community Operational Manual
SHG	Self Help Groups
VO	Village Organization
BLF	Block Level Federation
CM	Community Mobilizers
CRP	Community Resource Persons
CC	Community Coordinators
AC	Area Coordinators
BPM	Block Project Manager
RP	Resource Persons
CBLAF	Cluster based Livelihoods Activity Federation
GoB	Government of Bihar
PRI	Panchayati Raj Institutions
NGO	Non Government Organization
SHPI	Self Help Promoting Institutions
HH	Households
BPL	Below Poverty Line
BPIU	Block Project Implementing Unit
DPCU	District Project Coordination Unit
MCP	Micro Credit Plan
CIF	Community Investment Fund
ICF	Initial Capitalization Fund
EC	Executive committee
SRI	Systems for Rice Intensification
PVSP	Participatory Varietal Selection and Promotion
DCS	Dairy Cooperative Society
CPC	Community Procurement Center
CBO	Community Based Organization
CV	Curriculum Vitae
SC	Scheduled Caste
ST	Scheduled Tribe
OBC	Other Backward Class
SGSY	Swarnjayanti Gram Swarozgar Yojana
POP	Poorest of the Poor

Chapter I

ABOUT THE COMMUNITY OPERATIONAL MANUAL

This is the manual for JEEViKA - Bihar Rural livelihoods Project, which will guide JEEViKA Project staff in successful implementation of the project and also the community in empowering themselves and improving their livelihoods.

The manual will be a guide to the project staff and will help them understand the project cycle and the processes involved. The manual provides a step-wise implementation of different project phases along with the graduation indicators which also correspond with the growth and maturity of the community institutions that will be supported under the project. In the manual not only the reasons for interventions but graduation indicators are also mentioned which will inform the project staffs and the community about the next course of interventions for the smooth flow of the project with right impetus at the right time. This will also act as a checklist for both the community and the project staff facilitating project implementation.

The manual will also enable the participating target communities on how to improve their lives and reduce poverty by working together and with confidence in themselves. The community has seen many schemes in the past which were implemented in a top-down fashion and all key decisions were taken by outsiders which did not benefit the poor.. In all those schemes community was hardly, least so, in prioritizing their needs. They were simply treated as “recipients” and the project implementers were the “providers”. Under this project, the community is expected to take the lead and be involved in the whole process of self and community development by building their own institutions and there by ensuring a quality of life for themselves and the community at large.

Process adopted for developing the Manual

This manual is based on the lessons learned and experiences gained from the implementation of the Pilots during the project preparation phase. The manual also draws from the discussions and experience sharing between the village communities and the project staff working at the village, district and project levels. This manual has been developed based on the presentations made and discussions that took place in a series of meetings over the past 6-8 months.

Even while the project is being implemented, there will be more lessons learnt and more experiences gained which will be incorporated into this manual.

Why use this manual?

This manual is for use not only by the JEEViKA Project field staff but also the Self Help Groups (SHGs), Village Organizations (VOs) and various Community Based Organizations (CBOs) envisaged in the project. This manual will help everybody understand the WHAT, WHY, HOW and WHEN of different project cycle, stages and processes should take place. This manual will help them in meticulous planning, implementing and managing their development and funds well and thereby comply

with project rules and procedures. This will help in rolling out the project in smooth and effective way to bring all round development of them and thus village and society as a whole.

Chapter II

KEY PRINCIPLES AND NON-NEGOTIABLES

JEEViKA has the following unique features: -

The project, the project staff, the facilitating teams and the community will adhere to the following key principles of the project:

1. **Transparency**- All the activities undertaken will involve decisions to be taken involving all those directly concerned and would be open, clear and accessible to all.
2. **Accountability**- At each level the responsibilities will be mutually and collectively owned. Each stakeholder is responsible for actions taken.
3. **Participation**- The project will ensure participation of all stakeholders adequately represented by the target poor, disabled and most vulnerable. Each decision taken would follow a participatory process and there would be no imposition at any level.
4. **Inclusion**- Inclusion of the most marginalized, vulnerable and destitute section would be the key guiding principle. Leadership at each level will be representative of the vulnerable segment. 80-90% of the funds would flow to the very poor.
5. **Facilitation**- In every step taken, the project implementers would play only a catalytic role and strive to hand over the responsibility to the community to the maximum extent possible. There shall be faith in the capability of the poor to undertake, decide and control the activities of the project.
6. **Equity**- The project will give emphasis on women groups in particular and they will play a determining role in all decisions to be taken in the project.

The Government of Bihar funds JEEViKA Project for poor rural community through the Bihar Rural Livelihoods Promotion Society (BRLPS) formed at the state level. The project's aim is to reduce the poverty with special focus on the poorest of the poor community by their own efforts. Poor community knows that when they have authority, they will use them responsibly and carefully. Therefore, they must have some simple rules to ensure success in their activities. Following these rules will help them reap the full benefits of the programme. Any violation of these rules can lead to blocking their progress.

Therefore, project is based on certain non-negotiable that would guide the community while implementing the project. The **key non-negotiables** are those that the community must:

1. Practice self-help and contribute to their development
2. Give preference to the poorest and disadvantaged members and families
3. Must be open and transparent in all decision making
4. Be Prudent and cost conscious while spending the money
5. Ensure attention to quality and sustainability in all activities

Chapter III

INSTITUTION BUILDING

Section I - SOCIAL MOBILIZATION

Objective of social mobilization

- To build rapport with the community
- To identify the target community
- To seek support from community in the formation of SHGs
- To identify the paraprofessionals

◆ **District and block level project launching workshop**

Why?

It is important to ensure support of major stakeholders in any development process and establish mechanism to obtain their feedback and opinion about the project, the initiation strategy, various activities and other aspects on a regular basis.

The focus of this workshop would be to give emphasis on how this project is different from other projects and what are the likely roles that different entities can play to. To support the overall goal of reducing poverty through strong community institutions and productive investments.

Who?

At the district level, the Chief Executive Officer (CEO) and the District Magistrate (DM) will participate along with key line department staff and representatives of the Local governments as also the Banks, Academia and also community members.

This will be followed with Block level workshops where in the Block Development Officer, line department staff and other representatives will attend. The concerned BPM will be supported by at-least one senior person from state unit and by the BPM of nearby older blocks.

The leaders of existing groups should be encouraged to share their experiences and participate in the workshop and understand their role in the project.

How?

It should be one day workshop, well planned and with an information notice of minimum a week prior to the date of organizing the workshop should be given to all the major stakeholders.

Key Considerations

The most important aspect to keep in mind is the kind and level of information that needs to be provided at different levels about the project which is most relevant at that level.

The material to be provided has to be standardized and sent from the State office. The type of material used – brochures, posters, flip charts, press release must be carefully crafted and designed.

OUTPUTS

A shared vision at the block and district level is developed. Larger discussions are held with major stakeholders, line departments, PRI representatives etc.

◆ **Selection of village, Preparation /scheduling of village meeting**

Why?

Phasing out and sequencing of the project activities at the block and cluster level is required for better project management.

This should be also done keeping early successes into mind, which would encourage and motivate the newly recruited staff to work in the field.

Who?

Block Project Managers (BPMs), Community Coordinators (CCs), Area Coordinators (AC) and the members from existing groups should take the responsibility.

How?

Panchayat and villages where leadership roles are in the hands of women and Dalits should be given priority to start with. This would signal the focus and intention of the project. Every block is to be divided into three clusters and it would be prudent to choose a village which is the nucleus village.

A critical choice is to be made in terms of the village selection. This is particularly important with respect to the expansion of the project and the demonstration effect that early success will have.

Remarks

The village leadership profile should be prepared. The nature & kind of existing leaderships in the village should be figured out. It is useful to understand other players in terms of broad social composition as well as livelihood patterns.

The BPM should evaluate the choices between starting in a totally new village vis-à-vis working in a village where already SHGs have been formed and functioning, promoted by other Self Help Promoting Institutions (SHPI) or Non Governmental Organizations (NGOs).

OUTPUTS

One village for each CC in a cluster is identified to start with.

◆ Actual village entry

Why?

The first impression created during village entry is very important. Therefore it should be dealt carefully and one should not commit anything which one could not fulfill. The village entry is also critical to make people understand the difference in the approach of this project in contrast to other projects/programs that are being implemented by the Government or NGOs.

Who?

CC, AC and external Community resource Persons (CRPs) including the members from existing village groups. The choice of the CRPs and the other members is critical for gaining confidence of different sections of the community and more importantly of the target households.

How?

Meeting and having a dialogue with the entire village is not possible. However, it would be essential for the staff and the CRPs to together meet and provide information to the leaders and opinion makers of every key community and/or social group in the village. Infact, this will be based on a good understanding that the staff will gain about the village even before they enter it.

Gathering secondary data – including census and data at the Block level on the composition, PRI leadership, major program being implemented, NGO presence is all very useful information.

The staffs should try to participate in the village activity, observe the villagers engagement and initiate dialogue with someone who is equally curious to know about the worker.

The exercise should be repeated at least 3-5 places in a village before a formal large scale village meeting is organized.

OUTPUT

First hand impression of the village is captured and a brief understanding about the opinion leaders including PRI's representatives are developed. (Leadership profile/pattern of the village is prepared).

The next date and time for the village visit should is taken from the persons met.

◆ **Taking stocks of current socio-economic situation in the village**

Why?

It would help CCs, ACs and CRPs in making informed decision and triangulation of information that they receive from different sources. Transact Walk of the village to develop an impression of spatial distribution of different communities, and resources dispersion in the village is a good way of knowing the village and getting known to the villagers.

Fig 1: Transect



Who?

CC

How?

It should be done along with villagers especially the poor, and opinion leaders.

Remarks

Ensuring the day and time chosen for the exercise is appropriate and agreeable to a majority of the villagers especially women and poor.

If the village seems much divided, it may be best done hamlet-wise and then the data brought into a larger village level meeting creating the opportunity for the social mapping exercise.

The exercise should involve as many people as possible cutting across age, gender and ethnicity to get a true picture – the aged and the youth

OUTPUTS

A Village profile (format attached) is prepared which captures key features including demographics, livelihoods, resources, and other key issues. .

The date and time and location for preparation of social mapping is taken from the community.

◆ **Identification of Hamlets, where poor are residing.**

Why?

As the project has limited resources, it is very important to identify the target communities and channelizing the resources to them. It is important for the project to demonstrate an inclusive and participatory approach of targeting which is crucial for

the effective implementation of the project and to differentiate it from the implementation process that is adopted by any other agencies.

Who?

CC and AC with the support of community leaders from the existing project villages, where the project has already started. The pilot villages offer the opportunity for the first phase villages and then the ripple effect will take over. .

How?

Drawing of detailed village map, demarcating different hamlets with the number of different caste communities HH. (Social Mapping, leadership mapping), will be facilitated by the project staff but undertaken by the community themselves.

The exercise should be done at a public place, particularly at the place where poor can participate easily and comfortably.

Ensuring the day and time chosen for the exercise is appropriate and agreeable to a majority of the villagers especially women

The role of the project staff should be of facilitators rather controller of the process.

The women headed family, migrant family, landless should be counted separately.

The Block Project Implementation Unit (BPIU) should compare the list of identified potential poor with the BPL list.

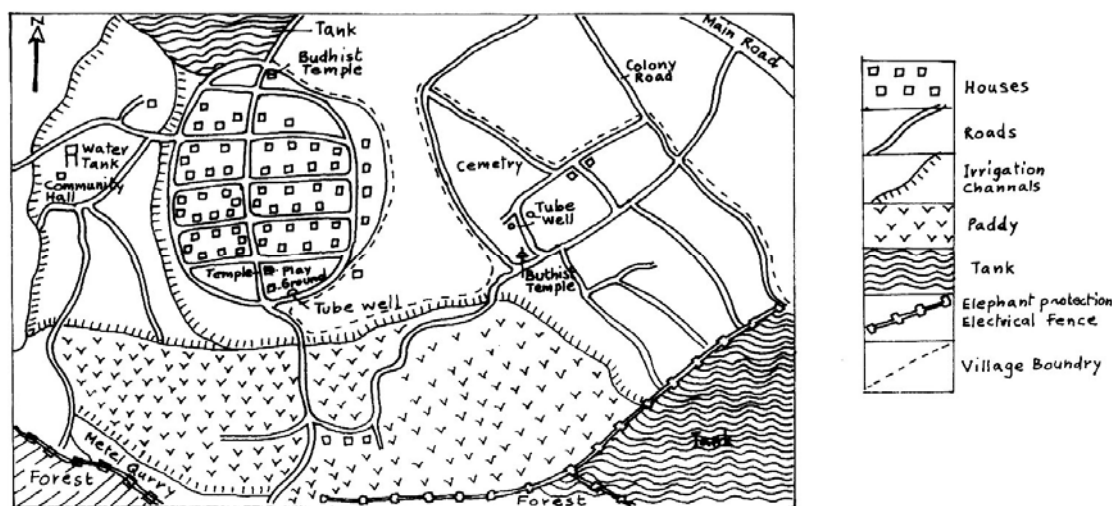


Figure 2: Social Map

OUTPUTS

The poor hamlets/pockets are identified and a list of women headed HH and vulnerable communities are prepared. The information should be shared with the village in an open meeting which also includes the Gram Panchayat members including the President being present.

◆ **HH level mobilization and preparation of livelihood profile.**

Why?

It would help the staff to establish a personal rapport with the individual households. This is essential because the poor and poorest households have been neglected for most parts in the implementation of most developmental programs. Gaining the trust and confidence of these households will be an important step to move forward.

Who?

CC with the support of expert CRP.

How?

By visiting each HH of the identified Hamlet and engaging the individual HH or a smaller group of HH in a facilitative discussion.

(The details of each household should get triangulated by the information provided by the neighbours or other villagers, and not just by the members of the household in reference).

Key Considerations

The purpose should not be just collecting information but it should be done in a participatory way---which not only empowers the community/HH but maintains the transparency of the process and give the project staff a chance to identify the opportunities and challenges.

OUTPUTS

The livelihood profiles of at least 50 households are prepared.

The date for the hamlet level general meeting is taken and informed to all the potential participants.

◆ **Conducting a Hamlet level general meeting.**

Why?

This will bring all the potential SHG members at one platform and they will benefit from each others dialogue and can take a decision to form SHG. There is reason to believe that owing to social, cultural and economic factors, there is limited interaction between community groups and even with neighbours within the same community. The social capital for collective is limited to caste groups but not oriented to economic betterment. There is therefore the need to create this space for a dialogue, understanding, trust and common goal. This is pivotal for other interventions under the project.

Who?

CC with the leaders of older group.

How?

Communication material like posters, flip charts and brochures should be used to brief the villagers about the project. These posters and brochures will focus on project description, project processes, roles and responsibilities.

Remarks

The non-negotiables of the project is made clear to the participant members at the village level.

Make sure that at least few village leaders and husband of participating women members are present in the meeting.

At every stage it is essential to build ownership for the program and for women's participation in the family as to enable her participation. Also with respect to livelihoods, a clear perspective on livelihoods being both increasing incomes but also reducing expenditure needs to be reflected and communicated. This is possible only with the participation and support of the family as a whole that the women members will be able to use loans and technical assistance effectively and repay the loans taken with the enhanced incomes rather than other sources on unfavourable terms.

OUTPUTS

An affinity group of 15 to 20 members are formed, which is ready to come together, spend time, share experiences and burdens, create a bond and extend their savings to the group.

Village Information Sheet

Village: _____

District: _____ Date: _____

Quantitative Data

village basics

block name
 panchayat name
 distance from the block office
 direction from the block office
 distance from the main road
 direction from the main road
 total no. of tolas

demographic profile

tolawise details

tolawise details	tola name	HH no.	total pop.	caste wise details in percentage (%age)
				total

available facilities and infrastructure

please indicate yes or no

bus	<input type="checkbox"/>	secondary school	<input type="checkbox"/>	/ /	PHC/ CHC/ sub-centre	
stop	<input type="checkbox"/>	private tuition centre	<input type="checkbox"/>	/ /	road-pacca/ kaccha/ other	
auto stop	<input type="checkbox"/>	chemist/ drugist	<input type="checkbox"/>	/ /	religious place-temple/ church/ mosque	
telephone service	<input type="checkbox"/>	quack	<input type="checkbox"/>		available drinking facilities, rank the first 3	
police station	<input type="checkbox"/>	private doctor/ clinic	<input type="checkbox"/>			1. piped water
PDS/ fair price shop	<input type="checkbox"/>		<input type="checkbox"/>			2. tubewell/ handpump
	<input type="checkbox"/>		<input type="checkbox"/>			3. private tube well
bank branch / cooperative	<input type="checkbox"/>	govt. dispensary	<input type="checkbox"/>		1. dug well/ open well	
anganwadi centre	<input type="checkbox"/>	community centre	<input type="checkbox"/>		2. _____	
public primary school	<input type="checkbox"/>	hospital	<input type="checkbox"/>		3. _____	
middle school	<input type="checkbox"/>	post office	<input type="checkbox"/>		_____	
others	<input type="checkbox"/>		<input type="checkbox"/>		_____	

		others
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Agriculture

Agriculture

total land under cultivation(in acres)
 irrigated land(in acres)
 non-irrigated land(in acres)
 barren land

please write the figures in percentage

total forest land
 total pasture land
 total revenue land
 total private land

irrigation and crop pattern

irrigation data

sources of irrigation
 crop data

1	_____	2	_____	3	_____
---	-------	---	-------	---	-------

please write on the usage rate

main crops- Rabi season
 kharief season

1	_____	2	_____
1	_____	2	_____

others _____
 others _____

supplementary crops

1	_____	2	_____	others	_____
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cash crops

1	_____	2	_____	others	_____
---	-------	---	-------	--------	-------

lifestyle

what are the most commonly used cooking fuel in the village

please rank the first 3

LPG or piped gas
 Bio-gas
 Electricity
 Kerosene

coal
 firewood
 cow dung caes
 leaves/ straw/ thatch
 others _____

first
 second
 third

livelihoods profile

micro-enterprise profile

dairy

poultry

unit	HHs			Unit	HHs
		unit	HHs		

grocery shop (kirana)

tea/ snack shop

fishery
piggery
goatery/ sheep rearing
others

tailoring shop
barber shop
cloth/ garment shop
potters

PDS / fair price shop

Is there any PDS/ fair price shop in the village? (yes/ no)

did PDS/ shop supplied goods to any villagers in the last past 30 days?

Yes No

END

handloom weavers
bamboo workers
electrical repairs/ mechanic
floor mill

which item? Please write 1 for yes and 2 for no

<input type="checkbox"/>	Sugar	<input type="checkbox"/>	rice
<input type="checkbox"/>	Kerosene	<input type="checkbox"/>	wheat
<input type="checkbox"/>	edible oil	<input type="checkbox"/>	others

village institutions- please comment on the presence of

service of banks

milk cooperatives

other cooperatives

NGOs

Agri business companies

weekly bazar/ haat

status of SHGs made by other org.

are other SHGs exist in the village? (yes/ no)

SHG no.				
made by				
status				

General comment

Section II - SHG FORMATION

Triggers for group formation

- In consecutive four weekly visits, a minimum of 10-15 target community women are present on a regular basis and express keenness to be a part of an affinity group
- Prominent people in the village including opinion leaders, religious leaders, Panchayat Representatives and Mukhiya have shown interest to support or atleast have no opposition/resistance to the project interventions

◆ Group formation initiation

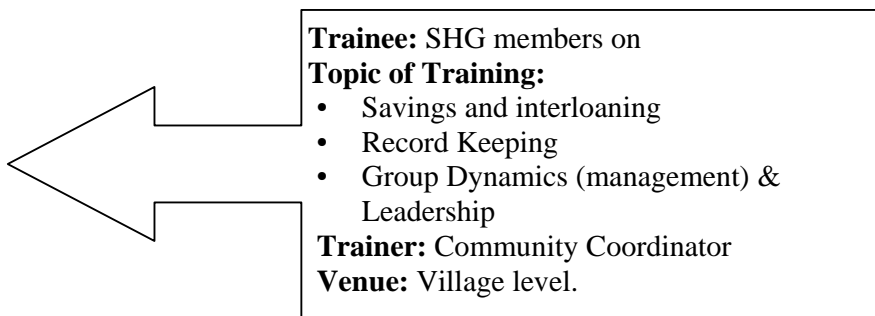
- *Who can be the members of SHG?*
To become member in a SHG, one should be:
 - Woman member of the poorest of the poor or poor household. One HH means a family having their own kitchen.
 - One woman from one family can be a member of SHG
 - Of 18-60 years of age
 - Able to save what ever possible regularly and as decided by the members.
 - Willing to work in a group
 - Ready to spare time for the meeting
- As soon as 10-15 target community women are identified, CC will have a detailed concept sharing with these potential women members. This will be done with the support of flip charts and other IEC material like films (can use those made in the pilot villages).
- CC will fix the day of first formal meeting and savings in consultation with the members.
- On the day of 1st meeting the CC will facilitate the SHG to finalize the following:
 - Saving amount per member per week
 - Weekly meeting day
 - Formation of broad bye laws of SHG by the community (weekly meeting, weekly saving amount, naming the groups, selection of group representatives, interloaning systems, repayment systems)
- The CC, will using flip charts and posters, explain to the members:
 - **Members and their role:** The role of the members of the SHGs will be:
 - Regularity in weekly savings
 - Attending weekly meeting regularly
 - Taking collective decisions and adhering to the decisions
 - Taking joint or collective initiatives.
 - **Procedure and processes of weekly meeting and savings**
 - SHGs will be doing weekly SHG meeting and Weekly saving
 - Meeting can be organized in houses of SHG members in rotation basis.

- Although, selected President of SHG will chair the meeting formally but in every meeting the SHG member will select one member (SHG member belonging to the house where meeting is proposed) to chair each meeting. This will give chance to every member to chair the SHG meeting. The President will extend support to these members in chairing meeting properly.
 - In case there is a Panchayat Bhawan or a community building in the village and this is accessible to the groups, this should be used as the meeting place.
 - All transactions and books of record will be updated in every meeting only. This is non negotiable conditions. This is critical as all members need to be aware about what is being written in the books and if this is indeed a reflection of what transpired in the meeting. Also every member is accountable for the decisions that are taken in the meeting and reflected in the records. So the twin objectives of transparency and accountability are established and practiced this way.
- **Office bearers and leadership:** Leadership is the key input during forming and setting out the norms for the group. SHG should look for the leader who has the ability to be the facilitator, communicator and conflict manager of the discussion session. It has been seen that most of the time the leadership goes in the hand of elite capture as they have an exposure, they are vocal and have knowledge, so SHG should give priority to the poor individual to be as our leader and all should support them to become a good leader. All SHGs will have 3 leaders. First leader will be the President, Second leader – Secretary, Third Leader – Treasurer. SHG will try to have any of the first two leaders from the most poor and vulnerable community.
- **Maintenance of Books of Records:** Initially CC may support in updating the books records but subsequently SHG should identify some persons suitable for community mobilizer and updating the books of accounts and records. This transformation of role should be within 3 months of entry in a village. This is an essential ingredient towards helping SHGs set up the vision of self reliance and have people who are reporting to them write their records.
- A model agenda for SHG meeting
 - Song
 - Attendance (just like in school)
 - Electing the chairperson
 - Setting agenda for the meeting
 - Saving from each member
 - Writing the books of accounts simultaneously
 - Repayment
 - Credit assessment
 - Prioritization
 - Extending credit
 - Discussion on Common Issues.
 - Other issues

- Fixing Next meeting place
- Reading aloud the minutes.
- Signature of members

The samples of the registers to be maintained are in Chapter VII.

- SHG should ideally start inter loaning as soon as the demand comes from the members, may be from very first meeting.
- Group Establishment material like Boxes, Meeting Registers and Books of accounts will be provided by the project. In order to become eligible for this group establishment material, the SHGs must have completed successfully 8 meetings with weekly saving will only be considered for Group establishment material.



- The community mobilisers should facilitate and nurture the all the SHG groups in such a way that they should maintained the Panchsutras

PANCHSHUTRAS

1. **Weekly Meeting:** ALL groups should hold weekly meeting.
2. **Weekly Savings:** In the SHG weekly meeting, all members should have their regular weekly uniform savings. The saving amount should be decided by the members in the meeting in such a way that each member can save it regularly.
3. **Regular Interloaning:** In each weekly meeting, member should discuss on the emergent need of the members and disburse the amount needed by the member/s
4. **Regular Repayment:** As decided by the members, the member who has taken loan should repay it regularly to the SHG in the meeting along with interest.
5. **Regular updation of SHG records:** All books of SHG should be updated regularly in the SHG meeting itself.

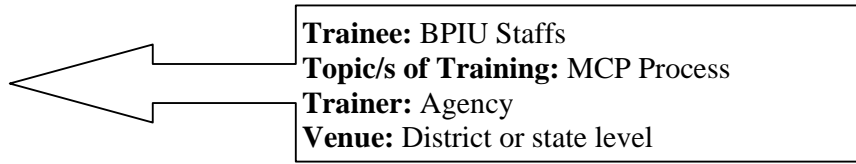
- Bank account opening – After the formation of SHG, facilitator should facilitate the discussion regarding the benefits of account opening in the nearest nationalized bank. The facilitator should only facilitate the discussion and not perform the tasks. The facilitator should have a first hand liaison with the banks

and should have initiated the initial discussion and brief the bank managers about the groups formation and status.

To open bank account in the bank following are the papers will be required by the bankers:

- ◆ List of all SHG members
- ◆ Copy of resolution passed by the SHG in its SHG meeting related to opening of bank account and its operation.
- ◆ Copy of Bye Laws of SHG
- ◆ Proceeding of the meeting in which members have selected their representatives.
- ◆ Three Photographs of each selected representatives
- ◆ Signature of the introducer in the Bank form. Introducer can be any Account holder of the same bank, Sarpanch or Mukhiya of village, representative of the government office, Self help promoting institutions or its authorized representatives.

Section III - MCP PHASE I and CIF first Tranche



MCP PHASE I :

Why MCP:

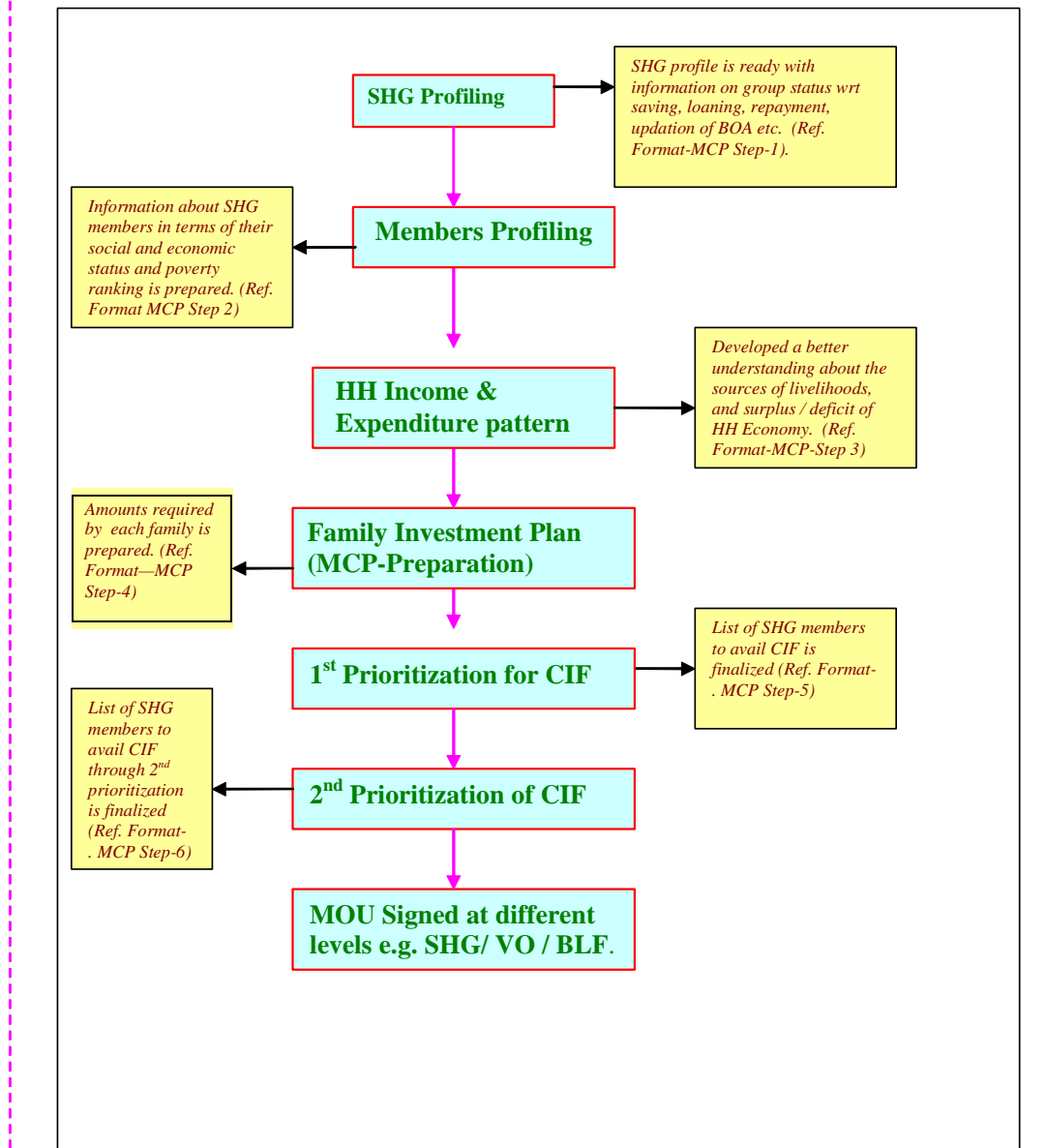
Objective/ Purpose:

- To empower community in identification of their needs.
- Developing dynamics where the community exercises the process of analyzing priorities of the members.
- Learning the skill of aggregating demand and accessing financial resources for meeting the demands.
- Readiness to catalyze group dynamics.

What:

- Micro- credit plan prepared by the community shall go in a uniform way and thus will follow the following process:

Micro-Credit Plan



Note: Though essentially the process of MCP incorporates all the above mentioned processes, it is important to mention that while making the MCP for the (Initial Capitalization Fund) ICF fund, i.e. (CIF 1st Tranche), the first 4 parameters like that of SHG profiling, Member profiling, households income and expenditure pattern and that of preparation of MCP shall be taken into account.

Who:

- Block Team led by AC shall help the group to prepare the above mentioned process that shall aid the process of SHG and its members profiling.

- The group members shall help the block team in making prioritization as regards the need to access financial products.

How:

- At First, Area Coordinator shall facilitate the group in understanding the issues of providing priority to an individual based on the community driven mechanism and understanding.
- This will become very important as the dynamics within the group will be evolving on performance parameters and it shall be an exercise for community to sympathize with the concerns of the other.
- The team shall be facilitating the task of profiling of an individual member and then getting it ratified by the group.
- The team shall be facilitating the group in becoming the spokesperson for their own cause and MCP preparation shall be a guiding phenomenon for them.

Do's in the Micro Credit Plan

- ✓ The necessity, objective and preparation method are to be discussed in the SHG meeting.
- ✓ The member of the SHG should, before the preparation of the MCP, discuss about the income generating activities with her family members.
- ✓ All the members of the SHG should discuss and prepare the MCP.
- ✓ The staff (Book keeper / Animator) should write down the MCP as per their instructions.
- ✓ Each and every member of the SHG should know the loan details of every other member and be able to let the VO know.
- ✓ All the members of the SHG should attend the VO meeting, explain the MCP and get approval. MOU should be made known to all the members.
- ✓ Two members of the SHG should attend the General Body meeting of the BLF, explain the MCP and get approval.
- ✓ Sanction of loans should be in accordance with the loan sanction plan and they should meet the requirements of the members.
- ✓ Members should spend the loan amount only on the activities mentioned in the MCP.

Don'ts in the MCP

- ✓ MCP should not be prepared without being aware of its necessity and objective.
- ✓ Members should not participate in preparation of MCP without due discussions with the family members.
- ✓ Members should not indulge in equal distribution of the amount got through MCP after approval.

CIF first Tranche:

Why: Objective/Purpose

- Small amount of savings provide opportunity only fro limited inter loaning.

- Initial seed capital will give SHGs larger amounts to inter loan establishing a robust system of prioritization, loaning, rotation, repayment and help establishing financial discipline and track record for accessing and managing larger amounts of credit. This will also help establish the confidence of the Bankers.
- Help group members in consumption smoothening (incl. food security) and other livelihood.
- Strengthen the lending/repayment practices.
- Institutionalize the MCP Process, i.e., sources & uses of fund, and prioritization needs
- Will most importantly support critical needs of members for which they were borrowing at exorbitant costs
- Will help SHGs demonstrate greater cohesion and ownership.
- “Virtual” VO formation monitoring the use of CIF, and subsequently engaged with recovery of CIF

Triggers to access 1st CIF

- ✓ GROUPS confirming to the PANCHASUTRAS
- ✓ Regular Saving @ weekly meetings by ATLEAST 75% of SHG members.
- ✓ Inter-loaning: at least 10% of Total Savings
- ✓ Timely/regular repayment: 90%
- ✓ Attendance in weekly meetings: >80%
- ✓ Good Book Keeping/record maintenance)
- ✓ SHG Bank Account Opened
- ✓ 1st Stage MCP Process COMPLETED (refer attachment)
- ✓ Identification of Book Keepers completed and Training initiated

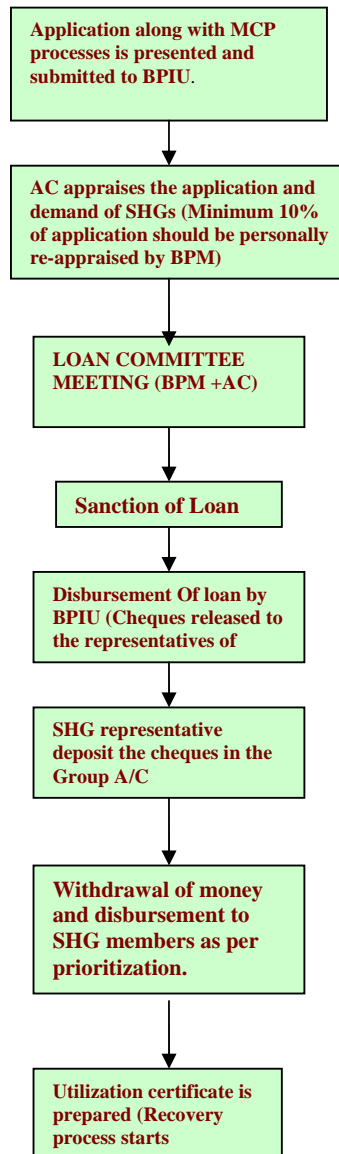
What:

1st Phase CIF

- Average CIF is Rs 7,500 – 10,000 per SHG.
- Support consumption NEEDS i.e., Food/Other Consumption needs.

Who:

- Block team shall be facilitating the groups in preparing the MCP and then forwarding the application to the block office of BRLPS and then in the long run to the Village organization which subsequently shall be mobilizing fund from the Block level federations.



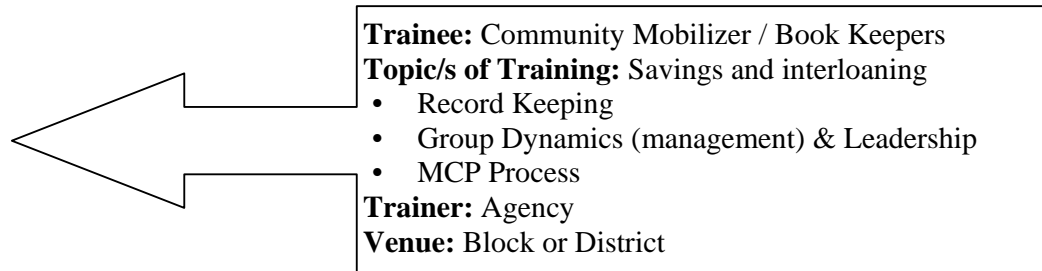
Outputs:

Expected Outputs of 1st Phase of CIF

- ✓ Internal revolution of own fund, atleast 40 percent keeping in view of requirements of opening of bank account (Rs. 500) and this becomes all the more important for the group which decides to have very small saving.
- ✓ The credit history of the group is built up which will help in achieving SHG Bank Linkage in at least 20% of GROUPS received 1st Tranche of CIF.
- ✓ Repayment of CIF in excess of 90%, and of bank loans-more than 95%, which shows significantly increased abilities for financial handling of the group.
- ✓ As CIF rotation has to be done by VO in long run, one of the expected outputs is the emergence of VO and its committees. Therefore a full fledged VO is formed and working.
- ✓ The “Audit Committee” of VO will submit a Utilisation Certificate to VO to ensure that loan has been utilized by the right person for the same cause as mentioned during the MCP.

- Strengthening and nurturing SHGs
 - Identification of Mobilizer / Book keepers
 - During the formation of SHGs - Identification of Community Mobilizer / Book keepers by SHGs with the support of CC –
 - Characteristics of Community Mobilizer
 - Preferable a Female from same village
 - Must be Xth Class passed and can write meeting minutes.
 - She should have knowledge of calculation (Basic math)
 - She should have Empathy towards poor and respect poor women.
 - Should be Patient and tolerant
 - Role and Responsibilities:
 - CM will look after minimum 10 SHGs.
 - She will come to meeting 10 minutes earlier.
 - She will attend all SHG weekly meeting at least in the first year.
 - CM will be instrumental in inculcating the best practices within the SHGs.
 - Ensuring to follow process of meeting at SHG level.
 - She will make sitting arrangements of the SHG meetings.
 - She will be ready with register (SHGs)
 - She will maintain Book Keeping Records and writing meeting minutes of every weekly meetings in the SHG meeting itself including all decision taken by the SHG in the meeting.

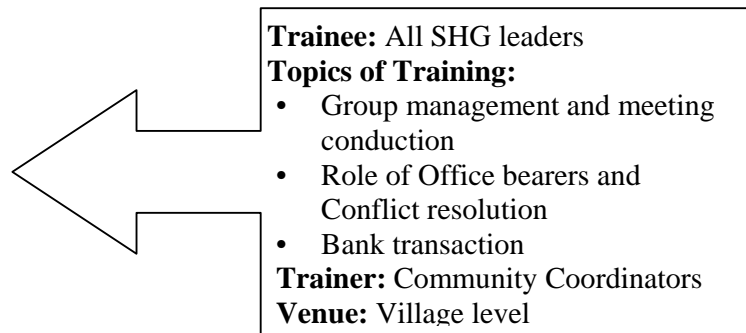
- She will read out the minutes of every meeting in front of SHG members before taking signature of members.
- She will also read out updated saving and accounts of the data.
- She will assist SHG to prepare MCP with C.C.



Trainee: Community Mobilizer / Book Keepers
Topic/s of Training: Savings and interloaning

- Record Keeping
- Group Dynamics (management) & Leadership
- MCP Process

Trainer: Agency
Venue: Block or District

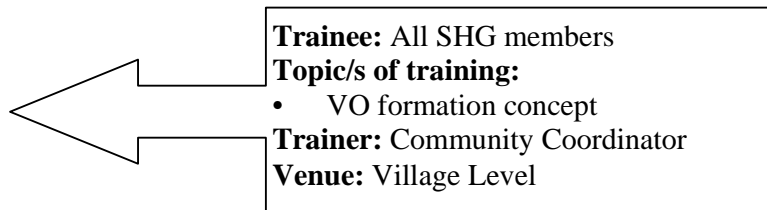


Trainee: All SHG leaders
Topics of Training:

- Group management and meeting conduction
- Role of Office bearers and Conflict resolution
- Bank transaction

Trainer: Community Coordinators
Venue: Village level

- After 3 months of formation of SHGs, CC will share to SHGs meeting Panchsutras about the Concept of VO formation. This sharing will be during the weekly meeting of SHGs.



Trainee: All SHG members
Topic/s of training:

- VO formation concept

Trainer: Community Coordinator
Venue: Village Level

Section IV-VILLAGE ORGANIZATION

Triggers for Village organization formation

- Minimum 8 SHGs formed in a village
- All 8 SHGs should have minimum 12 members
- At least 8 SHGs trained on VO Concepts, are ready to form VO
- At least 3 months of regular weekly savings.

- **Why Village Organisation:** Village organization is to help the Selp Help Groups in the following aspects:
 - Origin
 - Create a platform to share experiences: The VO will provide platform to all the SHG representatives in sharing their experience related to SHG operations and VO may also address some of the common issues at village level.
 - Collective knowledge building and leadership: Through regular monthly meeting of the Village organization and regular discussion on various issues, cross learning will take place and will also sharpen the leadership skills of all the VO members.
 - Solve inter group assistance (both financial and supporting weak groups): VO will discuss about the performance of the various SHGs and will support the week groups by visiting, counseling and discussing with them in their weekly meeting.
 - Promoting new groups: After attaining some experience in running the VO, many of the left out poor may also request the VO to form their groups. In that case, VO may depute some of the Community Resource Persons for formation and nurturing of new groups.
 - Platform to monitor the SHGs progress towards empowerment of its members: In every VO monthly meeting Vo will monitor the performance of SHGs progress.
 - Management
 - Collective management of certain community services: VO may also take up some of the common Community services on service charge model (or as decided by the VO) to render the services to the SHG members in particular and community in general like crèche, Agricultural equipment etc.
 - Collective business activities such as purchase and marketing: To get the benefits of the economics of scale VO can play a crucial role in collective purchase of raw material and collectivisation of finished goods and then marketing. This will also help in quality management and hence fetching

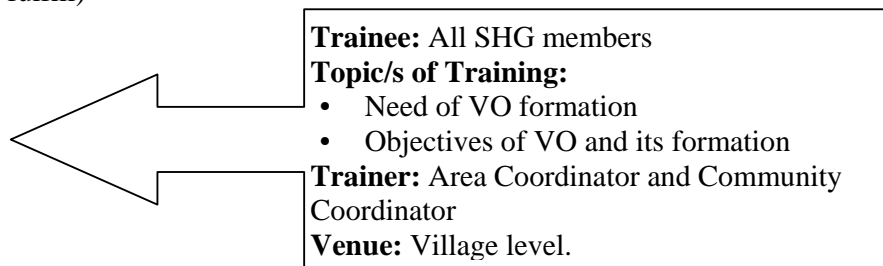
- Collective problem solving and tackling issues: SHG representative can discuss the problems related to SHG Management, social etc in the VO meeting and VO may take up the common problems and try to collectively address and tackle the issue
 - Collective lobbying for resource mobilization: VO can collectively contact the various financial institutions for mobilizing various resources to cater the need of the SHG and for development of village as a whole. They may liaison with BRLPS for CIF, government funds, schemes, banks etc
 - Serves as a pressure groups and acts as advocacy group or Collective lobbying for appropriate policy changes
 - Audit facilities: VO can also provide the audit services to all the SHGs at least once in a year or as and when required.
 - Resource Building
 - Provision for specific purpose saving and credit services: VO may take decision with the consensus of all EC members relates to saving and credit for some specific purpose like health, education etc. These fund will be saved and credited for that purpose only.
 - Training in business promotion activities: After VO acquired some experience, it may take up training programs related to Livelihood promotion like market survey cost designing of their own from their own kitty or fund received for that purpose from other sources.
 - Training of SHG members and leaders in running SHGs, Village organization etc.: Vo can also take up the training program of their staffs, SHG members and leaders in running SHGs and VO in proper way with the support of resource persons.
 - Provision of social security schemes: VO can also take up various social security schemes of their own for the benefit of all SHG members like Life insurance, cattle insurance, health insurance for women
 - Administration
 - The VO can ascertain the number of office bearers it needs to include as well as their duties: VO will take the decision in their EC meeting regarding the number of office bearers needed for managing the organization properly. Vo will also assign the job responsibilities or duties to these selected office bearers.
 - To give opportunity to the up coming leadership those who have been office bearers previously are appointed as a resource person so that his/her experience is utilized in the formation of new groups
 - Some of the clusters have decided that the office bearers will continue to take up responsibilities under one designation for 2-3 years but in case of inefficiency they can be replaced.
 - It is cost effective and saves money and time.
- **Guideline for the Village formation**

- The VO should not become more important than the Self Help Groups; instead it should play a supportive role: AC/CC should keep vigil on the dependency of the SHG on VO regularly and the impact of Village organization on SHG. AC/CC should make the SHG understand that because they are the member of SHg members that's why they are the part of Village organization. If SHG will run well, VO will be stonger and vise versa.
- The AC/CC should not become more important than the members of the VO. To ensure this the office bearers need to verify records constantly: AC/CC prime role is to act as a catalyst to agument the discussion and facilitate the SHG/VO to take their own decision. AC/CC should review their role constantly in order to judge their level of involvement in the decision making process.
- It is appropriate to observe shift control to VO as it helps the groups to strengthen itself and ensure flow of information, which may not be filtered: Flow of information from Village organization to SHG is very crucial and important. Discussion which has held in the VO meeting should be discussed in the SHG meeting by the representatives.
- Politicization of VO should be avoided: The SHG should understand that the Village organization is there to support and help SHG in better functioning and in turns empowering them to enhance their standard of living. In order to influence the decision of VO the SHG should not discriminate or create conflict in relation to caste, creed, hamlets etc.
- VO should not frame rules related to operation of SHGs: The role of Village Organisation is related to what SHG cannot do and hence VO role has to be different then the SHG. Hence, VO should not frame rules related to SHG operations: VO should review the tasks they take up constantly to overcome this overlap.

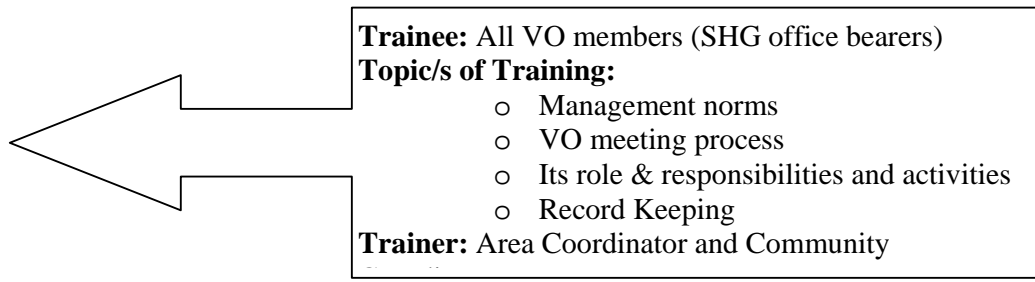
• **Formation of Village Organization:**

STEP I: Initiation of formation of Village Organisation

- AC along with CC should discuss about the benefits of VO in each SHG. (AC and CC should not commit anything which they could not fulfill)



-
- List the SHG agrees to become the part of VO.



PROVIDE STEPS IN A FLOW DIAGRAM AND THEN EXPLAIN

STEP II: BPM and AC/CC will facilitate the SHG office bearers to have 1st

Executive Committee meeting and finalize two things

- Deposit of share capital and membership fees
- Discussion on Broad bye laws of VO

STEP III: Preparation of broad Bylaws of VO

- Objective of Village organization.
- Who can be the Members of VO.
 - All Self Help Groups that meet weekly and regularly
 - SHGs which have clear and updated records
 - Stable groups operating since 3-4 months
 - Older groups promoted by other SHPIs in the village and willing to become the part of the VO and meet the first 2 criteria. While incorporating the older SHGs into the Village organization, Vo should look into the following social composition of the SHGs:
 - SHGs are from the same village.
 - SHG members are from the poor families are not.
 - Leaders of the older SHGs are from the poor families or it is being dominated by the socially upper caste or class. If yes VO may reject those SHGs to become part of VO
 - The objective of formation of SHGs are in accordance with the SHGs formed by the JEEViKA Project.
 - SHGs from the same village but if the no of groups in the village is less than 15 then VO may take decision to induct SHGs from other village on mutual consensus.
- How to become the member?
 - The authorized share capital of Village Organization shall be Rs. 150 Rupees made up of 15 no. of shares of Rs. 10 Each. The Cooperative Society shall not accept share capital from Government.
 - The maximum number of shares a member can hold shall be 20.
 - The share capital of the members shall be collected through their Self Help Groups.
 - Each SHG member will have to pays Rs. 10.00 per annum to SHGs as membership fees of VO.

- EC members and their role: The Executive committee shall comprise 3 office bearers from each SHG and General Body comprise of all members of all member SHG.
 - Admit and expel members;
 - Interpret the organisational objectives and set up specific goals to be achieved towards these objectives;
 - Review the performance of Self Help Groups and Community mobiliser.
 - Arrange to rate Self Help Groups through its staff using Critical Rating Index on Half yearly/ yearly basis;
 - Make periodic appraisal and review of financial operations, plan and budget of the VO;
 - Arrange for carrying on the administration of the VO as per the Bylaws and the policies made there under;
 - Raise funds for VO and control all financial affairs;
 - Fix fees, subscription; contribution, etc. to be paid by members and their Self Help Groups and their members to the Cooperative Society;
 - Appoint sub committee committees with specific functions, powers, tenure etc., and reconstitute the same or recall any or all the committee members at any time;
 - Lend loans to members through Self Help Groups on the basis of their ranking
 - Authorise office bearers to sign on legal documents and to operate accounts of the Village Organization;
 - Review membership in other organizations and nominate its representatives as per requirement
 - Arrange for filing of statutory returns

- Tenure of EC members.
 - The Executive committee shall have an elected tenure of Three years.

- How to select the office Bearers and their roles: In the 1st EC meeting, all the members will select the office bearers by
 - Proposing one by someone and seconding by others. And if some of the member/s is not agree then
 - Through Voting office bearers may be selected

- Following office bearers will be selected/elected
 - President
 - Secretary
 - Treasure

- Role of office bearers
 - President
 - The Executive Committee shall elect from among its members, a President for a period of one year from the date of election. The Executive Committee has the right to remove a President at any time during their tenure and elect new ones from among the existing committee members.

- The Secretary shall perform the functions and exercise the powers of the President during the vacancy in the office of the President.
- The President shall preside over all the Executive Committee and General Body meetings of the VO. In the absence of the President, the Secretary, and in the absence of both, any member of the meeting may be chosen to preside over that particular meeting.
- Be the member of all committees constituted by the Executive Committee;
- The President shall represent the VO in other forums/ organizations.
- The President operate the accounts of VO with banks and other institutions; endorse, sign, en-cash cheques; and endorse, transfer, negotiate promissory notes, securities and other instruments on behalf of VO, along with the Secretary and Treasurer as the Executive Committee may resolve;
- Be the officer of the VO to sue or be sued on behalf of the VO;
- The President shall be one of the signatory on all legal documents.

Secretary

- The Secretary shall have the following powers, functions and responsibilities:
- Convene and participate in the General Body, Executive Committee and arrange for implementation of their resolutions and decisions;
- Arrange for maintenance and security of the records and properties of Village organization.
- Manage the funds subject to the control of President/ Executive Committee and arrange for maintenance of the accounts of the VO;
- Appointment and deciding on the powers, functions responsibilities and remuneration of the employees of VO in accordance with the Rules of Business and Administration;
- Exercise administrative control on all employees of VO;
- Sign and carry out correspondence on behalf of VO;
- Perform all functions assigned by the Executive Committee and the President;
- Notify the list of members and of members eligible to vote and lists of members ceased; and
- Take corrective or transitory measures when any constitutional or management crisis arises and particularly when the Executive Committee is unable to discharge its functions.

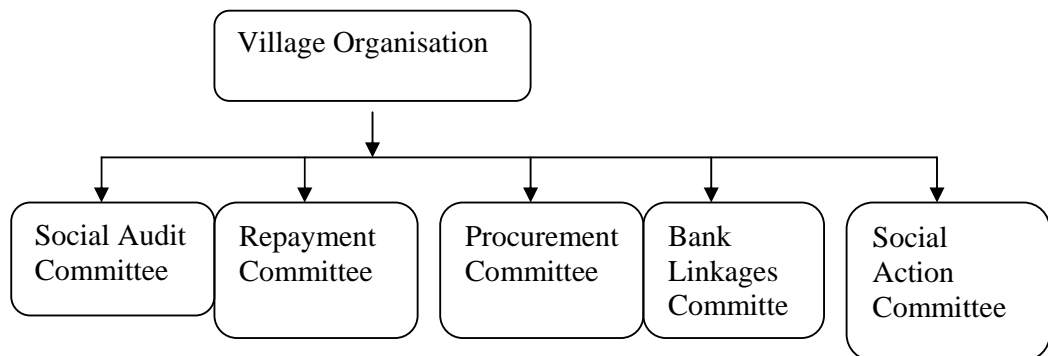
Treasurer

- Present the financial transaction in all the VO meeting
- Undertake activity related to banking of VO
- Check and collect the repayment of the loans along with interest.
- Check and collect the repayment of CIF.

- Provide information and support to Repayment, Social Audit and procurement committee regarding the financial matters
- Signatory to the VO account
- Conduction of EC Meeting
 - The Executive Committee shall meet regularly at least once in a month, preferably on a predetermined date or on a date convened by the Secretary in consultation with the President.
- A model agenda for EC meeting
 - Prayer (Common Song)
 - Attendance
 - Last meeting issues
 - Review of performance VO
 - Review of performance of SHG
 - Review of committee
 - Repayments
 - MCP (SHG) appraisal and sanctioning
 - Review of Food Security MCP
 - Discussion on Social and other Issues.
 -

STEP IV: Various committee to be formed under VO and their Role

As soon as the VO is formed, VO should form all the committee except procurement committee. VO will receive the CIF only when the committees are formed.

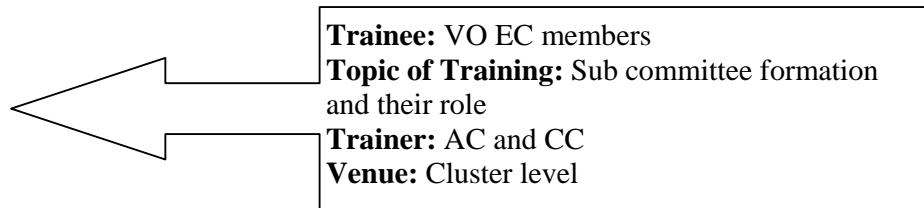


- Social Audit Committee – formed by nominating 3 members from different SHG in general meeting. Their tasks are:
 - SAC will monitor the CIF Utilization by participating in the SHG weekly meeting and holding discussion with the SHG members.
 - If CIF has been taken by some members to purchase assets and if that assets is not purchase within a fortnight then SAC will raise the issue in the SHG weekly meeting and discuss on the reason of delay.

SAC will counsel the SHG members to utilize the CIF as per the approval of VO.

- If assets are not procured within 30 days the SHG and the member will have to give sufficient reason for not utilizing the CIF and the matter will be taken up to the Village organization.
- If reason cited is not sufficient the VO may take up harsh decision by announcing the concern SHG as defaulter and next time all members of that SHG will be debarred from getting CIF.
- Repayment Committee:
 - Monitoring the repayment schedule SHG wise.
 - Consulting the concern SHG not able to repay timely and counseling the individual member
- Procurement Committee: The sub committee will have the following functions: **(Please refer Chapter VI for detail about Community Procurement)**
 - The Procurement Committee will ensure that all community procurement rules are followed in procuring goods or services.
 - The procurement Committee will scrutinize all the payment and recommend it for the disbursement
 - The committee will collect and maintain schedule of rates for every item.
 - Issue Utilization Certificate for every trench of fund release.
 - Request letters for next installment will be made out by the Sub committee once the triggers are achieved on the next installment.
 - Help the VO/BLF in appraising the CIF proposal.
 - Liaise with the social audit committee in giving clearance for the CIF project proposal.
 - Give all assistance to the Social Audit Committee in completing the audit.
 - Give all assistance to the Auditors of the VO/BLF in completing the audit.
- Bank linkage committee:
 - Loan payment from bank to SHG.
 - Repayment From member to SHG to VO
 - They assess the SHG for Bank linkages by conducting the SHG grading exercise with the support of CC/CM (Format for Grading SHG is inclosed at the end of this section). This grading will be conducted every six monthly for every SHGs.
 - Organize training
- Social action committee.
 - Identify the social issues in the village that needs attention.

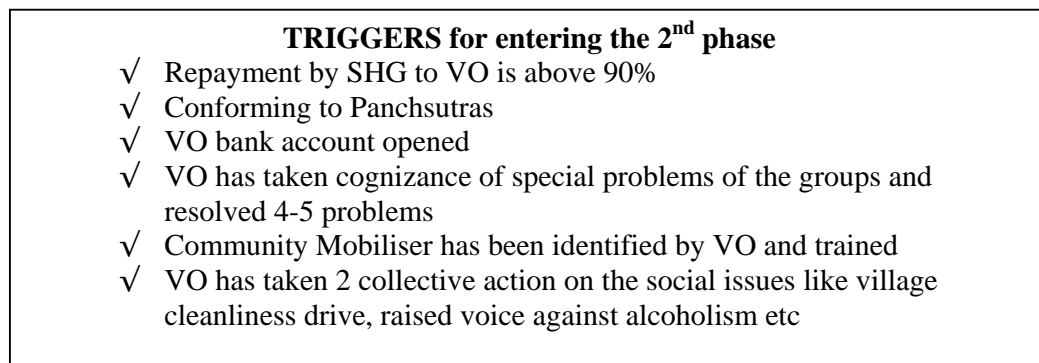
- Create awareness on social issues



- Develop team of Resource persons.

STEP V: Village organization can undertake several activities to help each of the groups to progress and strengthen itself that consequently would augment growth of the VO. Initially the VO will take up the 1st phase activities as mentioned below:

- First Phase: VO functioning
 - Sharing self help groups activities and identifying and reporting success stories
 - Ensure timely repayment of ICF provided to SHGs.
 - Understanding status on saving and loans and default
 - Opening of VO bank Account in the name of _____ JEEViKA Gram Sangathan
 - Taking cognizance of special problems of the groups and their solutions
 - Distribution of informative materials related to SHGs
 - Identifying Community Mobilizer / Book keepers from the community.
 - Considering for the coming issues programmes events and celebrations
- The CC/AC should guide the VO in such a way that initially VO should undertake the easiest task which would invite no or very less conflict and would benefit all. And subsequently, VO may take other tasks in hand. Initial success of the activity will motivate the VO to take up more challenging tasks.



STEP VI: VO will take up the 2nd phase activities as mentioned below:

- Second Phase: Information dissemination
 - MCP and release of CIF 2nd Tranche (**Please refer Section V**)
 - Collection of MCP from SHGs
 - Prioritizing the MCP and disbursing the CIF received from Project.
 - Interventions related to social issues like Literacy, Education etc (**Please refer Chapter**)
 - Supporting bank linkages and revolving corpus
 - Livelihoods Activities (**Please refer Chapter V**)
 - Queries related to government schemes and Explaining government schemes procedures to SHGs.

TRIGGERS for entering the 3rd phase

- ✓ Repayment by SHG to VO is above 90%
- ✓ Following the Panchsutras.
- ✓ VO has collected and appraised MCP at least three times
- ✓ VO has disbursed CIF (ICF) to SHGs at least two times
- ✓ Sub committee has prepared and forwarded the bank loan application of 20% of SHGs having availed CIF (ICF).
- ✓ SHGs rating A, B and C (differential CIF allocation to SHGs based on rating – 100% of Average CIF to SHGs rated A, 80% rated B and 50% rated C)
- ✓ Internal revolution of OWN FUNDS, ATLEAST 50%

STEP VI: VO will take up the 3rd phase activities as mentioned below:

- Third Phase (After 24 months): Capacity Building:
 - Conducting training programme for group members
 - Organising exposure visits
 - Initiating fund raising activities
 - Discussion about forth coming training programmes
 - Food Security

SHG Rating Sheet

1. FEELING OF HOMOGENEITY/SOLIDARITY		9. VELOCITY OF INTERNAL LENDING	
(as observed during interaction with group)	4	Formula : $\frac{\text{Total loans disbursed}}{\text{Total Savings}}$	
(a) very strong	4	Total Savings	
(b) Moderate	2	(a) Over 1.5 times	
(c) Not very much	1	(b) Between 1-1.5 times	
		(c) Less than 1 time	
2. GOVERNANCE ISSUES (additive value)		10. REPAYMENT TERMS	
(a) Awareness about objectives of Self Help Group Programme	2	(a) Monthly Instalments	
(b) Awareness about rules and regulations of group functioning	1	(b) Quarterly Instalments	
(c) Leader responsibility sharing by group members	2	(c) Lumpsum Payment	
(d) Awareness about member-wise savings and loan position	1	(d) No specific term, case to case basis	
3. CONDUCT OF MEETINGS (during last six months)		11. BANK LINKAGE	
(a) Meetings are held regularly on fixed date,time and place	8	(a) Banks have given loans which are being repaid regularly	
(b) Meetings are held regularly once a month but at the convenience of all members	6	(b) Banks have given loans but repayments are in arrears	
(c) Meetings are not held regularly, but they are conducted on fixed date, time and place	4	(c) Have approached Banks for loans but were refused	
(d) Meetings are irregular	2	(d) Have never approached Banks for loans, as loans are not required	
4. ATTENDANCE IN MEETING (during last six months)		12. BORROWER QUALITY (No.of defaulting members)	
(a) Above 90% in all group meetings	8	(a) Less than 2 members	
(b) 70% to 90% in all group meetings	6	(b) Between 2-5 members	
(c) 50-70% in all group meetings	4	(c) More than 5 members	
(d) Less than 50% in all group meetings	0		
5. FINANCIAL TRANSACTIONS IN THE GROUP (during last six months)		13. ASSET QUALITY	
(a) All fund collections, financial decisions and disbursement of loans are made in meeting only	8	Formula : $\frac{\text{Amount overdue for more than 3 months}}{\text{Total loans outstanding}}$	
(b) All fund collections/financial decisions are made in meeting but loans are disbursed outside	6	(a) Less than 2%	
(c) Fund collections are made outside meeting but loan decisions are taken during the meeting	5	(b) Between 2-5%	
(d) Both fund collections and financial decisions are taken outside the meeting	0	(c) More than 5%	
6. MEMBER AWARENESS ABOUT FINANCIAL TRANSACTIONS		14. UPTO DATE MAINTENANCE OF RECORDS (additive value)	
(a) All members are aware about all financial transactions	8	(a) Adherence to the groups bye-laws	
(b) Above 75%of the members are aware	6	(b) Attendance at the meetings	
(c) Only few members are aware	4	(c) Financial decisions taken at the meeting	
(d) None are aware	0	(d) Savings collection	
7. REGULARITY OF SAVINGS (during last six months)		(e) Loan disbursement	
(a) 100% on time payment of savings by members	6	(f) Repayment performance	
(b) 90% on time payment of savings by members	4	(g) Member-wise savings and loan portfolio	
(c) 70% -90% on time payment of savings by members	3		
(d) Less than 70% on time payment of savings by members	0		
8. PATTERN OF INTERNAL LENDING		15. USAGE OF GROUP PHYSICAL ASSETS	
(a) Need based loans availed by many members	6	(a) Group has common assets which are utilized by most members and are paid for	
(b) Need based loans availed by few members	4	(b) Group has common assets whose benefits are cornered by a few	
(c) Equal distribution of loans among all members	2	(c) Group had common assets which are no more usable or in the possession of the groups	
(d) Loans extended repeatedly to only a few members in the group	0	(d) Group has no commonly owned assets	
		16. INVOLVEMENT IN VILLAGE ISSUES	
		(a) Group actively involves itself in social and other issues of the village	
		(b) Group has sometimes been involved in resolving issues in the village	
		(c) Group has never/rarely been involved in village issues	

Marks Scored _____

Category A: More than 70

Fairly good to good groups; may be loan worthy

Category B: Between 50-70

Poor to average groups, handholding required

Category _____

Category C: Less than 50

Very Poor groups, need intensive capacity building

Assessed By (name & signature): _____

Date of Assessment: _____

Section V - MCP Phase II and CIF 2nd Tranche

MCP Phase II:

Why MCP:

Objective/ Purpose:

- Ensuring community identifies its own needs.
- Developing dynamics where the community exercises the process of analyzing priorities of the related members.
- Planning to broaden the scope of livelihood portfolio of different members.

What:

All the groups will follow the same MCP process, which has been described in section MCP Phase-1, Tranche-1.

- SHG Profiling
- Member Profiling
- Household Income and Expenditure pattern
- Preparation of Micro Credit Plan
- 1st Prioritization
- 2nd Prioritization
- Agreement between SHG and members.
- Agreement between SHG and VO.

Who:

- Block Team led by AC shall help the group to prepare the above mentioned process that shall aid the process of SHG and its members profiling.
- The team shall be helping the members to plan the diversification of their livelihood portfolio.
- The group members shall help the block team in making prioritization as regards the need to access financial products and diversifying their livelihood portfolio as regards enhancing livelihoods.

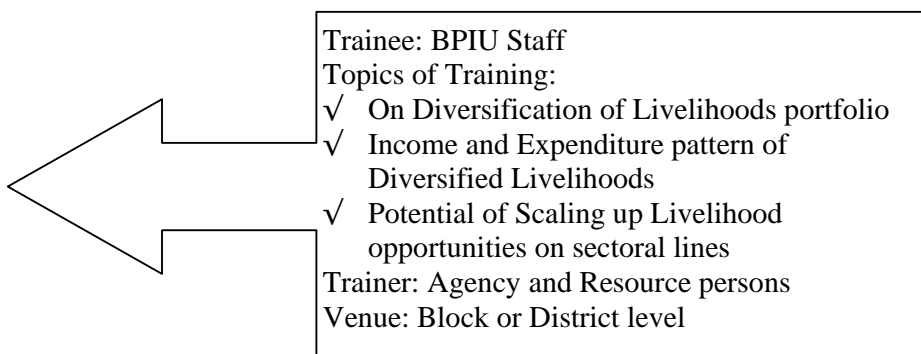
How:

- At First, Area Coordinator shall facilitate the group in understanding the issue of providing priority to an individual based on the community driven mechanism and understanding.
- This will become very important as the dynamics within the group will be evolving on performance parameters and it shall be an exercise for community to sympathize with the concerns of the other.
- The team shall be facilitating the task of profiling of an individual member and then getting it ratified by the group.
- The team shall be facilitating the group in becoming the self initiator for their own cause and MCP preparation shall be a guiding phenomenon for them.

CIF 2nd Tranche :

Why: Objective/ Purpose

- Capitalization of SHGs and VOs
- Leveraging BANK Finance
- Strengthening and Institution Building of VOs
- Trained “Community” Para Professionals in all the VOs



Triggers to Access 2nd Tranche CIF

- Opening of VO Bank Account.
- Following the Panchsutras.
- Submission of Utilisation Certificate??
- Community BOOK KEEPERS @ SHG-level appointed
- 2nd Stage MCP Process (refer attachment)
- SHGs rating A, B and C (differential CIF allocation to SHGs based on rating – 100% of Average CIF to SHGs rated A, 80% rated B and 50% rated C)
- Internal revolution of OWN FUNDS, ATLEAST 50%
- Repayment of CIF and BANK LOANS in excess of 95%

- **2nd Phase of CIF**

How:

- Community shall bring the details of the MCP prepared at the SHG level to the VO for financial leveraging.
- VO in turn shall aggregate the demand and leverage the fund from either BLF or other financial institutions if it is possible.
- Scheduling for the repayment of the loan shall be planned in consultation with the groups.
- Information about the loan shall be shared with different committees so that they take up different responsibilities.

Output:

Expected Outputs

- ✓ Internal revolution OWN FUNDS, ATLEAST 75 percent
- ✓ Achieve SHG Bank Linkage in at least 30% of GROUPS which received 2nd dose of CIF.
- ✓ Repayment of CIF in excess of 90%
- ✓ Repayment of BANK LOANS in excess of 95%
- ✓ Atleast 10 percent of SHG members who availed CIF show household level debt reduction by 25%
- ✓ Turnover of VO which received CIF : ATLEAST Rs 200,000
- ✓ VO finances ATLEAST 25% of its OPERATIONAL EXPENSES thro “internal accruals”.
- ✓ Para professional recruited and trained (MASTER BOOK KEEPER and Livelihood Associates)
- ✓ Formation of BLOCK LEVEL FEDERATION.

Chapter IV

Micro Credit Plan (MCP)

Objective:

Poor shall learn the art of forming, strengthening and managing their institutions which over a period of time shall in position to leverage the institutional strength to mobilize different financial institutions to provide credit and other support. It is a powerful mechanism to repose faith in community and facilitate the process to identify their own needs and come out with a response amidst constrained resources.

Why MCP?

- ❖ To meet the credit needs of all the members in the group,
- ❖ To explore the ways and means of development by identifying and assessing the available social resources individually and group wise,
- ❖ To meet the temporary and long term needs,
- ❖ To avail loan facility from other institutions,
- ❖ To utilize the limited resources in meeting the needs of the members on priority basis,
- ❖ To strengthen the capabilities of the individuals and institutions,
- ❖ To improve the financial management skills.

Eligibility of Groups

- ❖ Groups formed with the Poor only are eligible.
- ❖ At least 3 month is to be completed from the date of the inception of the group.
- ❖ Four meetings is the general norm.
- ❖ Group should have norms and adherence to the same is required.
- ❖ Savings should be deposited and Loans should be paid regularly.
- ❖ Group shall encourage Internal Lending.
- ❖ The group shall have Bank Account.
- ❖ Regular Book Keeping is to be done.
- ❖ Members should have understanding and be aware of the transactions of the group.
- ❖ Members should know the method of management of the group.

Method for Preparation of Micro Credit Plan

- ❖ Should be prepared at a place that is agreeable to all the members.
- ❖ Points discussed at the time of preparation are to be noted down in the Minutes Book.
- ❖ In case of Income Generating Activities (IGA), the members should, first, discuss among their family members, come to a decision and present the same in the meeting.
- ❖ Members should act independently and take decisions.

- ❖ Agreements should be prepared on the lines that are decided by the members and the institutions.
- ❖ The uniform installment pattern for all the members shall be discouraged as people have different sources of cash flow.
- ❖ Rate of interest on the loans provided for Income Generating Activities should be in uniform manner.
- ❖ Installments for repayment of loans

From members to the SHG	Up to 24 monthly installments
From SHG to VO	Up to 60 monthly installments
From VO to BLF	Up to 120 monthly installments

7 steps of Micro Credit Plan

1. Comprehensive information of the Group
2. Comprehensive information of the members of the Group
3. Individual Income and Expenditure statement of the member
4. Estimate of the Income Generating Activities of the members
5. Details of the members availing the loan in first priority.
6. Details of the members availing the loan in second priority.
7. Memorandum of understanding between :
 - a) Members & SHG
 - b) SHG & VO
 - c) VO & BLF

Discussions

First discussion:- After preparing the estimate for the consumption purpose/ IGA the same should be discussed in the EC meeting of the VO. It is quite natural that while providing the Initial Capitalization Fund, VO may not be in existence and so the ICF amount can be given directly to SHG's and to be returnable to the VO.

Second discussion:-Details of selection of the members that are being given loans in the first priority Procedure for sanctioning loans on rotation should be discussed in the EC meeting of the VO.

Third discussion:-Members should make the MOU known in the SHG and EC meeting of the VO. The Leaders of the VO should read out the MOUs in the BLF meeting.

Benefits

- ❖ SHG members can immediately meet their emergency requirements including that of consumption purposes.
- ❖ Taking up Income Generating Activities combining the investment obtained through Micro Credit Plan with resources and skills.
- ❖ Can purchase assets utilizing funds on a large scale.

- ❖ Funds will be distributed not to all the SHGs, but to the deserving SHGs having good practices. (By this recovery will be done effectively and activities can be taken up multiple times at a larger scale)
- ❖ The remaining SHGs will also develop good practices and acquire the skills in preparing MCP.
- ❖ Funds will be utilized in an effective, efficient and better manner.
- ❖ Internal funds will be enhanced.

Information known through MCP

- ❖ Present status of the family.
- ❖ Their experience in various income generating fields.
- ❖ Their experience about the income and expenditure in hitherto taken up income generating activities.
- ❖ Identified activity, Implementation method, Purchase, Marketing facility will be known.
- ❖ Can affirm the additional income for the family through these activities.
- ❖ Precautions to be taken during unforeseen situations (Insurance, Conforming to the basic health principles for the cattle, Advice from experts)
- ❖ Estimation of investment (Personal contribution + Loan amount from the SHG)
- ❖ Building up the confidence in the activities to be taken up.
- ❖ After availing loans from the SHG, they invariably will take up the IGA.

Note on Trainings:

1. It will be better and easier if 20 members participate in the training programme.
2. Every 10 members should form one group in the training programme.
3. MCPs should be prepared by dividing into two groups.
4. One group, as if they were the SHG and the other one VO, should explain the MCP to the other group. The same is to be repeated with the second group also.
5. Two or three best VOs are to be selected from one block.
6. Two or three best SHGs are to be selected from one VO and MCP is to be prepared by them.
7. When the details of the group MCP are explained to the EC of the VO, they will accept the same. If not, the group has to discuss further, approach the EC of the VO and get approval.

Preparation of Micro Credit Plan – Seven step Process.

Step 1: Comprehensive Information of the SHG.

- ❖ Details of the SHG.
- ❖ Details of the funds of the SHG.
- ❖ Grade obtained by the SHG through financial transactions.
- ❖ Age of the SHG.
- ❖ Details of the membership in the VO.

Step 2: Comprehensive Information of the members

Each and every member of the SHG contemplating the present status of their family.

- ❖ Members of the family and their occupation.
- ❖ Their income.
- ❖ Family expenses.
- ❖ Family debts.
- ❖ Their problems.
- ❖ Discussion on the grave problems.

Step 3: Individual Income & Expenditure statement of the Member.

- ❖ Existing livelihoods - Ways and means to enhance the income through them.
- ❖ Details of the earnings through the present livelihoods.
- ❖ To make them think of the opportunities that exist.
- ❖ To make them aware of the capabilities.

Step 4: Assessment of the IGA to be taken up by the members (Family Investment Plan of the members)

Explaining the activities to be taken up, enhancement of capabilities through investments.

- ❖ Methods of getting out of problems through investment.
- ❖ Present income through existing activities and assessment of additional income that can be earned after investment.
- ❖ To make them think of the ways and means to get the investment.
- ❖ Explaining the activity to be taken up.
- ❖ Explaining the investment.
- ❖ Explaining the method of repayment of investment.
- ❖ Assessment of the investment required by all the members.

First Discussion

All the members of the SHG should discuss themselves, prepare the Micro Credit Plan and present the same at the VO meeting. The members are to answer the questions asked by the VO. After the discussions, if the VO is satisfied, assures some amount of financial help and asks the SHG to return for second discussions with the detailed plans for the first priority borrowers and second priority borrowers and its implementation methodology.

Step 5: Details of the first priority borrowers: -

- a) If all the members get the loans at a time, they will compete with each other asking others to pay first.
- b) As a result the norms of the SHG will be violated.
- c) There would a problem as to which member (second priority) the money obtained through recovery is to be given. Therefore, all the members should discuss among themselves and prepare a rotation plan.

An analysis should be done on the basis of the details of the first priority borrowers and a plan is to be prepared through discussion with all the members.

- Must be selected person from category of Poor
- Must be without any help

- Single women
- Poor family with no sources of income
- Without/ Little skills
- According to the season relevant to the IGA (Priority is to be given)

Step 6: Details of the second priority borrowers: -

A process is to be evolved to provide loans to the second priority members on the basis of the principle and interest recovered according to the recovery plan and the savings. The process is to be evolved in a way that all the members can get loans in a period of 9 months based on the repayments of the first priority borrowers.

Second Discussion:-

During the second round of discussions the SHG members should discuss at the VO meeting, the details of procedure for the first priority borrowers, selection process of the members, members' share and the share of the SHG. They should also explain in detail at the VO meeting, the process of providing loans to the second priority members, selection of members, recovery and interest payment method and make the VO appreciate the same.

After the VO accepts the proposal, it asks for an MOU. This should be submitted in the next meeting.

Step 7: MOUs: These are of three types. (please refer to the format attached)

- 1) MOU between the Members and the SHG. This should be prepared after due discussions in the SHG.
- 2) MOU between the SHG and the VO. This should be prepared after due discussions with the VO Committee at the second round of discussions itself.
- 3) MOU between the VO and the Block Level Federation (BLF). This should be prepared after due discussions by the VO at BLF meeting.

Third Discussion:-

All the members of the SHG should attend the VO meeting and read out the two MOUs. All the members should be able to speak on the MOUs at the VO meeting, i.e.

- a) MOU between the Members and the SHG
- b) MOU between the SHG and VO

Micro Credit Plan Step – 1:

Comprehensive Information of the SHG as on date

1. Name of the SHG:
2. Name of the Village:
3. No. of members in the SHG:

SC	ST	BC	OC	Total

4. Bank Account No. of the SHG:
5. Date of inception of the SHG:
6. Total amount of Savings:
7. Total amount of Interest earned:
8. (a) No. of meetings conducted so far:
9. (b) Percentage of attendance:
9. Does the SHG have membership in the VO?
10. Whether the SHG has availed any loan from any institution? If yes, how much amount? From which institution?
11. Corpus fund in the SHG:
12. Arrears in the SHG:
13. No. of loans provided by the SHG:
14. Total amount of loans provided by the SHG:
15. Names of the representatives of the SHG:

16. Signatures of the representatives of the SHG:

Micro Credit Plan Step – 3:

Household Income and Expenditure statement of the Member (1 Year)

1. Name of the Member:	4. Caste
2. Name of the husband:	5. Age:
3. Details of the land:	6. Details of the family members
Income	Expenditure
1. Total income from agriculture:	1. Rice Day/Kg x month x Price:
2. Income from husband's wages Days x Wage	2. Red gram Day/Kg x month x Price:
3. Income from wife's wages Days x wage	3. Other commodities month x Price:
4. Income of the son or daughter Days x wage	4. Electricity Charges/month:
5. Others:	5. Soaps/month x Price:
a) Business:	6. Green leafy & other vegetables Days x month x Price
b) Job:	7. Liquor & Tobacco/month:
c) Artisan works:	8. Meat/month:
	9. Exp. on children's education/month:
	10. Exp. on health/month:
	11. Travel exp. / month:
	12. Other exp./month:
	Total exp x12:
	13. Investment on agriculture/ year:
	14. Cloths & Festivals/ year:
Details of Income & Expenditure	
1. Milk/ day Litre x Days x Price	1. Grass Kg x Day x Month x Price:
2. Dung/ month Loads x Price	2. Fodder Kg x Day x Month x Price:
3. Milk for household consumption: Litre x Days x Price	3. Exp. on Health:
4. Price of the calf:	4. Transportation Exp.
	5. Wages- Day x Month x Price

Micro Credit Plan Step – 4:

FAMILY INVESTMENT PLAN

Assessment of Income Generating Activities to be taken up by Members

Name of the SHG:
Name of the Village:

Name of the VO:
Name of the CF:

Name of the C.C.:
Name of the Block:

Sl. No.	Name of the Member	Name of the Husband	Activity to be taken up for Income generation	Required amount of loan for the activity	Contribution of the member	Amount required from the SHG	Income per month	Exp. per month	No. of installments	Value of installments			Remarks
										Principle	Interest	Total	
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													

Micro Credit Plan Step – 5:

Details of the members availing the loan in first priority

Sl. No.	Name of the member	Activity to be taken up for Income generation	Required amount of loan for the activity	Contribution of the member	Amount required from the SHG	Exp. per month	No. of installments	Principle	Interest	Total	Remarks
1											
2											
3											
4											
5											
6											
	Total										

Micro Credit Plan Step – 6:

Details of the members availing the loan in second priority

Sl. No.	Name of the member	Activity to be taken up for Income generation	Required amount of loan for the activity	Contribution of the member	Amount required from the SHG	Exp. per month	No. of installments	Principle	Interest	Total	Remarks
7											
8											
9											
10											
11											
12											
	Total										

Do's in the Micro Credit Plan

- ❖ The necessity, objective and preparation method are to be discussed in the SHG meeting.
- ❖ The member of the SHG should, before the preparation of the MCP, discuss about the income generating activities with her family members.
- ❖ All the members of the SHG should discuss and prepare the MCP.
- ❖ The staff (Book keeper / Animator) should write down the MCP as per their instructions.
- ❖ Each and every member of the SHG should know the loan details of every other member and be able to let the VO know.
- ❖ All the members of the SHG should attend the VO meeting, explain the MCP and get approval. MOU should be made known to all the members.
- ❖ Two members of the SHG should attend the General Body meeting of the BLF, explain the MCP and get approval.
- ❖ Sanction of loans should be in accordance with the loan sanction plan and they should meet the requirements of the members.
- ❖ Members should spend the loan amount only to the activities mentioned in the MCP.

Don'ts in the MCP

- ❖ MCP should not be prepared without being aware of its necessity and objective.
- ❖ Members should not participate in preparation of MCP without due discussions with the family members.
- ❖ Members should not indulge in equal distribution of the amount got through MCP after approval.

Micro Credit Plan Step – 7:

a) MOU between the Members and the SHG:

1. All the members will work according to the norms of the SHG.
2. The members who availed loans from the SHG will repay the principle and interest in accordance with the installments decided upon.
3. It shall show the assets to the members of the Audit Committee during the audit.
4. Members who availed the loan will repay without any arrears.
5. It shall work in accordance with the MOU reached with the SHG.
6. It shall send representatives to the VO meetings along with monthly report.

b) MOU between the SHG and the VO:

1. It shall utilize the loan taken for consumption/ income generating activities as indicated in the MCP.
2. It shall show the assets purchased at SHG to the Audit Committee of the VO.

3. SHG shall repay the principle and interest in installments as stipulated in MOU with the VO.
4. It shall utilize the services of the Mobilizers at the VO level.

c) MoU between VO and BLF:

1. The representatives of the VO will attend the BLF meetings without fail.
2. VO shall attend to the trainings being imparted by BLF.
3. VO shall utilize the loan amount taken from BLF to the activities mentioned only.
4. VO shall repay the loan amount along with principle and interest in installments as stipulated in the MOU with BLF.
5. VO shall show the assets to the BLF Audit Committee during their inspection.
6. VO shall submit the monthly reports to BLF.

STANDARD APPLICATION FOR COMMUNITY INVESTMENT FUND (CIF)
LOAN FROM SELF HELP GROUP (SHG)

For VO Office use only:

To:

THE PRESIDENT
VILLAGE ORGANISATION (VO)

Application No: Date of Receipt by VO:

VILLAGE: _____

Dear Madam,

We _____ (name of SHG) would like to avail Community Investment Fund (CIF) as loan for Income Generation for extending credit facilities to our members. Please find below the details of our SHG.

1. Name of our SHG _____
2. Date of Inception _____
3. SHG Leader(s) Smt. _____ and
(in BLOCK LETTERS)
Smt. _____
4. Our Bank Account No. _____ with
_____ Bank _____ Branch.

5. Lending History of our SHG:

Sl. No	Particulars	Amount in Rs
1	Cumulative Loan Disbursed	
2	Cum. Principal Recovered	
3	Balance Principal O/S	
4	Overdues Amount	

6. Micro Credit Plan of our SHG

Sl. No	Name of Member	Category (SC/ST/BC/OT)	Poverty status	Wealth Ranking	Purpose of the loan	Amount Required in Rs
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
Total						

1. Sources of Fund for Executing Micro Credit Plan of SHG:

Total Loan Requirement for income Generation Activities in Rs	Own Savings in Rs	Bank Linkages in Rs	CIF Loan in Rs

Kindly sanction us a CIF loan of Rs _____ as per the details mentioned in para 7 above.

Signature of the President

Signature of the Treasurer

STANDARD APPLICATION FOR COMMUNITY INVESTMENT FUND (CIF)
LOAN FOR VILLAGE ORGANISATION (VO)

For BLF/BRLPS Office use only:

To:

THE PRESIDENT
BLF/BRLPS

Application No: Date of Appraisal by BLF/BRLPS:

BLOCK: _____

Dear Madam,

We _____ (name of VO) would like to avail Community Investment Fund (CIF) as loan for Income Generation activities including the Micro credit plans prepared by our member SHGs and working capital requirement for our food security and marketing initiatives and as a grant for executing Social Development and Physical Productive Infrastructure subprojects. Please find below the details of our VO and member SHGs.

1. Name of our Village Organization

2. Full Address:

Village: _____ **Post Office:** _____

District: _____ Pin code: _____ Telephone: _____

3. Date of Inception _____

4. Registered Registration No: _____ Not Registered

5. Associated with NGO/ Co-operatives/ Other Development Organization :

6. VO Leader(s) _____

Smt. _____ and

Smt. _____

7. Our Bank Account No. _____ with
 _____ Bank _____ Branch

8. SHG Wise CIF Loan Requirement for Executing Micro Credit Plan of SHGs (in Rs.).

Sl. No	Name of SHG	No. of members	Poverty Status (PoP/ BPL/ Others)	Total cost of Income Generation Sub Projects	Own Fund	Loan from Bank	CIF Loan
1							
2							
3							
4							
5							
6							
7							
8							
9							
10	Total:						

9. Component Wise CIF Requirement for Executing Village Micro Plan (in Rs.)

Sl. No	Particulars*	Amount
	IG activities	
1	MCPs of SHGs	
2	Working Capital for Food Security Intervention	
3	Working Capital for marketing Activities	
	Total IG CIF:	
	Social Development subprojects	
1		
2		
	Total SD CIF	
	Productive Physical Infrastructures	
1		
2		
	Total PPI CIF	
	Total CIF (IG+SD+PPI)	

* Note: Other than micro plans of SHGs, for all categories a detailed description and assessment report is to be attached. In case of SHG micro plans micro plans of individual SHGs are to be attached.

10. Sources of Fund for Executing Village Micro Plan:

Total Loan Requirement	Own Savings in Rs	Bank Linkages in Rs	CIF in Rs

11. We have taken up some of the following activities in addition to our Savings & Credit activities.

12. Sources and Uses of Funds of VO:

Sources	Amount in Rs	Uses	Amount in Rs
Savings/ Deposits from Member SHGs			
Grants		Bank Balance	
Loans		Cash Balance	
Interest on Loans			
Commission Fees on Loans to Member SHGs			
Membership Fees & Admission Fees from Member SHGs			
Total :		Total :	

13. Lending History of VO:

(in Rs)

Sl. No	Cumulative Loan Disbursed in Rs	Cum. Principal Recovered in Rs	Balance Principal O/S in Rs	Overdue Amount in Rs
1				

Kindly sanction us a CIF (as loan of Rs _____ and as grant of Rs _____)
as per the details mentioned in para 9. MCPs of SHGs, the proposals for food security,
marketing intervention, social development subprojects and Productive Physical
Infrastructure subprojects are enclosed.

Signature of the President

Signature of the Treasurer

Utilisation Certificates

Certificate from SHG

Details of loan activities of the SHG for the quarter I/ II/ III/ IV of the FY _____

Name of the SHG:

Status of the SHG: PoP/BPL/Others

Date:

Sl. no.	Name of the member	SC/ST/BC/OC/Disabled	Name of the Activity	Amount spent	Source of funds				
					Own funds	Bank	CIF	Re-cycled CIF	Other sources
Total									

Signatures of the President, Secretary and Treasurer

Certificate from VO

Details of the SHG micro plans consolidated and other VO activities for the quarter I/ II/ III/ IV of the FY _____

Name of the VO:

Date:

a. Classification of SHGs and source of funds

Type of SHG	No.	Own funds	CIF	Bank loan	Recycled CIF	Other sources
PoP						
BPL						
Disabled persons						
Other						
Total						

b. Activity wise utilisation of funds

Sl.No	Name of the activity	No. of members	Amount spent	Source of funds				
				Own funds	CIF	Bank	Recycled CIF	Other sources
SHG Micro plans								
I	Agriculture							
I.1	Crop cultivation							
1.2	Bore-well							
1.3	Pump-set							
1.4	Bullock and cart							
1.4	Others							
Sub Total								
II	Animal Husbandry							
II.1	Milch animals							
II.2	Sheep and goats							
II.3	Others							
Sub Total								
III	Non-farm							
III.1	Production							
III.2	Service							

11I.3	Business							
Sub Total								
VO plans								
IV	Food security							
V	Marketing							
VI	Social Development							
VII	Productive Physical Infrastructure							
Grand Total								

c. Category wise utilization of funds:

SC/ST/BC/OC	No. of members	Source of funds				
		Own funds of SHGs	CIF	Banks	Recycled CIF	Other sources
SC						
ST						
BC						
Disabled						
OC						
Total						

d. Social audit certificate

Process description
Record of variations, if any

Signatures of the President, Secretary and Treasurer

Utilisation Certificate by the Block Level Federation

Details of the activities undertaken by SHGs and VOs (consolidated) and self for the quarter I, II, III, IV of the FY _____

Name of the BLF/BRLPS:

Date:

a. Classification of SHGs and source of funds

Type of SHG	No.	Own funds	CIF	Bank loan	Recycled CIF	Other sources
PoP						
BPL						
Disabled						
Other						
Total						

b. Activity wise utilisation of funds

Sl.No	Name of the activity	No. of members	Amount spent	Source of funds				
				Own funds	CIF	Bank	Recycled CIF	Other sources
SHG Micro plans								
I	Agriculture							
I.1	Crop cultivation							
1.2	Bore-well							
1.3	Pump-set							
1.4	Bullock and cart							
1.4	Others							
Sub Total								
II	Animal Husbandry							
II.1	Milch animals							
II.2	Sheep and goats							
II.3	Others							
Sub Total								
III	Non-farm							
III.1	Production							
III.2	Service							

11I.3	Business							
Sub Total								

VO plans								
IV	Food security							
V	Marketing							
VI	Social Development							
VII	Productive Physical Infrastructure							
Grand Total								

c. Category wise utilisation of funds:

SC/ST/BC/OC	No. of members	Source of funds				
		Own funds of SHGs	CIF	Banks	Recycled CIF	Other sources
SC						
ST						
BC						
Disabled						
OC						
Total						

d. VO wise utilisation of funds:

Name of the VO	Source of funds				
	Own funds of SHGs	CIF	Banks	Recycled CIF	Other sources
Total					

Signatures of the President, Secretary and Treasurer

Roles and Responsibilities Matrix

Activities	Members	SHG	VO ¹	BLF ²	CM	CC	AC	BPIU ³	DPCU/ Training Cell	SPMU	BRLPS
Village Entry & Identification of Poor communities						Primary	Primary	Support			
Community Mobilization						Primary	Support CC			Advisory	
SHG formation						Primary	Support CC				
Conducting regular SHG Meeting					Primary	Secondary	Monitor				
SHG grading and readiness					Secondary		Primary	Monitor			
SHG Account Opening						Primary	Support	Guidance			
Informal VO formation						Primary	Support CC				
VO account Opening						Support	Primary	Guidance			
MCP -I	Primary	Primary				Support	Monitor			Monitor	

¹ The sub-committees formed at the VO level will be responsible for the respective activities

² The sub-committees at the BLF level will be responsible.

³ BPIU will be responsible in the initial phases when the VO and BLF is not in place, after which the responsibility will shift from BPIU to VO and then to the BLF.

Activities	Members	SHG	VO ¹	BLF ²	CM	CC	AC	BPIU ³	DPCU/ Training Cell	SPMU	BRLPS
preparation											
MCP - I appraisal							Primary			Monitor	
MCP - I approval								Primary		Monitor	
Release of first tranche of CIF funds for SHG Initial capitalization								Primary		Monitor	
VO formation including sub-committees						Primary	Support	Guidance	Guidance		
Development of Training Plan						Support	Primary	Support	Guidance		
Training at Village/ SHG level					Primary	Primary	Support CC		Guidance Monitor		
Training at VO level						Support AC	Primary		Guidance Monitor		
Training at Cluster Level							Support	Primary	Guidance Monitor		
Training at Block Level							Support	Primary	Primary	Guidance Monitor	

Activities	Members	SHG	VO ¹	BLF ²	CM	CC	AC	BPIU ³	DPCU/ Training Cell	SPMU	BRLPS
BLF formation								Primary		Monitor	
MCP - II for livelihoods - preparation			Primary ⁴	Primary	Facilitate	Facilitate/ Support	Facilitate/ Support	Guidance Monitor			
MCP - II at individual household-preparation	Primary		Secondary			Facilitate/ Support	Facilitate/ Support	Guidance Monitor			
MCP - II at SHG level		Primary	Secondary					Monitor			
MCP - II appraisal				Primary				Monitor			
MCP - II approval				Primary				Monitor			
Release of installments of second tranche of CIF				Primary				Monitor			
Releasing Funds				Primary				Monitor			
Implement MCP activities	Primary		Monitor	Monitor							
Repayment		Primary	Primary	Monitor							

⁴ VO and BLF have concurrent responsibilities for activities. VO will be responsible till the BLF is formed. It is proposed by 18 months, BLF will take up all responsibilities for the project implementation at the community level.

Activities	Members	SHG	VO ¹	BLF ²	CM	CC	AC	BPIU ³	DPCU/ Training Cell	SPMU	BRLPS
and reporting											
Supervision, Quality Assurance			Primary				Monitor				
Prepare Completion Reports		Primary	Secondary				Monitor				
Maintain Books of accounts & preparing financial reports		Primary	Primary	Primary			Monitor				
Community Monitoring & Social Audit/ Transparency			Primary				Monitor				
Liasioning at Cluster level						Support	Primary				
Liasioning at Block level								Primary		Support	

CHAPTER V

LIVELIHOODS ACTIVITIES

What is Member Profiling

Member profiling is a tool to know the social and economic status of a particular SHG member household.

Why Member Profiling

Member profiling will be done to understand the homogeneous or heterogeneous nature of the group members in a particular Self Help Group (SHG).

Who will do the member profiling

The Community Coordinator will do the member profiling of the SHG members based on the following indicators

- ◆ Nos. of family members
- ◆ House Type (Kuchha / Pucca)
- ◆ Occupation & its type
- ◆ Land Type, size & type [Own land / leased land / sharecropper land]
- ◆ Livestock (Dairy, Goatery, Poultry, etc.) [Own cattle / share cattle]
- ◆ Mobility Type
- ◆ Assets & Type

When Member Profiling will be done

- ◆ After the formation of the affinity Self Help Group
- ◆ Just after the first saving of SHG.

During the First tranche of CIF

- ◆ Income-Expenditure will be conducted
- ◆ Micro Credit Plan will be done
- ◆ Prioritization will be done
- ◆ The combination of member profiling, Income-Expenditure & Micro Credit Plan will give the assets status including existing land status (own land, leased land and sharecropping land)

What is Land Status

Land status means; what is the size of the land in katha / bigha / acre / hectare owned or leased or taken on sharecropping basis by the SHG households for farming for the whole year.

Why Land Status is required

The project will provide technical assistance to those SHG households who has either

- ◆ Own land
- ◆ Leased land
- ◆ Sharecropping land

on Systems for Rice Intensification (SRI) and Participatory Varietal Selection & Promotion (PVSP) Programme for production enhancement. (The details of SRI & PVSP is given in the Annexure A & B respectively)

Who will collect the Land Status

The Community Mobilizer will collect the land status details.

When the Land Status details will be collected

During the process of first Micro Credit Plan for giving the loan from the first tranche of CIF to the SHG members, land status details will be collected and compiled.

How the Land Status details will be collected

- ◆ From the record of the member profiling during the formation of the SHG
- ◆ From the record of the income-expenditure analysis of the individual SHG households during the Micro Credit Plan process
- ◆ From the record of the outcome of the Micro Credit Plan
- ◆ Physical verification of the land (by direct observation)

Why SRI & PVSP

The current level of production and productivity is unable to suffice the food needs of the SHG households. The production of cereals, pulses, vegetable, etc., unable to cater the food need for the whole year. Introduction of SRI & PVSP will increase the production and thereby meets the food need for additional 3-5 months from the current level.

What is SRI & PVSP

SRI is a system for rice intensification. In the SRI methods i.e., seed selection & treatment, wet bed nursery, transplanting, spacing, water depth regulation, weeding & hoeing will increase the productivity by 15 quintals per hectare of rice during kharif season. (Details of SRI given in Annexure A)

PVSP is a Participatory Varietal Selection & Promotion Programme. This programme deals with seed. The farmers use their own grains or seeds (which stored from the last year's production or seed from the local market, without aware of the quality aspects) for

the production purposes. Under this programme, better seed varieties will be provided depending on the suitability of the farmers' soil and climate. The farmer will undertake his own intercropping operation practices with his own seeds and offered seeds in the same land. After the harvest of the crop, depending on the productivity; the farmer has the choice to adopt the offered seed. By PVSP, the production of the crop will be enhanced by 30-40%. (Details of PVSP is given in Annexure B)

Triggers for Selection of SHG households

- ◆ SHG households (Identification of SHG households is given in Annexure C) Should be a farmer either in own land / leased land / sharecroppers land (land status details collected by the Community Mobilizer described earlier)
- ◆ SHG member should have 90% repayment rate
- ◆ At least 20 SHG households in a village

Who will be benefited

- ◆ SHG households engaged in agriculture as a farmer and have either own land / leased land / sharecropper land

Who will identify the SHG Households for SRI & PVSP and HOW

The Community Mobilizer will identify the SHG households for the SRI & PVSP under the following conditions

- ◆ Land status details from the member profiling
- ◆ Triangulation for the land status details from the income-expenditure analysis during MCP
- ◆ Outcome of the MCP
- ◆ Direct observation for own land / leased land / sharecropper land
- ◆ Repayment rate from the books of accounts of the respective SHGs

Who will provide the technical assistance on SRI & PVSP

The project will identify the best technical service providers to support the project in providing the SRI & PVSP in the agriculture field of the SHG households.

What will be provided under technical assistance in SRI & PVSP

- ◆ Technical Training
- ◆ Exposure to good SRI & PVSP site (inside or outside state)

- ◆ On farm Demonstration in the SHG household's agriculture field (at least 10 field in a village)
 - Good variety seed will be given
 - One no. of Weeder & Sprayer will be provided per 5-10 SHG households in case of SRI for all the SHG households adopting SRI
- ◆ Handholding through out the cropping season

Whose field will be selected for on farm demonstration

The SHG household should be from the poorest of the poor as per the Participatory Identification Process (as defined by the project), the SHG households will be prioritized as per the below mentioned. At least 10 Households in a village will be selected for the demonstration.

- ◆ Leased Land
- ◆ Sharecropper's Land
- ◆ Own Land

What is a Skilled Extension Worker

- Active member of the SHG household involved in livelihoods activities by adopting the new methodologies or practices
- Sincerely attended all trainings, exposures & demonstration
- Who can visit to other villages to share new methodologies, train the fellow farmers and facilitate the demonstration in their field
- Who can facilitate the internal exposure

Who is a Skilled Extension Worker

- ◆ Member of the SHG households directly involved / engaged in

- SRI, PVSP in case of Agriculture
- Fishery
- Makhana
- Apiculture
- Incense Sticks
- Any others (as defined by the project)

- ◆ Member of the SHG households who have received the following;

- Training
- Exposure
- On farm demonstration
- Handholding for a complete season / cycle

- ◆ Member of the SHG households becoming an expert after attending all the training, exposure, on farm demonstration and engaged in his/her own assets during handholding till the harvest / production in SRI, PVSP in agriculture, Fishery, Makhana, Apiculture, Incense Sticks, etc.
- ◆ The Member who is also present after the harvest to support in collecting the data and compiling the data for analysis and learning from the sectoral intervention such as SRI, PVSP in agriculture, Fishery, Makhana, Apiculture, Incense Sticks, etc.

Milk procurement at Dairy Co-operative Society

The Dairy Cooperative Society (DCS) exists at village level to procure milk from the members and non-members twice a day i.e., morning and evening. This assures the members and non-members for ensured selling of their surplus milk and strengthen dairy as one of the major income generating activity for their sustainable livelihoods. This is advantageous against the selling milk to the milk man or others, which is neither regular nor a viable option for income generation.

What is Dairy Co-operative Society

Dairy Co-operative Society (DCS) exists in village level to procure milk from its members and non-members twice a day and pay them the lumpsum amount in every 7-10 days. This is a regular activity.

Triggers for taking up Dairy activities

- ◆ Dairy Co-operative Society (DCS) should exist in the village
- ◆ SHG households (Identification of SHG households is given in Annexure D) should have one or more number of milch cattle producing milk (own the milch cattle)
- ◆ Should have a milch cattle producing milk (own the milch cattle)
- ◆ SHG member should have 90% repayment rate

Who will be benefited

- ◆ SHG households having milch cattle can be benefited

What are the benefits

- ◆ The SHG households can pour / sell their milk in the existing DCS
- ◆ They will be termed as non-members initially and will receive the services in a higher cost than the members

- ◆ After 90 days of regular milk pouring in the milk procurement center of the DCS, they will become the members
- ◆ They will avail the services of the DCS at the same cost (which is given to the members)

Who will identify the SHG Households for milk selling linkage with the DCS and HOW

The Community Mobilizer will identify the SHG households for the milk selling linkage with the DCS under following conditions

- ◆ Milch cattle status from the member profiling
- ◆ Triangulation for the milch cattle status details from the income-expenditure analysis during MCP
- ◆ Outcome of the MCP
- ◆ Direct observation for own milch cattle
- ◆ Repayment rate from the books of accounts of the respective SHGs

Who will establish linkage with the DCS for the SHG households in milk selling

The Community Coordinator will assist by taking initiative in conducting meetings with the SHG household levels and DCS level to establish linkage followed by a interface among the two entities, if required !

How the community coordinator will establish linkage between the two entities

Besides the interface between the SHG households and DCS, the Community Coordinator has to undertake the following activities

Initiative at DCS (Dairy Co-operative Society) Level

- Meeting with the DCS Secretary, DCS President
- Collect the information on the total membership, daily milk procurement (morning + evening)
 - Membership Issues
 - Why HHs having milch cattle are not pouring milk in the DCS
 - What is the milk rate and other facilities offered from the DCS
 - What are the constraints from the DCS end

Initiative at SHG HHs level (having milch cattle)

- Meeting with the SHG HHs having milch cattle
- Collect the information on their consumption vs marketable surplus
- Where and to whom the milk is sold by the SHG HHs
- What is the price they are getting (where they are selling milk)
- What is the system of payment

Producers' Group

What is a Producers' Group

Producers' Group is a group of SHG households involved in a particular set of livelihoods activities such as Agriculture, Fishery, Makhana, Apiculture, Incense Sticks, etc.

Who can be a member of the Producers' Group

1. SHG households involved in Agriculture in their
 - Cultivating in own land
 - Regularly taking land on Lease
 - Working as a labour in share cropping system
 - Outcomes of the MCP

Condition for the formation of Producers' Group

- At least 20 SHG HHs involved or interested to involve in a particular livelihood activity

Who can be a member of the Producers' Group

SHG households can become a member of the producers' group, if s/he satisfies following conditions;

- | | |
|----------------|---|
| <p>P
W</p> | <ul style="list-style-type: none">➤ In case of Agriculture = The SHG HHs already involved or interested to engage in agriculture in own land / leased land / sharecropper's land➤ In case of Incense Sticks = The SHG HHs already involved in the incense sticks rolling➤ In case of Fishery = The SHG HHs from a fishing community and involved in fishery either as a labour or taking water body on lease➤ In case of Makhana = The SHG HHs from a fishing community and involved in makhana either as a labour or taking water body on lease➤ In case of Apiculture = The SHG HHs were already trained or interested to engage or having more than one number of Beehives |
|----------------|---|

The marketable surplus of the members of the Producers' Group will aggregate as a Procurement Center having collectivization character. The Procurement Center will evolve as an aggregation or collectivization center for the Producers' Group. The Producers' Group will have the President and Secretary to operate the center. It will have rotational leadership in every six months.

When it will be initiated

After one month of the cropping season, the idea of collectivization of the marketable surplus will be initiated among the Producers' Group and formally be established at the end of the second month.

After the harvest of seasonal crops, the Procurement Center will procure the marketable surplus from the members of the Producers' Group and will sell in the village or open market in a better price.

Gradually, the Producers' Group will collectively purchase the agriculture inputs or livestock inputs for its members in bulk quantity in a competitive price and distribute to its members in spot payment basis.

Procurement centre will have following function

- Purchase of surplus marketable produce from the Producers' Group
- Selling at a better price
- Purchase of agriculture input from the open market for its members
- Selling to members of the Producers' Group in competitive price

Procurement of inputs & outputs by the Producers' Group

After the first harvest after the SRI and PVSP programme a Producers' Group will be formed; the members of the producers' group will sell their marketable surplus produce in the procurement centre. The surplus produce can be given to the Village Organization for food in-secured SHG member households in a priority basis unless can be sold in the open market at a better price.

Dairy Initiative

In case of Dairy initiative, SHG households having milch cattle on a sharing basis will be covered during this period.

Criteria for Selection for loaning, if emerging & prioritizing in the MCP

- Already rearing a milch cattle on a sharing cattle
- Willing to own the same cattle reared by him/her
- Willing to take up dairy as a livelihood activity
- Interested to pour milk in the DCS, if exists
- They can be given loan as per the MCP

Identification of SHG households for SRI & PVSP

Sl. No.	Name of the SHG	Name of the SHG member	Name of the SHG households engage in the activity	Family Size	Land in Katha	Type of Land (Own / Leased / Sharecropping)	Crop	Yield	Crop	Yield	Crop	Yield	Crop	Yield	Crop	Yield

Annexure D

Identification of SHG households for Dairy

Sl. No.	Name of the SHG	Name of the SHG Member	Name of the member of the SHG Households	Family Size	Nos. of Milch Cattle	Total Milk Production (morning + evening)	Total Daily Milk Consumption	Total Milk Marketable Surplus	Where currently Selling	Cost per litre of milk	Total Amount	Arrangement

Chapter VI

COMMUNITY PROCUREMENT

An important aspect of implementing the activities at the village level and block level is for the community to procure goods, works, materials and other support services required for management of CIF, by them. Depending upon the nature of CIF, in most cases, 40%-70% of the cost of CIF projects is constituted by cost towards various goods, materials and services. Any savings due to efficient procurement is the income of the community. Lots of money and resources can be saved and very good quality can be assured by efficient and intelligent procurement.

Therefore, procurement methods should be selected considering economy and efficiency, and appropriate procurement procedures followed. Inefficient procurement can result in increased cost of activities, change in quality of facilities and services and also delays in pace of work.

1. Community Procurement

Under the project, communities are empowered to carry out procurement of goods, works, materials and services as described below consistent with procedures and rules given in this Chapter.

- Goods – means construction materials, equipment, machinery, consumables, etc. required for implementation of any subproject.
- Works – means construction of buildings, village roads, rehabilitation of minor irrigation schemes including structures, etc. This may include where required hiring of skilled and unskilled labour towards implementation of such works.
- Materials – means cement, sand, steel, electric cabling, wiring, and fittings, etc.
- Services – means hiring of individuals/ firms who will provide professional services such as preparation of plans, engineering estimates and drawings, implementation support for subprojects, training of SHG, VO, CPC, CBLF & BF members and various committees, quality monitoring of works, setting up accounting systems, setting up savings and loan activities etc.

2. Key Rules

- *Transparency:* All procurement procedures must be carried in an open and transparent manner by informing the respective CBOs and displaying all details of procurement at prominent places in the village.
- *Equal Opportunity for all Suppliers:* Equal opportunity must be given to all suppliers interested in supplying items to the CBOs and uniform evaluation procedures must be adopted.

- *Accountability*: Any office bearer or committee member of the CBOs undertaking procurement function remains accountable for all decisions and actions taken. Members found practicing corruption (as elaborated later in this step), are liable to be expelled from the primary membership of the CBO's. Losses, if any occurring to the CBOs on account of the actions of a member will be recovered from such a member.
- *Ensuring Value for Money*: items procured should meet the required technical specifications and the quality standards, and the "best price".
- *Avoid Procurement of items from Friends and Relatives*: Procuring items from close relatives and friends of any of the office bearers of the CBOs must be avoided.
- *No Undue benefit for anyone*: No Members of the CBOs shall accept directly or indirectly any undue benefit or advantage on account of a procurement action.

3. Advantages of Community Procurement

There are many advantages of Community Procurement:

- Communities are able to get the best price from the suppliers and procure items at optimum cost which will ensure savings and quality;
- Community is accountable and takes responsibility for the decision which makes is advantageous to the community members;
- Communities can use local labour, local materials, and indigenous knowledge;
- Communities will improve skills and gain confidence in implementing participatory development subprojects; and
- Communities will display information related to procurement actions for the information of communities thus ensuring transparency of their transactions.

4. Procurement Methods at different level

:

SHG Member Level

Items	Method
Goods- <ul style="list-style-type: none"> • Food Grains • Livestock • Small Machinery Instruments • Handpumps • Construction Items • Furnitures 	Direct purchase by comparing the price in the open Market .Member should also take the help of Rate bank prepared by the BPIU/VO/BLF

<p>Civil Work-</p> <ul style="list-style-type: none"> • Construction/Repair of Own House, Shop 	<p>Direct Contracting by comparing the price in the open Market .Member should also take the help of Rate bank prepared by the BPMU/VO/BO</p>
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- There is no obligation to follow the procurement procedure by the Individual SHG members but to bring economy & efficiency in the procurement made for their households, the member must be very careful and use the procurement procedure .
- For procurement of services members should take the help of VO.

SELF HELP GROUP LEVEL

Items	Method
<p>Goods-</p> <ul style="list-style-type: none"> • Food Grains • Livestock • Small Machinery Instruments • Hand pumps • Construction Items 	<p>Direct purchase by comparing the price in the open Market jointly by purchase committee.</p>
<p>Civil Work-</p> <ul style="list-style-type: none"> • Construction of Sheds • Construction of Platform 	<p>Direct Contracting</p>
<p>Services-</p> <ul style="list-style-type: none"> • Resource Person-Book keeper, Health Service provider • Small miscellaneous service provider as per the need 	<p>Direct Hiring duly approved by the village organisation or from the panel maintained by the VO</p>

- Every SHG shall form a three members procurement Committee who will be responsible for all SHG procurement.

- Every procurement must be approved in the next members meeting through resolution & maintained in the minute book.
- Cost of Community items must be displayed at a prominent place in the village.

VILLAGE ORGANISATION LEVEL

Items to be Procured	Threshold value (INR)	Procurement method
Works - <ul style="list-style-type: none"> • Tube well, • Small sheds • Construction of Market shed 	1. Works costing up to Rs.1,00,000 per contract	Community to execute themselves-Direct contract with local organizations VO/BLf/SHG or carry out the works by themselves.
	2. Works costing more than Rs.1,00,000 but less than Rs.5,00,000 per contract	Procurement by written quotation inviting at least 3 quotations from qualified domestic contractors.
	3. Works costing more than Rs.5,00,000 per contract	Open tender by inviting bids through advertisement in local newspaper.
Goods & Equipment <ul style="list-style-type: none"> • Food Grains • Weighing Machine • Livestock • Small Machinery Instruments • Tube Wells Construction Materials 	1. Non comparable goods such as cattle, seeds, plants etc.	Direct Purchase
	2. Goods costing less than Rs.10,000 per contract	Direct purchase from local market (following quality & specification standard)
	3. Goods costing above Rs.10,000 but below Rs. 2,00,000 per contract	Open tender by inviting bids through advertisement in local newspaper.
Services- Resource Person-Book keeper, Health Service provider, Teachers and Skill development & Training Resource Person	1. Up to Rs. 25,000 per contract	Single source/comparing of CVs of at least 3 individuals/firms.
	2. Rs.25,000 to Rs.1,00,000 per contract	Invite 3 or more proposals and select based on consultant qualifications, experience and cost
	3. Above Rs.1,00,000 per contract	By advertising in local newspaper and selection based on quality and

		competence
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- Every VO will form a five members procurement Committee of who will be involved in all procurement at VO.
- Every procurement must be approved in the members meeting through resolution & maintained in the minute book.
- Cost of Civil Structure must be displayed at VO offices.

Community Based Livelihood Federation/Producer Groups

Items to be Procured	Threshold value (INR)	Procurement method
Works - <ul style="list-style-type: none"> • Small sheds • Construction of Market shed 	1. Works costing up to Rs.1,00,000 per contract	Community to execute themselves-Direct contract with local organizations VO/BLf/SHG or carry out the works by themselves.
	2. Works costing more than Rs.1,00,000 but less than Rs.5,00,000 per contract	Procurement by written quotation inviting at least 3 quotations from qualified domestic contractors.
	3. Works costing more than Rs.5,00,000 per contract	Open tender by inviting bids through advertisement in local newspaper.
Goods & Equipment <ul style="list-style-type: none"> • Small Machinery Instruments • Construction Material 	1. Non comparable goods such as cattle, seeds, plants etc.	Direct Purchase
	2. Goods costing less than Rs.10,000 per contract	Direct purchase from local market (following quality & specification standard)
	3. Goods costing above Rs.10,000 but below Rs. 2,00,000 per contract	Open tender by inviting bids through advertisement in local newspaper.
Services- Skill development & Resource Person	1. Up to Rs. 25,000 per contract	Single source/comparing of CVs of at least 3 individuals/firms.
	2. Rs.25,000 to Rs.1,00,000 per contract	Invite 3 or more proposals and select based on consultant qualifications, experience and cost

	3. Above Rs.1,00,000 per contract	By advertising in local newspaper and selection based on quality and competence
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- Every CBLF will form a minimum three members procurement Committee who will be involved in all procurement at CBLF.
- Every procurement must be approved in the members meeting through resolution & maintained in the minute book.
- Cost of Civil Structure must be displayed at CBLF offices.

Block Level Federation

Items to be Procured	Threshold value (INR)	Procurement method
Works - <ul style="list-style-type: none"> • Small sheds • Construction of Market shed 	1. Works costing up to Rs.1,00,000 per contract	Community to execute themselves-Direct contract with local organizations VLO/BLA/SHG or carry out the works by themselves.
	2. Works costing more than Rs.1,00,000 but less than Rs.5,00,000 per contract	Procurement by written quotation inviting at least 3 quotations from qualified domestic contractors.
	3. Works costing more than Rs.5,00,000 per contract	Open tender by inviting bids through advertisement in local newspaper.
Goods & Equipment <ul style="list-style-type: none"> • Small Machinery Instruments • Construction Material 	1. Non comparable goods such as cattle, seeds, plants etc.	Direct Purchase
	2. Goods costing less than Rs.10,000 per contract	Direct purchase from local market (following quality & specification standard)
	3. Goods costing above Rs.10,000 but below Rs. 2,00,000 per contract	Open tender by inviting bids through advertisement in local newspaper.
Services- Skill development & Resource Person	1. Up to Rs. 25,000 per contract	Single source/comparing of CVs of at least 3 individuals/firms.
	2. Rs.25,000 to Rs.1,00,000 per	Invite 3 or more proposals and select based on consultant

	contract	qualifications, experience and cost
	3. Above Rs.1,00,000 per contract	By advertising in local newspaper and selection based on quality and competence

- Every BLF will form a minimum three members procurement Committee who will be involved in all procurement at BLF.
- Every procurement must be approved in the members meeting through resolution & maintained in the minute book.
- Cost of Civil Structure must be displayed at BLF offices.

DOCUMENTS TO BE MAINTAINED FOR PROCUREMENT AT EVERY LEVEL-

- Quotations invited for the procurement.
- Bills & Vouchers for all the purchase made
- Procurement Register has to be maintained at every level in which following details must be given for every procurement-
 - Date of Approval from the EC
 - Name and quantity of items
 - Date of purchase
 - Name of Suppliers/Service provider/Contractor
 - Total Budgeted and approved cost and quantity
 - Detail list of items purchased
 - If Contract –period of contract

Rate Bank

BPIU/BLF will create rate bank for all the items likely to be procured by the Community. Minimum three members committee along with the representatives of BPMU will directly go to the market and enquire about the rates and will prepare data base of Shops with their name, address and the rates of all the likely items to be procured.

Quotations may be invited time to time for the items having value more that Rs. 10000/. Separate Data base has to be maintained for such items. The data base must be updated every three months

Chapters VII

COMMUNITY BOOKKEEPING & ACCOUNTING

COMMUNITY LEVEL ACCOUNTING

In Bihar, the government has implemented many projects for poverty reduction in which all the decision related to the fund release lies in the hand of the Officials. But, for the first time in the history of Bihar this project will transfer finances directly to the community for their overall development. In order to manage the fund effectively project need to demonstrate high level of financial discipline.

What is meant by Financial Discipline?

Every member, office bearer or committee member dealing with the funds of the Village Organization/ Block level Federation has to adhere to three important principles, which are also the three pillars on which financial discipline is built are:

1. Transparency
2. Accountability
3. Prudence

Transparency

Transparency means that

- ✓ All financial transactions are made with full knowledge of the Village Organisation / BLF, leaving no reason for confusion.
- ✓ Every SHG of the VO/BLF has the right to know the details of all financial transaction
- ✓ All financial transactions are clearly recorded in detail and any member in the community or outside the community can verify these records.
- ✓ All financial transaction updated information must be displayed in the VO office and will be accessed for all. Annually, the financial transaction will be displayed at prominent public locations such as the community/ Panchayat center.

Accountability

Accountability means:

- ✓ The office bearers have to exercise their financial powers with utmost care and remain answerable to the members, SHG/VO/BLF.
- ✓ The BLF/VO can fix responsibility on any office bearer for not complying with the guidance in dealing with CIF and CAN LEGALLY RECOVER ALL THE LOSSES INCURRED BY THE VILLAGE ORGANIZATION ON ACCOUNT OF SUCH ACTIONS, FROM THE OFFICE BEARER.

- √ All financial transactions are to be properly reported to the BLF/VO and its sanction must be obtained.

Prudence

Prudence refers to the following;

- √ All financial transactions have to be carried out with utmost care protecting the interest of the community.
- √ No office bearer or their relatives or allies shall directly or indirectly get undue benefit from a financial transaction of the Village organization/BLF
- √ All financial transactions are to be documented carefully with correct documentary evidence using sound accounting principles.

As discussed in Chapter II all members of SHG/VO/BLF including the Office bearers require to be responsible, cautious and honest in spending the money which they have directly received from the project. SHG/VO/BLF must also realize that they are accountable for every paise of money spent. If any one of them violate these principles, the whole SHG/VO/ BLF will be denied further funding and will result in the cancellation of the agreement. The misdeeds of even one of the member or community member will deprive the benefits of the project to the whole village.

For this purpose we need to follow the non negotiables and key principles mentioned in Chapter II in each and every transaction throughout the project at all levels.

Community must be careful and do the following:

- √ Maintain a simple and accurate accounting and book keeping system.
- √ Buy things of good quality at the lowest price.
- √ Let the community make their own decisions after weighing all the aspects as they will do for their own money.

How to open and operate a Bank Account including selecting signatories.

Community Investment Fund at Village Organisation or Block level Federation level is community money and SHG/VO/BLF should take utmost care to keep it safe and spend it in a judicious manner.

- √ Open a Saving Bank Account in the name of the Village Organisation or the Block Level Federation in the nearest Bank.
- √ All the CIF received under the project should be deposited in the Bank account of SHG, VO or BLF only.
- √ All withdrawals from the bank account should be by cheque issued in the name of the beneficiary/ supplier etc.
- √ For the purpose of operating the bank account, SHG/VO/BLF has to nominate two signatories by the SHG/Village organization/ BLF. While opening the bank

account the name and addresses of the authorized signatories and their photographs need to be provided. These names will be put in the passbooks and attested.

- ✓ The two signatories nominated as above will jointly sign cheque for operating the bank account.
- ✓ The pass book and cheque books will be kept in the safe custody of the Treasurer of the VO/BLF

Fund Flow.

SHG will receive the CIF fund from VO. Initially when the VO is not formed, CIF will be rooted directly from BPIU.

The quantum of funds under each component and activities for which they have to be spent are given below in detail.

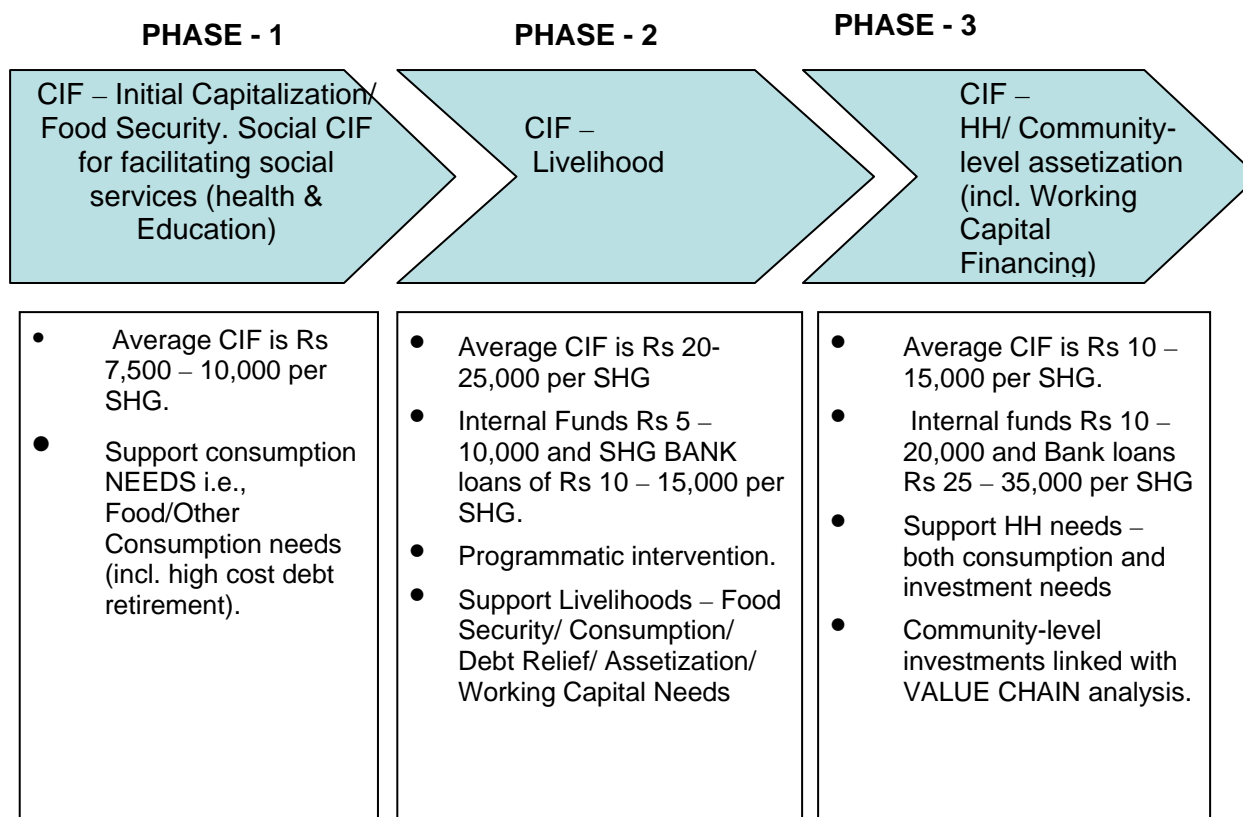
Member, SHG and VO will receive the fund from Block Level federation. Since the formation of BLF is going to take some time, initially the fund will be transferred from BPIU to the account of Village Organization directly. But the Village organization will need to repay the amount to the BLF. The flow of fund for the CIF will be as depicted in the diagram below:

Table - Conditions of Release of CIF Funds over the next 18-months

PHASE	Objective/ Purpose	Time Period	Graduation Indicators to ACCESS CIF	Expected Outputs
PHASE – 1	<ol style="list-style-type: none"> 1. Acts as “initial capitalization”/ “seed capital” for consumption smoothening (incl. food security) and other livelihood. 2. Strengthen the lending/repayment practices. 3. Institutionalize the MCP Process, i.e., sources & uses of fund, and prioritization needs 4. “Virtual” VO formation monitoring the use of CIF, and subsequently engaged with recovery of CIF 	Minimum is 3-months AFTER SHG Formation and meeting the graduation indicators.	<ol style="list-style-type: none"> 1. GROUPS confirming to the PANCHASUTRAS <ol style="list-style-type: none"> a. Regular Saving @ weekly meetings by ATLEAST 75% of SHG members. b. Inter-loaning: at least 10% of Total Savings c. Timely/regular repayment: 90% d. Attendance in weekly meetings: >80% e. Good Book Keeping/record maintenance) 2. SHG Bank Account Opened 3. 1st Stage MCP Process COMPLETED (refer attachment) 4. Identification of Community Book Keepers completed and Training initiated 	<ol style="list-style-type: none"> 1. Internal revolution OWN FUNDS, ATLEAST 40 percent 2. Achieve SHG Bank Linkage in at least 20% of GROUPS which received 1st CIF. 3. Repayment of CIF in excess of 90% 4. Repayment of BANK LOANS in excess of 95% 5. VO Formation
PHASE – 2	<ol style="list-style-type: none"> 1. Capitalization of SHGs and VOs 2. Leveraging BANK Finance 3. Strengthening and Institution Building of VOs 	Typically starts after 9 – 12 months after 1st CIF (i.e., after recovery ONLY)	<ol style="list-style-type: none"> 1. Opening of VO Bank Account 2. Community BOOK KEEPERS @ SHG-level appointed 3. 2nd Stage MCP Process (refer attachment) 	<ol style="list-style-type: none"> 1. Internal revolution OWN FUNDS, ATLEAST 75 percent 2. Achieve SHG Bank Linkage in at least 30% of GROUPS which received 2nd dose of CIF. 3. Repayment of CIF in excess of 90% 4. Repayment of BANK LOANS in excess of 95% 5. At least 10 percent of SHG members who

	<p>4. Trained “Community” Para Professionals in all the VOs</p>		<p>4. SHGs rating A, B and C (differential CIF allocation to SHGs based on rating – 100% of Average CIF to SHGs rated A, 80% rated B and 50% rated C))</p> <p>5. Internal revolution of OWN FUNDS, ATLEAST 50%</p> <p>6. Repayment of CIF and BANK LOANS in excess of 95%</p> <p>7 Good Book Keeping/record maintenance)</p> <p>8 Submission of UC</p>	<p>availed CIF show household level debt reduction by 25%</p> <p>6. Turnover of VO which received CIF : ATLEAST Rs 200,000</p> <p>7. VO finances ATLEAST 25% of its OPERATIONAL EXPENSES through “internal accruals”.</p> <p>8. Para professional recruited and trained (MASTER BOOK KEEPER and Livelihood Associates)</p> <p>9. Formation of BLOCK LEVEL FEDERATION</p>
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Phasing-in CIF



FINANCIAL MANAGEMENT AND BOOK KEEPING – FORMAT THIS SECTION

The objective of developing the self sustainable Community Institutions can only be fulfilled when the Institutions will able to efficiently manage their resources for which efficient Financial Management and bookkeeping system has to be developed in these Organisations.

The following section deals with the financial management system and Bookkeeping in the Community Organisations at different level.

Accounting Policy to be followed at Community Organisations Level-

- The Accounts shall be prepared on the historical cost convention in accordance with generally accepted accounting Principles.
- Method of Accounting:-
 1. Accounts shall be maintained on single entry book keeping system and accounting shall be done on cash basis i.e., all receipts and payments in respect of the Program shall be accounted on the basis payments made or received.
 2. All payments should be charged of to the relevant expenditure head of account at the time of making payment.

Stocks:-

Materials and supplies purchased by CBO's during the various phases of the Program should be charged to relevant Expense/Activity Account to which it pertains on payment and will be considered as utilized but memorandum records and physical controls will be maintained.

- 5 Interest received from bank and Loan Fund will become the corpus of the community Organisation and can be used for incremental Office expenses of the the organisation .
- 8 Fixed Assets and Depreciation
 - i. All assets created shall be the property of the Community Organisation..
 - ii. Assets created/constructed as part of the Project activity should be valued at the direct cost incurred in creating/constructing the asset.
 - iii. Assets acquired under the Project would be valued at cost including all direct costs (i.e. purchase price, transportation expenses, installation

charges and other expenses incurred for bringing the fixed asset in working condition), incurred prior to its first use.

- iv. Assets, both acquired and constructed, should be valued at its full cost inclusive of the Community's contribution.

4.3 STAFFING

Accounting at Community level organisation will be done by the village Community Mobiliser / bookkeepers at village level. Accountant will be appointed for the accounting of Block Level federation.

- Community Mobiliser / Bookkeeper will be selected from the village itself. Effort should be made to identify local qualified women having qualification of at least 10th Class for the Community Mobiliser.

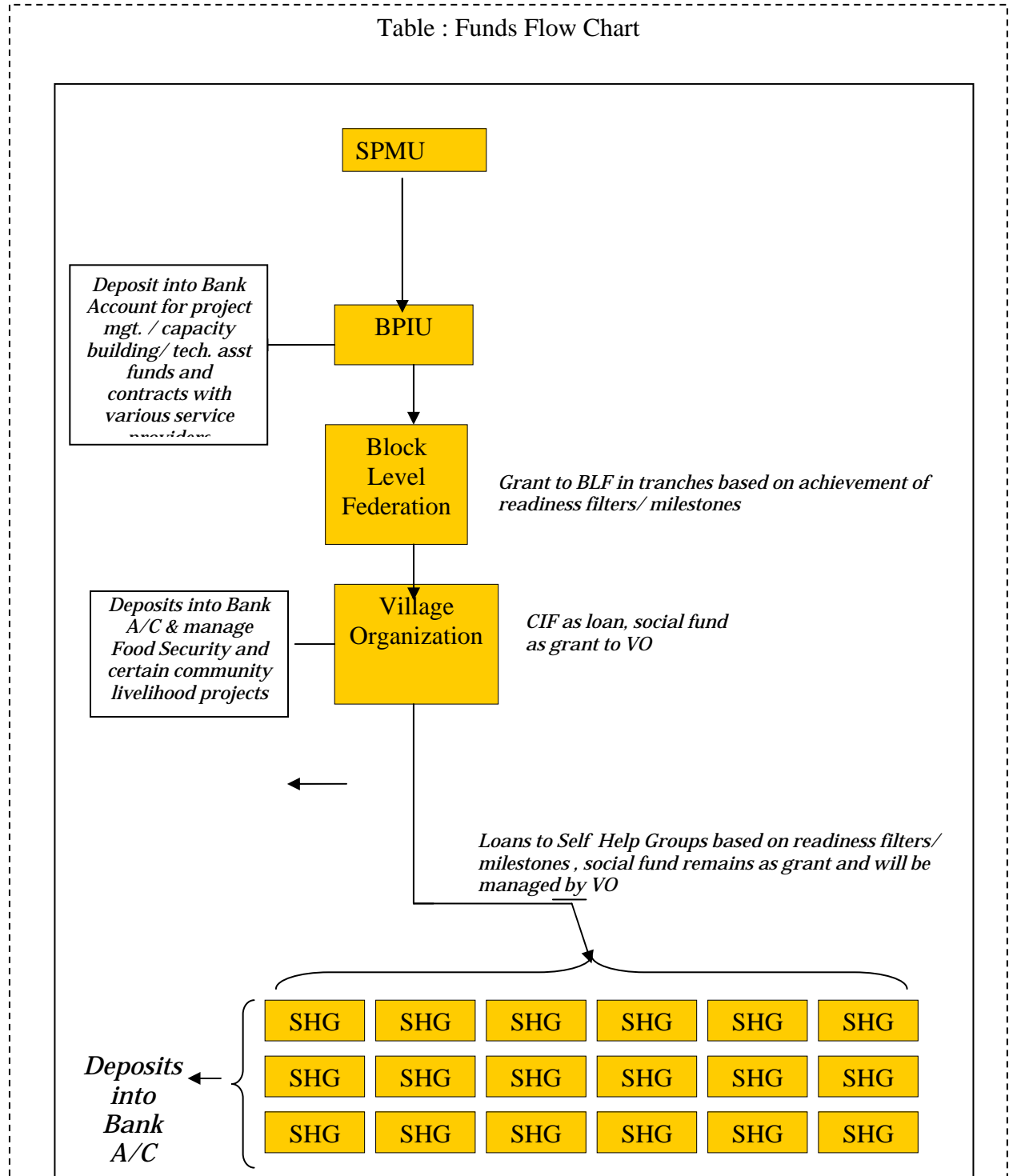
Flow of Fund

Fund will flow from Project and from different sources to the different levels of the Community.

Following types of fund is expected to be received by the Community-

- Initial Capitalisation of Fund
- Food security fund
- MCP based livelihoods Assets Fund
- Social Service fund
- Community Based Livelihood fund
- Productive & Physical Infrastructure Fund

Flow of Funds can be shown MOVE TO EARLIER PAGE WHERE REFERENCED



Large amounts of funds under different Components of CIF and other funds like Bank Loan, Program implementation Fund under convergence is envisaged which would come to Community directly through different level of CBOs. Since Community do not have capacity to handle so much of fund, it is necessary to build strong Financial and Accounting management system for efficient handling and utilisation of the Fund.

The manual elaborates the step by step method to develop strong financial Management System at the Community Level.

The Project envisages three level of Community Organisation-

Self Help Group – SHG will be a group of 12 to 15 beneficiary members at the village level which will be formed for developing the habit of Thrift & savings and developing social cohesiveness by bringing them together.

Village Organisation- VO will be the Organisation of all SHGs at the Village level and it will play a bigger role keeping in mind the interests of all SHGs at the Village level. The activities which can be done at village level will be Bulk Procurement, Running Milk Collection Centre, Running, PDS shop, Credit Linkage with bank etc and funding SHG under CIF.

Block Level Federation- BLF will be the Federation of the Village organisation and plays a bigger role at block level I.e coordinating with various agencies at Block, District and state level on behalf of the members at village level and help the SHGs and VO getting the services which they are not able to get themselves like- Bank linkages, Assisting the Government in implementation of different schemes like Mid day Meal, Distribution of Pension and various technical and training support.

Accounting & Financial Management at the Community Levels -

Books of Account at the Community level will be prepared manually. Accounting shall be done at following levels-

- SHG
- Village Organisation
- Block Level Federation

Accounting at SHG Level

The Accounting at SHG level shall be done to ensure that savings, Inter loaning among the members, Utilisation of Funds received from the project against CIF and from other sources are properly recorded and also to ensure that grant and loan received by the SHGs are properly managed and utilized for the purpose it was intended. .

SHG shall maintain the following books of Accounts-

- Cash/ Bank Book
- Minute Book
- Loan Ledger
- Savings Ledger
- Ledgers for Fund received from different sources .
- Monthly receipt and payment Registers/Sheets.
- Vouchers (optional)
- Visitors Register

Cash/ Bank Book

- The Cash book is a register to record all financial transactions of the VO.
- Both Bank and Cash columns are necessary in the Cash Book to show all the bank and cash transactions.
- The transactions are either receipts or payments.
- The transactions also fall into two categories:
 - cash transactions and
 - Transactions through Bank.
- All transactions are first recorded in receipts/ payment voucher at the time of receiving or giving the payment.
- On the date of the receipt / payment itself, receipts and payment vouchers are entered into the Cash and bank book.
- The format of the Cash Book is given below

Receipts					Payments				
Date	Heads of Account with Particulars	LF	Amount(Rs.)		Date	Heads of Account with Particulars	LF	Amount(Rs.)	
			Cash	Bank				Cash	Bank

Points to be noted in maintaining Cash & bank Book:

- All payments and receipts are recorded showing the head of account
- The description / narration given in the receipt or the voucher should be recorded in the Cash Book clearly
- Since cash & bank Book is a compilation of all the transactions taking place in a day and may affect different heads of accounts, each of these heads of accounts need to be posted with these entries in a separate book called the ledger
- A head of account is a head of expenditure of Village organisation
- Cash & bank balance must be calculated on daily basis.
- The cash & bank Balance shall be certified by the secretary and treasurer on daily basis.
- If there is no transaction in particular day then this has to be recorded on the cash Book.
- Cutting and Overwriting in the cash book should be strictly avoided .If it happens then the cutting and Overwriting must be certified by the Secretary and Treasurer.
- Cash Balance showing in the cash Book must be tallied with the cash available in the cash box. In case of difference cash book should be checked again for totaling mistakes or omissions in writing the cash book.

Vouchers-

There will be two types of Vouchers at SHG level.

1. Receipts Vouchers
2. Payment vouchers

Receipts Vouchers-SHG shall issue receipts vouchers for every receipt made by the groups against savings, CIF ,Bank loan or the receipts.

The formats of the receipt Voucher is shown below-

JEEVIKA Gram Sangathan, Village			
RECEIPT			
Receipt No.:		Date:	
Received from –(Name and address)			
Membership No.			
Sl. No.	Particulars	Amount	
		Rs	Ps
1	<i>Savings</i>		
2	<i>Loan Repayment</i>		
3	<i>Membership Fees</i>		
4	<i>Interest on Loan</i>		
5	Others to be specified		
	Total		
Rs in Words			
Book Keeper/CM		Secretary / Treasurer	

Points to be noted in preparing receipts:

- All receipts are to be prepared in duplicate.
- The duplicate copy of the receipt will be retained by the SHG and the original to the person paying the amount to the SHG.
- All receipts must be serially numbered and dated.
- All receipts must be signed by the Treasurer.
- All receipts must be accounted for in the cash Book on the date of the receipt itself.
- Any corrections in the receipts must be countersigned by the Treasurer.
- The amount in figures and words must agree

Payment /Expenditure vouchers

- Every payment/Expenditure must have some evidence which shows that Payments has been made.

- Vouchers are prepared for every payment/Expenditure.
- There are two types of payment voucher i.e Internal Vouchers and External Vouchers.
- When bills are received from the supplier or Shopkeeper or service provider against any payment or expenditure, those vouchers are called External vouchers .
- When the vouchers are prepared internally against any payments /Expenditure those vouchers are called Internal Vouchers. In big organisation internal vouchers are prepared on the basis of external vouchers.
- In small organisations only external vouchers are kept as a proof of expenditure.
- If no external vouchers are received for any expenditure than SHG may prepare internal vouchers duly signed by the person who has power to make the payment and expenditure as a proof of expenditure. In SHG the voucher must be signed by Secretary and Treasurer
- The format for payment voucher is given below

..... **JEEVIKA Gram Sangathan, Village** _____

Payment Voucher no.: _____ Date: _____

Payment made to:

Description	Head of Account	Payment towards	Amount Rs. P.	

Amount in words: **Rs** **only**

We Certify that supplies / services have been rendered and that the payment of Rupees(in words) is in accordance with the project principles and is fair and reasonable.

.....

Date:..... CM/Book Keeper Secretary / Treasurer

Received this in payment of the account, the sum of Rupees....._only

How to Prepare a Payment Voucher

- Whenever the CBO makes a payment, Payment Voucher is prepared

- The person receiving the payment must sign the payment voucher
- Bills for materials supplied are to be attached with the Payment Voucher

The details in the Payment Voucher shall be filled with the following particulars:

- who received the payment
- the reason for making the payment
- the mode of payment - cash or cheque
- Particulars of the bills/receipts enclosed to the voucher.
- When payments are made by cheque, the invoice for which the payment is made shall be attached to the voucher.
- Receipts have to be obtained for all payments and later on attached to the Payment Voucher.
- Payment vouchers must be authenticated by the person authorize to approve the payments.
- Whenever advance payments are made, it should be mentioned in the Payment Voucher as “Payment of Advance for
- Preparation of payment voucher is optional for the SHG.

Journal Voucher:

- All transactions which are not entered in the Cash Book have to be accounted for through Journal Vouchers.
- For example, if an advance is given to a supplier it will be accounted for as an Advance in the Cash Book and Ledger. When the goods are supplied and the invoice for the goods are received, the amount of advance has to be adjusted to the Cost of Goods by debiting Goods Account and crediting Advance Account. This will be done through Journal Voucher.
- The format for the Journal Voucher is given below
- Journal Voucher
- Journal Entry No. Date:.....

Date	Account Code	Particulars	Ledger Folio	Debit(Rs.)	Credit(Rs.)
	Total				

Ledger:

- We have seen above that Cash book contains all transactions related to receipt or payment. So, Cash Book shows mixed transactions on any particular date.

- The ledger book has one page / folio for each head of account. All transactions relating to a particular income or expenditure head, appearing in different places of the Cash Book will be grouped together in that Ledger Book.
- The format for a ledger folio is given below
- Format for Ledger Folio
- Head of Account Code: Page No:
- Description of Head of Account:

Date	Cash Book Page No.	Description	Debit	Credit	Balance
		TOTAL			

- The heads of accounts may be created by Village Organization according to their requirements.
- Heads of Accounts:
- Head of Accounts must not be not complicated. It should be very simple.
- Head of Account represents the nature of the transaction. For example, the payment of rent, electricity charges, conveyance are all administrative expenses and are grouped under the head of account “Administrative expenses”.
- Heads of account are very useful for preparing Trial Balance which is explained below.
- Heads of account help us in knowing how much we have spent for a particular expenditure or the balance in our bank account or the cash on hand.
- We can also know from the ledger about the amount of advance paid to suppliers.
- We can also know from the ledger about the amount to be paid by the Village Organization for materials purchased on credit.

Loan Ledger

Since the major activity in a SHG group is providing loan the members a separate loan ledger are maintained for each and every member. The Loan ledgers consist of following information.

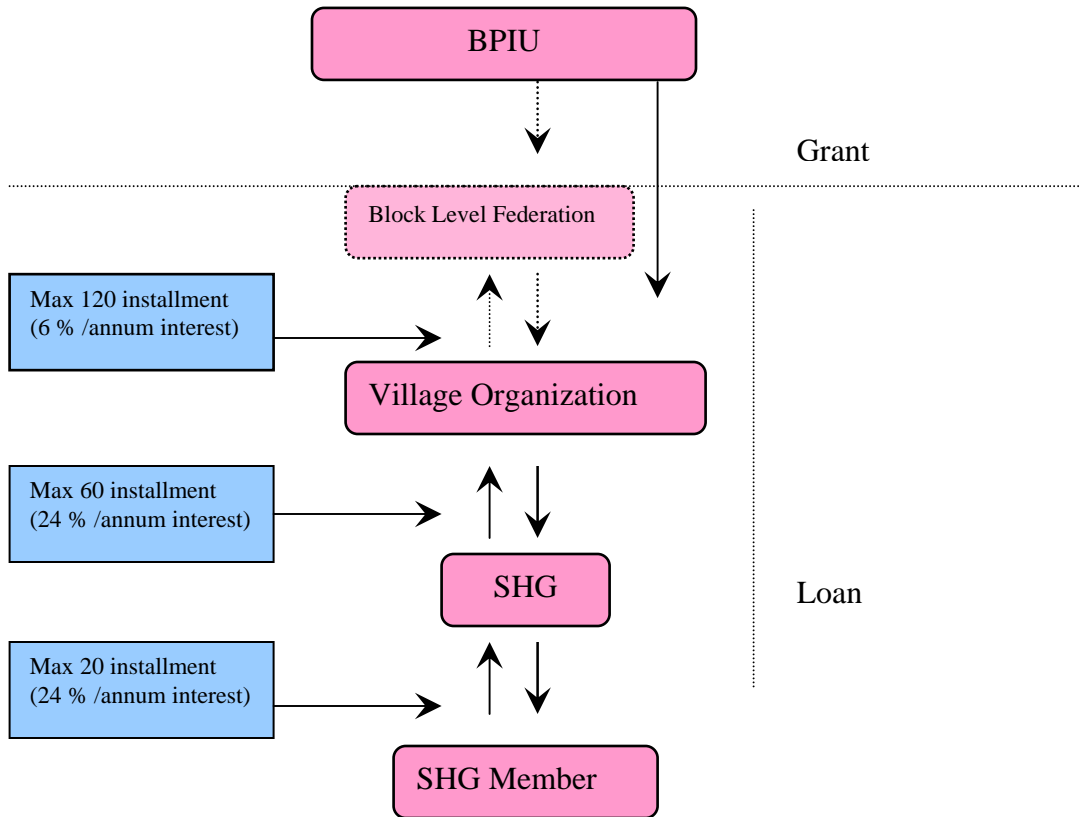
Name & address of the member
Amount of Loan

- Rate of Interest
- No of Installments for repayment
- Purpose of loan
- Amount of Loan Given
- Amount of loan repaid

CIF Loan

SHG members will receive loan from SHG which will receive funds from the project through VO and BLF. Project will give grant to the BLF who will give long term loan to the VOs who again will provide loan to the SHG and the SHG in turn will provide loan to the members. The disbursement model is designed in such a manner that every intermediary will earn money out of interest.

The table below shows the interest of Loan and repayment period of various level



Savings Ledger

Saving ledger is maintained for each and every member to record the regular savings of the members. From saving ledger it is easy to know total savings of a member at a given point of time.

CIF Register

CBOs have to maintain one separate register for CIF received with the terms and conditions

CIF register must contain following information's-

- Amount Received
- Date of Sanction
- Date of receipt with Cheque No.
- Installments of Repayment
- Purpose of the CIF
- Rate of Interest (If Loan)

Interest on Loan

Interest has to be paid on the loan taken by the members, SHG and VO.

Calculation of Interest plays a very important role in SHG Accounting as members has to pay interest on the loan taken from the groups .Similarly SHG has to pay interest loan taken from the VO and VO has to pay interest on taken from the BLF.

Rate of Interest is decided by CBO.s who is giving the loan. Method of calculation may be kept very simple as there is many method of calculation of Interest.

Stock Register

Need of stock register arises when the CBO involves itself in the activity of sale and purchase. The project has the component of food security under which bulk procurement may be made at VO or group level. Under food security generally food requirement of one month is purchased and sold to the members as per their requirement on credit after marking up the cost with a small margin.

CBO has to make proper arrangement for the proper storage of the Food grains. All the purchase are first entered in the stock register and issued in accordance of the need of the members and the groups.

Purchase of the Food grains are shown as expenditure and distribution to the members as credit/cash sale as the case may be. The closing stock at any point of time must be match with the actual stock in the go down.

Fixed Asset Register

CBO has to maintain fixed asset registers for all the fixed asset purchased. Following information's has to incorporated in the fixed asset register.

- Date of purchase
- Description in detail Model No. etc
- Bill No.
- Quantity
- Situation of the asset.

Budget

- Normally an estimate is prepared for every activity.
- An estimate is made of the probable expenditure on each item.
- This estimated amount is called the budget.
- Budget will help the Community institutions to do the expenditure within the estimated amount and prevent over spending.

Bank Reconciliation

- All bank transactions are to be entered in the Cash Book and Ledger maintained for the bank account in the CBOs ledger.
- Some of the transactions entered in the CBOs books of accounts may take some more days to get reflected in the Pass Book of our Bank account.
- For example a cheque issued by the CBOs on 10.4.07 will be shown as a payment in our Cash Book and Ledger on that date itself but it will be debited to the CBOs Savings Bank Account with the Bank only when the cheque is presented for payment.
- The CBOs have to cross check the bank transactions as entered in the CBOs books with the statement of account or pass book issued by the Bank.
- This process of cross verification of the CBOs Books with Bank's Pass Book is called Bank Reconciliation.

CBOs can use the following format to do Bank Reconciliation:

_____JEEViKA Gram Sangathan_____

Bank Reconciliation Statement as on.....

Bank Account.....

				• Amount (Rs.)
Balance as per Cash Book	Cheq: No	• Amount	①	• Xxx
Add: Unpresented Cheques				•
	Xxxx	• Xx		•
	Xxxx	• X		•
	xxxx	• X	②	• Xxx
		•		•
		•		•

• Less: Unrealized Deposits	Ref	• Amount	•
	Xxx	• X	•
	Xx	• X	•
	Xxxx	• X	•
	Xx	• X	• (3) Xxxx
		•	•
Balance as per Bank Statement	•	•	• (4) Xxxx

- Prepared By... Checked by.(Treasurer)
 - Date.... Date.....
 - Note: Bank Reconciliation Statement to be prepared for each bank account
- We must ensure that on a particular day :

$$\text{Amount shown in (1) = Amount shown in (4) + Amount shown in (3) - Amount shown in (2)}$$

OR

$$\text{Amount shown in (4) = Amount shown in (1) + Amount shown in (2) - Amount shown in (3)}$$

If the Balances are not agreeing, there is need to check all bank transactions and find out the error and correct it.

Trial Balance:

- SHG/VO/BLF has entered all transactions in the Cash book.
- The transactions have also been entered in the Ledger in the respective Heads of accounts.
- At the end of the month SHG, VO and BLF will total all the ledger accounts and arrive at the balance in each of the heads of accounts.
- Some heads of accounts may have a debit balance and some may have a credit balance.
- Now, all the heads of accounts are entered in the Trial Balance and the debit or credit balances showing in each of the heads of account in the ledger are entered in the debit or credit column respectively.
- The total of the Debits column and Credits column in the Trial Balance should tally.
- When the totals on the debits and credits column of the Trial Balance are not equal, there is need to recheck all totals in the ledger accounts, also check the correctness of entering the figures in the Trial Balance and also check the total columns in the Trial Balance.
- The format for preparing Trial Balance is given below.
- Trial Balance for the period ending

Sl No.	Head of Account	Debit/Expenses	Credit/Receipts
--------	-----------------	----------------	-----------------

- Receipts: Show all the amounts received by the Village Organisation during the month
 - Payments: Show all the amounts paid by the Village Organisation during the month
1. Shows the opening balance of amount kept as cash by the Village Organisation at the beginning of the month
 2. Shows the opening balances in the Bank accounts at the beginning of the month of the Village Organisation.
 3. Calculate the total community contribution received in a separate format as given above and show the amount separately for cash and labour contribution. We have to show the community contribution separately for each of the sub components.
 4. Shows amounts received under different CIF
 5. Shows all other amounts received by the Village Organisation and community contribution
 - 6,7,8 and 9 Show expenditure under CIF
other expenditure made by the VO.
 - Shows the closing balance of the amount of cash with the VO as at the end of the month.
 - 11 show the balances in the bank account of the VO at the end of the month.

Check list of Financial Reports

All the financial reports required to be submitted by the Village organisation are summarized below:-

Name of the Statement	Period of Report	Prepared by	Sent to
Monthly Financial Report- Receipts and Payments Statement	Every Month	VO	BLF/BPIU
Bank Reconciliation Statements	Every Month	VO	BLF/BPIU
Income and Expenditure Statement	On completion of the Business Plan	VO	BLF/BPIU

- The format of Income and Expenditure Statement of the VO is given below along with Completion Report and Utilization Certificate.

Income and Expenditure Account of the VO

VO shall also prepare income & Expenditure Account to know that total Income and expenditure of the CBO for the given period. Generally Income and expenditure is prepared at the end of the year but to know the performance of the CBO on regular basis quarterly Income & Expenditure can also be prepared

The Format of the Income & Expenditure is as below-

Expenditure	Amt	Income	Amt
1. Opening Stock		6. Sales	

2.Raw Materials Cost		7.Service charges received	
3.Wages		8. Closing Stock	
4 Administrative exp		9. Bank Interest	
		10..Other receipts	
5.Excess of income over expenditure		11.Excess of expenditure over Income	
TOTAL		TOTAL	

Date :

Signatures:
Book Keeper
Treasurer

Minute Book

Minute Book is a Book where proceedings of the meeting of the General body and the executive committee is recorded.

Since it is not possible to involve each and every member in decision making so the organisation is run by a Committee of the 3 to 12 community members selected by the all members of the CBO in the General body meeting . This Committee is called Executive Committee.

Two types of meeting are held for running of an organisation.

General Body Meeting (all the members of the CBO can attend this Meeting) and decide on any issue on the basis of the vote. Executive Committee members are elected in general Body meeting.

Executive Committee Meeting (Only the member of the executive committee can attend)

Executive committee is headed by the President, secretary & treasurer. The day to day functioning of the organisation is carried by the Secretary & Treasurer who are selected within the executive committee. The powers and duties of the Secretary and Treasurer are defined by the executive Committee or given in the byelaws.

Any decision which can not be taken by the secretary or Treasurer is placed before the executive committee.

Committee discusses the matters and takes the decisions through resolutions which have to be passed through majority of votes.

Every decisions passed through the resolutions are recorded in a book systematically duly authenticated by the President which is called minute book.

It is important that SHG/VO/BLF will record the Minutes of all our meetings because:

- √ All can remember the various decisions taken in all the meetings
- √ Everybody in the village will know the decisions

- √ All will know what action is required to be taken on the meeting decisions.
- √ SHG/VO/BLF can submit the minutes with our application for release of funds.
- √ It is the responsibility of the Secretary to record the Minutes of the meetings. Minutes of the meeting become an official authentic record only when they are read in the next meeting and approved.

The format for recording the Minutes of the meeting in the Minutes book is given below

Format for Recording Minutes of the Meeting

Minutes of the meeting of ----- held on -----

Date and time of the Meeting:

Venue of the Meeting:

No. present:

Names of Members present:

% age required to be present:

% age of members present:

% age of women present :

Agenda for the meeting:

1. **Approved / Not approved. Remarks, if any:**

2. **Approved / Not approved. Remarks, if any:**

Adoption of the Minutes of the previous meeting:

Changes if any:

Key Decisions taken:1.

2.

Next meeting (record date, time and place)

Signature of members present:

Place

Date

Secretary

Chairperson

Minute Book is a most important document for any organisation and must be kept properly.

Documents needed to be maintained at Community Level for the Community Investment fund-

BLF- For each and every CIF, BLF would maintain the following Books & documents:

1. Sanction & Allotment letters from BPIU
2. Summary Sheet of CIF allotted
3. VO wise separate Ledgers for the entire sub Components of CIF with control Account.
4. VO wise consolidated Utilization certificates.
5. Separate Bank account
6. CIF Proposals from VO
7. Appraisal Report
8. Memorandum of Understanding/Agreements
9. Proceeding of the meeting of Executive Committee for Sanctioning CIF

VO- For each and every CIF, VO would maintain the following Books of account & documents in prescribed format

- Sanction & Allotment Letters from BLF
- Proposals for CIF sent to BLF/BPIU
- Summary Sheet of CIF allotted
- SHG wise separate Ledgers for the entire sub Components of CIF with control Account.
- SHG wise consolidated Utilization certificates & Social Audit certificate.
- Separate Bank account
- CIF Proposals from SHGs
- Appraisal Report
- Memorandum of Understanding/Agreements
- Proceeding of the meeting of Executive Committee for Sanctioning CIF

SHG- For each and every CIF, SHG would maintain the following Books of account & documents in prescribed format

- Sanction & Allotment Letters from VO
- Proposals for CIF sent to VO
- Summary Sheet of CIF allotted
- Member wise separate Ledgers for the entire CIF.
- SHG wise consolidated Utilization certificates and send a copy to VO.
- Memorandum of Understanding/Agreements between SHG and Member.
- Proceeding of the meeting of SHG meeting.

Annexure A**System for Rice Intensification (SRI)****What is SRI**

Systems for rice intensification or SRI is a methodology rather than a technology, in which the management of soil, water, plant and nutrients is altered for greater root growth and nurturing microbial diversity resulting in healthier soil and plant conditions. Fr. Henri de Laulanie, S.J, first developed SRI methodology in Madagascar in the 1980s.

In SRI, practices like seed rate, method of raising of seedlings in nursery, transplantation, control of water in the main field, weeding /hoeing are modified to ensure higher ratios of tillers to mother seedling, increased number of effective tillers / hill, enhanced panicle length and bolder grains, or in short enhanced yield of paddy.

The Methodology of SRI:

Seed Selection and treatment: Farmers need to start with a fresh seed stock. The seeds are dipped in brine water in order to sort out the bold grains that settled down. Seed treatment with fungicide is mandatory.

Wet Bed Nursery: For SRI, wet bed nursery in lowland is recommended.

Transplantation: During transplantation, uprooting of tender (9-15 days old) seedlings is to be done without disturbing the roots. The earth, immediately surrounding the root region, is scooped from the nursery bed along with the roots to prevent any damage at the root region. The seedlings with the earth ball are then transplanted in the main fields. Only one seedling is planted per hill.

Spacing: Wider spacing of 1 ft Row-to-Row and 1 ft. Plant-to-plant are given to allow profuse tillering in latter stages.

Regulating water depth as much as possible: Alternate drying and wetting gives best results in SRI. However, in cases where water regulation is not possible, there it is important to retain thin film of water in the field during the growth stages of SRI paddy.

Weeding and hoeing: Hoeing and weeding is recommended for 2- 3 times during the growth phases of paddy.

In short, the practice of SRI in comparison with the traditional practice may be depicted as below:

Traditional	Particulars	SRI
50 – 60 Kg / ha	Seed rate	5 Kg / ha
21 – 35 days	Age of seedling	8 – 14 days
10750 sq ft / ha	Nursery area	800 sq ft / ha
2 MT / ha	Yield	6 MT / ha

Annexure B

Participatory Varietal Selection & Promotion (PVSP) Programme

Participatory Varietal Selection and Promotion methodology is - a method intended to understand the felt and perceived needs of the farmers for suitable crop varieties and allow them to test, identify, and adopt/spread the suitable “farmer preferred” varieties from a “basket of choices” provided to them.

The benefits of involving farmers in identifying appropriate varieties are significant. The most noteworthy results found are the increased awareness among the farmers, about the newly found varieties empowering them to demand for more such technologies. The process which is designed and developed for resource poor areas, has contributed towards capacity building of farmers including women for selection of the preferred varieties and enabling them to voice for their rights. This new information and knowledge have particularly resulted in: (i) yield increment up to 30-40% by adopting new varieties against local variety, (ii) reduction in cost of components like fertilizer, irrigation, pesticides, (iii) mitigating calamity of drought to certain extent, (iv) increasing varietal diversity in the area, and (iv) very fast spread of preferred varieties in a geographical area through the farmer to farmer dissemination etc. The project learnt from other large scale project’s experience that this is an empowering process, particularly for poor and women in regard to farmers’ realization about their rights, enhancing knowledge base and finally ensuring food security.

The PVSP and then followed by multiplication (seed production and spread) of the farmers’ preferred varieties will be the main engine in enhancing the crop productivity in the area. There is a huge pool of varieties available for rice, pulses and oilseeds in India and therefore identifying few popular varieties through farmers’ selection and their subsequent adoption will not be very difficult within the time span of 3-4 years

It is proposed that about 6-8 varieties of Rice and 3-4 varieties of pulses, oilseeds and other main crop will be tested with an average of 100-120 trials for each variety in multi-location for 2-3 years. Once the farmers’ preferred varieties are identified they will be multiplied through seed production programme and disseminated for their quick adoption in the region. This alone would make about 30-40% yield gain in a large geographical area with similar agro-climatic condition. The most significant characteristic with PVSP is that it does not require farmer to change/adopt any farming practices except for the variety, therefore adoption is found to be very fast and widespread. The process of PVSP will be repeated for continuous search of new and improved varieties. The point to be noted that through PVSP mainly the composite varieties will be promoted in case of crop, however, for vegetables hybrid can be introduced.

Annexure C

About Institution Building and Capacity Building

Women in Bihar have been traditionally suppressed. In addition women, who belong to the economically and socially weaker sections of the society, have been even more repressed. All the provisions in the constitutions and the spate of legislation enacted to empower women in the post independence India have not been adequate to set women free from their traditional bondages, liabilities and restrictions. Till recent times, women's participation in the decision making processes, especially in rural areas has remained very marginal. A whiff of change was caused by the 74th amendment to the Constitution of India, which gave women a substantial role in the local governance of the state. The 2005 Panchayat elections were crucial in this regard. For the first time, 50 % seats were reserved for women at various levels and the doors of the local panchayats were opened for women, especially to the Dalits women. Even so, Women's participation has been most nominal and it is the male members of one's family like father-in-law or husband who call the shots all over India.

Moreover it is the proven fact that it's women who manage the entire family affairs and it is believed that if we educate a woman, we educate the whole family, if we empower a woman we empower the whole family. But how could a woman take her rightful place in the socio-economic-political system that does nothing to build her capacities, nor creates access to information? Various efforts have been made in this regard and it has been experienced that it can be achieved by building the institutions of poor women. These people's institutions not only educate them in the area of social issues and enhance their capacities in decision making, leadership, communication etc but also allow them to contribute some additional income in the family. This is what is being attempted in the JEEViKA Project.

Overview about JEEViKA Project

As described in the Chapter II **the project objective is to enhance social and economic empowerment of the rural poor in Bihar through development of their self managed and sustained institutions.**

In order to achieve the above mentioned objective, project envisages first in building the strong institutions of poor at village level. These institutions may be in the form of SHGs and their federation at village level and Block level. Apart from the SHGs and their federation, producers groups are also envisaged in the project. During the institutions building process project will also focus on Micro Finance activities and other livelihood activities. To lubricate these activities capacity building and technical support services will be provided by the expert agencies.

Formation of SHG

Area Coordinator and respective Community Coordinator will build the rapport with the community and try to identify the poorest of the poor and poor community and hamlets. Soon after the rapport building formation of SHG will take place. (Detail of village entry and identification of poor household is mentioned in chapter II)

Social mobilization and group formation is an essential pre requisite to empowerment as it creates solidarity among the poor who are otherwise inarticulate, struggling hard merely to survive. There is a need to organize all the households categorized as poor into SHGs and thereby create new institutions through which the poor can participate in the development process. This will provide them a support mechanism because there are serious systemic obstacles to their joining the mainstream development processes.

Group formation is seen as crucial to the empowerment process as women draw strength from numbers. The group provides: (a) confidence and mutual support for women striving for social change; (b) a forum in which women can critically analyze their situations and devise collective strategies to overcome their difficulties; (c) a framework for awareness raising, confidence building, dissemination of information and delivery of services, and for developing communal self-reliance and collective action; and (d) a vehicle for the promotion of economic activities.

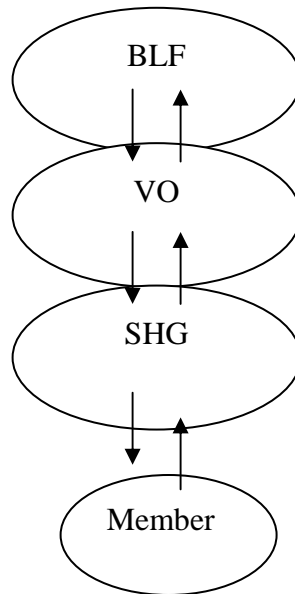
The project has adopted the self-help group (SHG) and its federation as the appropriate people's institution which provides poor women with the space and support necessary to take effective steps towards greater control of their lives in private and in society. The essence of an SHG is that it lays the foundation for self-reliance through building up an institution which has the capacity to continue the development and empowerment processes for women in the future. Self-help promotion attempts to raise the choice level of the poor of helping themselves has been underestimated and therefore under explored. Efforts were not made to stimulate the capacity of the rural poor to help themselves.

Savings and credit is put forward as an important entry point for the activities of SHGs as requires the active participation and commitment of all members. It provides them with an opportunity to exercise control and participate in decision making. It also satisfies a short term needs for crisis credit (for consumption and emergency purposes,), leading later to the provision of credit for productive purposes, and removes them from exploitation at the hands of the moneylenders. The self-help group is seen as a dynamic institution, which builds on the resources and management skills of its members and their increasing confidence to become involved in issues and programs.

Project will be covering every poor and poorest of the poor household i.e every targeted household will be the part of the SHGs. As Project will be covering the entire village in the selected blocks, all the SHGs which have been formed by the various SHPIs will also be considered to incorporate in the project. In selecting existing groups for project support, emphasis would be placed on identifying those which have consistency with the project concept. Further, the project will capitalize on the strengths of the existing SHGs through promotion and wider replication of SHGs in a more cost effective and sustainable manner. The project would identify SHG members with leadership ability

from the mature groups and provide them with additional training and exposure visits to assist them to undertake this responsibility.

Institution Building Structure



Formation of Village organization

The second tier of Institution Building phase is the federation of SHGs either at Village/cluster of village's level. Generally they are called village /cluster organization. Once the SHGs are consolidated at reasonable level of maturity, this tier gets initiated. The VO operates as a forum to voice the problems of the poor in the village and raises resources required to take up the appropriate development interventions in poverty reduction. The VOs can be seen as supplementing to the promotion of participation of the poor in the democratic and decentralization process through PRIs (Panchayat Raj Institutions). This is the forum where the CIF (Fund) are incorporated into the project and assisted in their implementation. The VOs may also access the bulk loans from MFIs/banks to lend to its member SHGs. The VOs will aim at building linkages with line departments and other agencies to access their entitlements. The VOs by virtue of their number and strength can afford to appoint their own Para-professionals in the areas of health, livestock, education, marketing, social issues etc., The VO will have a general body comprising of all the group members and an EC (executive committee) comprising of 2 or 3 representatives from each member SHGs. The VO will have 3 to 5 office bearers who will carryout the day-today functions and represent the VO in various forums/institutions. The VO will be encouraged and facilitated to have its EC meeting at least once in a month and the general body meeting at least once in three months. (detail is mentioned in chapter IV)

The VO will be helpful to:

- √ Provide technical assistance to members SHGs
- √ Do problem solving and conflict resolution
- √ Review the performance of SHGs
- √ Facilitate group formation for leftover poor in the village
- √ Prepare micro plans for the social and economic development of its members
- √ Develop resource base through linkages to implement the micro plans/investment plans and thus ensure the economic and social empowerment of the poor households.
- √ Act as platform to share the experiences and concerns of member SHGs

Block level Federation

As and when the levels of confidence of SHGs/VOs grow and their capacities are enhanced to tackle their various issues, it is time to initiate the dialogue regarding the need to form a Block Level Federation. The process of social mobilization throws a cadre of natural activists from groups/VOs, social activists. The first stage is formation of a block sangh with SHGs as members that would eventually federate after the evolving of the VOs in most habitations. The BLF is a forum where the expected convergence takes place. The BLF will be a good forum for all block level government functionaries to come and attend in order to share their programmes. It provides solidarity to all the VOs and SHGs and exerts peer pressure on erring VO/SHGs within a given block. The block level federation can be a facilitation center for training, lobbying etc. (Detail about the Block level federation is mentioned in Chapter IV)

Soon after the formation of Block Level Federation CIF will flow through the BLF. The village organization which has received CIF in the absence of BLF will be required to repay the loan amount to the BLF.

Services provided by the BRLDP

Training

JEEViKA project is in fact training and capacity building project for rural women and training of SHG members is a very important part of the project. In order to build a strong institutions of poor a strong capacity Building support is required at each level. Moreover, to carry out Livelihood and microfinance activities effectively and efficiently, particularly managing the Community investment fund, capacity building of SHGs, Village organization, BLF and producer groups is inevitable. SHG members will receive both residential and non residential training programme

Non Residential training

The community coordinators/Area Coordinators along with Community Mobilizer will hold non residential training sessions to each and every SHGs. These training schedules will be communicated to the SHG members. All these non residential training

programmes will be held at village level only. The area coordinator/Community Coordinator will conduct the training program and train the group about the project, group formation, best practices in the group, record keeping, Micro credit plan, about the village organization etc. The training programme on one issue may be organized for 3 -5 days consecutively and in the village itself. AC/CC should take time for training from the community and impart the training as per the convenience of community for 3-5 hours daily. These training are most important and hence AC/CC will have to make frequent visit to the entire allocated village.

It is discussed in chapter two, during the rapport building or formation of SHGs, AC/CC along with the community will identify the suitable candidate for community mobiliser. They will be the persons responsible for attending all SHG meeting and will also train the SHG in conducting proper meeting with proper agenda. CM will reinforce to inculcate best practices within the SHGs and will maintain the accounts of SHGs. These Community mobilizers will be trained by the BPIU for conducting the task effectively and efficiently. Soon, SHGs formed will come together and form Village organization. As soon as the community mobiliser is in the place and village organization is formed, the Community coordinator will hand over the task of that village into the hands of Community Mobilizer and move to the other village. The community coordinator will visit that village as and when required but will definitely participate in the monthly meeting of the Village organization.

Residential training

Formal training will be given by the organizing regular training programmes on group procedures, group accounts, confidence building, leadership development, village organization formation, etc. These programmes will have to be organized by the training cell with the financial assistance from the BPIU/DPSU or SPMU at cluster level or at Block level. The sessions are generally organized for 2-3 days and held normally at a central place where two or three representatives from each of the 7-10 SHGs/VOs can participate as per the norms developed by the SPMU.

Training Cell will have a data bank of resource persons in the district who can provide training on specialized issues or subject like health, education etc. These trainers will be hired on the day to day basis and as and when required.