

# **JALA SAMVARDHANE YOJANA SANGHA**

## **KARNATAKA COMMUNITY BASED TANK PROJECT**

### **FINANCIAL MANAGEMENT MANUAL**

Version 3.0  
(Revised and updated)

16<sup>th</sup> July 2007

## Table of Contents

<b>1. PROJECT BACKGROUND.....</b>	<b>2</b>
1.1. PROJECT ORGANIZATION: .....	2
1.2. PROJECT COMPONENTS: .....	2
1.3. FINANCIAL MANAGEMENT.....	2
<b>2. ORGANIZATIONAL STRUCTURE OF THE PROJECT .....</b>	<b>3</b>
2.1. PYRAMID STRUCTURE OF THE KCBTM PROJECT.....	3
2.2. CLUSTER FACILITATING TEAM.....	4
2.3. DPU.....	4
2.4. ORGANIZATIONAL STRUCTURE – F&A SECTION.....	5
2.5. TUG-TANK LEVEL.....	6
<b>3. BUDGETING.....</b>	<b>7</b>
<b>4. FUNDS FLOW MECHANISM.....</b>	<b>8</b>
4.1 IMPORTANCE OF FUND FLOW .....	9
4.2 SOURCE OF FUNDS .....	9
4.3 IMPLEMENTING OFFICES: .....	9
4.4 FUNDING BY IDA (THE WORLD BANK) TO THE PROJECT .....	9
4.5 FUNDING BY GOVERNMENT OF KARNATAKA TO STATE JSYS .....	9
4.6 FUNDING FROM STATE JSYS.....	10
4.7 FUNDING TO THE TUG'S .....	10
<b>5. ACCOUNTING SYSTEM.....</b>	<b>12</b>
5.1. ACCOUNTING CENTERS.....	12
5.2. METHOD OF ACCOUNTING .....	12
5.3. ACCOUNTING PROCEDURE : .....	13
5.4. ACCOUNTING ENTRIES.....	16
5.5. CHART OF ACCOUNTS .....	18
5.6. BOOKS OF ACCOUNTS .....	18
5.7. FINANCIAL REPORTING.....	19
5.8. CLOSING OF ACCOUNT BOOKS.....	19
5.9. FINANCIAL STATEMENTS .....	19
5.10. PROJECT MONITORING REPORTS.....	20
<b>6. DPU ACCOUNTING FOR ITDP FUNDS.....</b>	<b>22</b>
6.1 ACCOUNTING PROCEDURE:.....	22
6.2 REPORTING PROCEDURE: .....	25
6.3 FORMAT FOR REPORTS: .....	25
6.4 BOOKS AND RECORDS.....	25
<b>7. CLAIMS AND DISBURSEMENTS .....</b>	<b>26</b>
7.1 DISBURSEMENT.....	26
7.2 DISBURSEMENT CATEGORY .....	26
7.3 INELIGIBLE ITEMS FOR FINANCING BY BANK.....	26
7.4 CLAIM FORM.....	27
7.5 LIMIT FOR SUBMISSION OF SOE CLAIMS .....	27
7.6 SPECIAL DRAWING RIGHTS (SDR).....	27
7.7 SPECIAL ACCOUNT.....	27
7.8 OPERATION OF SPECIAL ACCOUNT.....	27
7.9 RELEASE OF FUNDS TO STATE.....	28
<b>8. INTERNAL CONTROL.....</b>	<b>30</b>
<b>9. AUDIT .....</b>	<b>33</b>
9.1 NEED FOR AUDIT.....	33
9.2 STATUTORY AUDIT .....	33
9.3 INTERNAL AUDIT: .....	33
<b>10. PROCUREMENT PROCEDURE .....</b>	<b>34</b>

**Deleted: 9**

**Deleted: 1. PROJECT**

<b>BACKGROUND . 2¶</b>
1.1. PROJECT ORGANIZATION: . 2¶
1.2. PROJECT COMPONENTS: . 2¶
1.3. FINANCIAL MANAGEMENT . 2¶
<b>2. ORGANIZATIONAL</b>
<b>STRUCTURE OF THE PROJECT . 3¶</b>
2.1. PYRAMID STRUCTURE OF THE
KCBTM PROJECT . 3¶
2.2. CLUSTER FACILITATING TEAM . 4¶
2.3. DPU . 4¶
2.4. ORGANIZATIONAL STRUCTURE –
F&A SECTION . 5¶
2.5. DOP-TANK LEVEL . 6¶
<b>3. BUDGETING . 7¶</b>
<b>4. FUNDS FLOW MECHANISM . 8¶</b>
4.1 . IMPORTANCE OF FUND FLOW . 8¶
4.2 . SOURCE OF FUNDS . 8¶
4.3 . IMPLEMENTING OFFICES: . 8¶
4.4 . FUNDING BY IDA (THE WORLD
BANK) TO THE PROJECT . 8¶
4.5 . FUNDING BY GOVERNMENT OF
KARNATAKA TO STATE JSYS . 8¶
4.6 . FUNDING FROM STATE JSYS . 9¶
4.7 . FUNDING TO THE TUG'S . 9¶
<b>5. ACCOUNTING SYSTEM . 12¶</b>
5.1. . ACCOUNTING CENTERS . 12¶
5.2. . METHOD OF ACCOUNTING . 13¶
5.3. . ACCOUNTING PROCEDURE: . 13¶
5.4. . ACCOUNTING ENTRIES . 17¶
5.5. . CHART OF ACCOUNTS . 18¶
5.6. . BOOKS OF ACCOUNTS . 18¶
5.7. . FINANCIAL REPORTING . 19¶
5.8. . CLOSING OF ACCOUNT BOOKS . 20¶
5.9. . FINANCIAL STATEMENTS . 20¶
5.10. . PROJECT MONITORING
REPORTS . 20¶
<b>6. DPU ACCOUNTING FOR ITDP</b>
<b>FUNDS . 22¶</b>
6.1 . ACCOUNTING PROCEDURE: . 22¶
6.2 . REPORTING PROCEDURE: . 24¶
6.3 . FORMAT FOR REPORTS: . 25¶
6.4 . BOOKS AND RECORDS . 25¶
<b>7. CLAIMS AND</b>
<b>DISBURSEMENTS . 26¶</b>
7.1. DISBURSEMENT . 26¶
7.2 . DISBURSEMENT CATEGORY . 26¶
7.3 . INELIGIBLE ITEMS FOR FINANCING
BY BANK . 26¶
7.4 . CLAIM FORM . 27¶
7.5 . LIMIT FOR SUBMISSION OF SOE
CLAIMS . 27¶
7.6 . SPECIAL DRAWING RIGHTS
(SDR) . 27¶
7.7 . SPECIAL ACCOUNT . 27¶
7.8 . OPERATION OF SPECIAL
ACCOUNT . 28¶
7.9 . RELEASE OF FUNDS TO STATE . 28¶
<b>8. INTERNAL CONTROL . 30¶</b>
<b>9. AUDIT . 32¶</b>
9.1 . NEED FOR AUDIT . 32¶
9.2 . STATUTORY AUDIT . 32¶
9.3 . INTERNAL AUDIT: . 32¶
<b>10. PROCUREMENT</b>
<b>PROCEDURE . 33¶</b>

## *Financial Management Manual- JSYS*

---

---

<i>Annexure 1: Role of Finance &amp; Accounts Section.....</i>	<i>36</i>
<i>Annexure 2: Disbursement Methods.....</i>	<i>42</i>
<i>Annexure 3: Chart of Accounts .....</i>	<i>43</i>
<i>Annexure 4: Statutory Audit – Scope of Work.....</i>	<i>53</i>
<i>Annexure 5: Format of Reports .....</i>	<i>54</i>
<i>Annexure 6: Delegation of Powers.....</i>	<i>56</i>

**Deleted:** *Annexure 1: Role of Finance & Accounts Section . 35¶*  
*Annexure 2: Disbursement Methods . 41¶*  
*Annexure 3: Chart of Accounts . 42¶*  
*Annexure 4: Statutory Audit – Scope of Work . 51¶*  
*Annexure 5: Format of Reports . 53¶*  
*Annexure 6: Delegation of Powers . 55¶*

## *Financial Management Manual- JSYS*

---

---

### ACRYNOYMS

ACA	Additional Central Assistance
AMC	Annual Maintenance Contract
CAA&A	Controller of Aid, Account and Audit Division
CFAO	Chief Finance and Accounts Officer
CFT	Cluster Facilitation Team
DC	Deputy Commissioner
DCA	Development Credit Agreement
DOC	Document of Claims
DPC	District Project Co-coordinator
DPU	District Project Unit
DSO	District Support Officer
EMD	Earnest Money Deposit
FMM	Financial Management Manual
FMR	Financial Monitoring Reports
FMS	Financial Management System
GAP	Gender action plan
GoI	Government of India
GoK	Government of Karnataka
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Association
IGA	Income Generating Activities
ITDP	Integrated Tank Development Project
JSYS	Jala Samavardhane Yojana Sangha
KCBTMP	Karnataka Community Based Tank Management Project
LACI	Loan Agreement Change Initiative
LCB	Local Competitive Bidding
LOA	Letter of Authority
LS	Local Shopping
MOA	Memorandum of Agreement
MOU	Memorandum of understanding
NCB	National Competitive Bidding
NGO	Non-Governmental Organization

*Financial Management Manual- JSYS*

---

---

PAD	Project Appraisal Document
PMR	Project Monitoring Report
PMU	Project Monitoring Unit
QBS	Quality Based Selection
QCBS	Quality cum Cost Based Selection
SAC	Satellite Accounting Centre
SDR	Special Drawing Rights
SOE	Statement of Expenditure
SPU	State Project Unit
TDP	Tribal Development Plan
TMI	Tank Management Institutions
TUC	Tank User Committee
TUG	Tank User Groups
UC	Utilisation Certificate

## **PREAMBLE**

### **TITLE**

This document is the “Financial Management Manual” for the KCBTM project. This document consists of 10 Chapters and 6 Annexures.

### **OBJECTIVE**

The success of the project to a great extent depends on the Financial Discipline apart from the technical feasibility and its administrative capability. The responsibility of the Project is to ensure effective use of the funds for the intended purpose and reporting of the same to the institutions and the stakeholders.

The purpose of the manual is to provide assistance and guidance to the users and stake holders on the relevant accounting policies, budgeting, accounting and reporting requirements

### **VERSION**

This Version a simplified version of earlier manual designed keeping in mind various modifications of project management carried out so far to address both the current & new project.

---

## 1. PROJECT BACKGROUND

The Government of Karnataka (GoK) has obtained financial assistance for the first phase from the World Bank for its Community Based Tank management project for restoration of 2000 minor irrigation/ ZP tanks in the State. Further GOK has sought assistance for restoration approximately over 1200 tanks in the State of Karnataka for the follow-on Project. The project envisages active participation of the community and community contribution in the entire process of restoration.

### 1.1. Project Organization:

The State Government has established Jala Samvardhane Yojana Sangha (JSYS) a registered society under Societies Registration Act, 1860 for facilitating smooth implementation of the community based tank management in the State. This Sangha was registered on 23<sup>rd</sup> October 2000.

### 1.2. Project Components:

The main components of the project are:

- a) Establishing an Enabling Environment for Tank system Development.
- b) Strengthening Community Development.
- c) Undertaking Tank system Improvement.
- d) Improve rural livelihood and reduce poverty

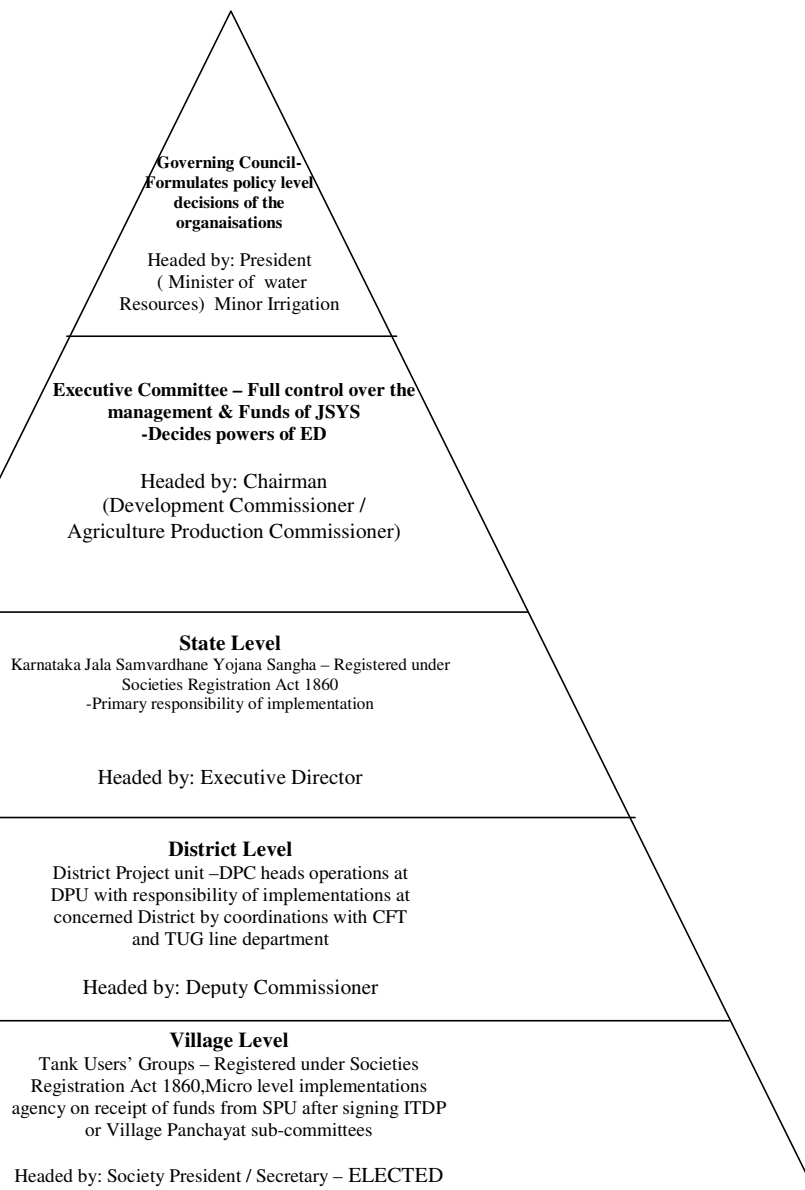
### 1.3. Financial Management

The financial management is maintained in the TALLY accounting package in SPU and DPU.

---

## 2. ORGANIZATIONAL STRUCTURE OF THE PROJECT

### 2.1. Pyramid Structure of the KCBTM Project



---

## 2.2. Cluster Facilitating Team

To facilitate the TUG in the formation, identification, capacity building, and effective implementation and monitoring of the tank restoration **Cluster Facilitating Team (CFT)** is set up. CFT will be a Non Governmental Organization, staffed with Social persons as required for the project, hired by JSYS from the market. Accordingly a CFT is expected to cater to the requirements of say 30-40 TUGs in the District over the project period for the on-going project say 20-25 TUGs in the District for the follow-on project. CFTs main role is to provide administrative and implementation (professional) support to TUGs in restoration of irrigation tanks and to monitor the progress.

Deleted: technical, financial,

## 2.3.DPU

Authority in respect of administrative, financial and technical aspects related to implementation of the project vest with the Executive Committee. The Executive Committee may delegate powers to the Executive Director including authority to approve and incur investment and recurring expenditure upto Rupees Five lakhs. The Authority to award contracts relating to Consultants, NGOs, Procurement of Goods and Equipments is centralized at JSYS, including approval of ITDPs for inclusion of tanks for restoration under the project.

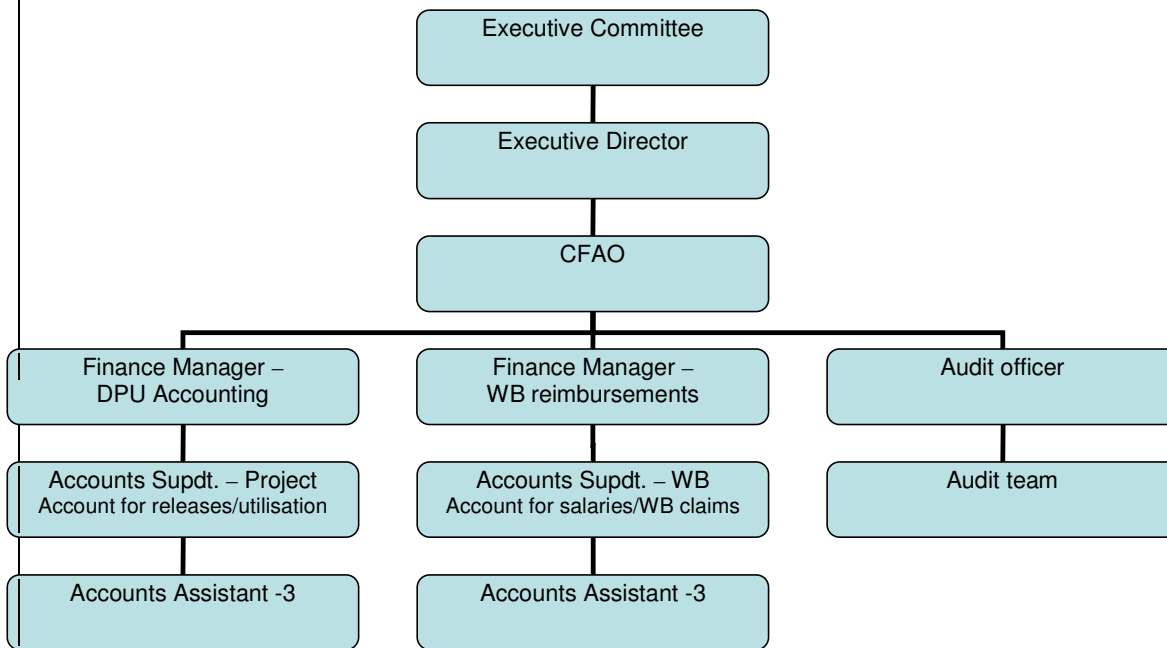
In order to facilitate smooth implementation of the project, the project has established “District Project Units” under the leadership of Deputy Commissioner. Concerned DC is empowered to approve and incur expenditure in respect of the approved budgetary proposals including release of funds to the TUG’s (as per ITDP) as per the powers delegated. Authority to open Bank account exclusively for KCBTMP vests with the DC. However, for operation convenience, the Bank account may be operated jointly by DC and DPC, or DPC and Finance manager/Accounts superintend as delegated. DPC are delegated powers to approve expenditure upto a limit of Rs. 5 lakhs and beyond this limit approval has to be obtained from DC or ED as per directions of EC/ACS/GOK notified in circulars from time to time.

Deleted: 14

## 2.4. Organizational Structure – F&A Section

The Organizational structure of Finance and Accounts Section<sup>1</sup> of Jala Samvardhane Yojana Sangha.

**At State Level:**



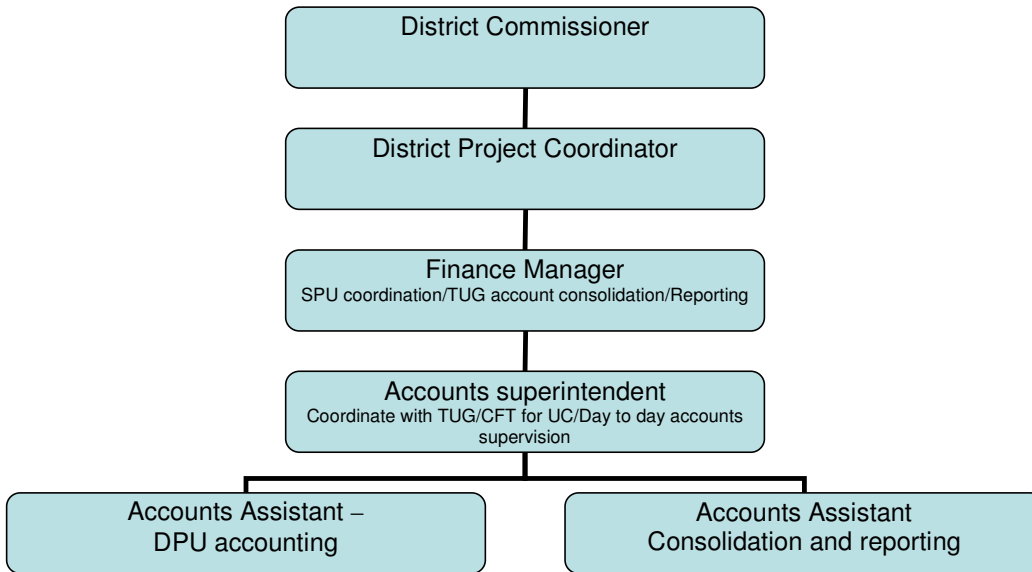
Number of Finance Manager and other staff at SPU level would depend on the necessity and size of implementation at a given time.

**Deleted:** The accounting work at CFT level will either be carried out by the DFT accountants or Consultant CA firms appointed by JSYS

<sup>1</sup> Refer Annexure -1 for F&A section duties.

**At District Level:**

Deleted: for carrying out the ¶  
.....Page Break.....



Number of Finance Manager and other subordinate staff at DPU level would depend on size and number of tanks being executed in each district.

The accounting work at CFT level will either be carried out by the DFT accountants or Consultant CA firms appointed by JSYS

Deleted: ¶

**2.5. TUG-Tank Level**

Deleted: DOP

TUGs at the Tank Level are authorized to incur expenditure for the approved ITDP activities out of the funds received from JSYS. TUG is authorized to open two Bank accounts (one for implementation and one for operation & maintenance) with the approval of TUG. Bank account shall be operated upto Rs.14 lakhs jointly by Treasurer along with Secretary or President. Beyond Rs.14 lakhs compulsorily, Treasurer, Secretary and President signatures are needed.

Deleted: 2

Deleted: 2

---

## **BUDGETING**

Deleted: ¶

-----Page Break-----

Formatted: Bullets and Numbering

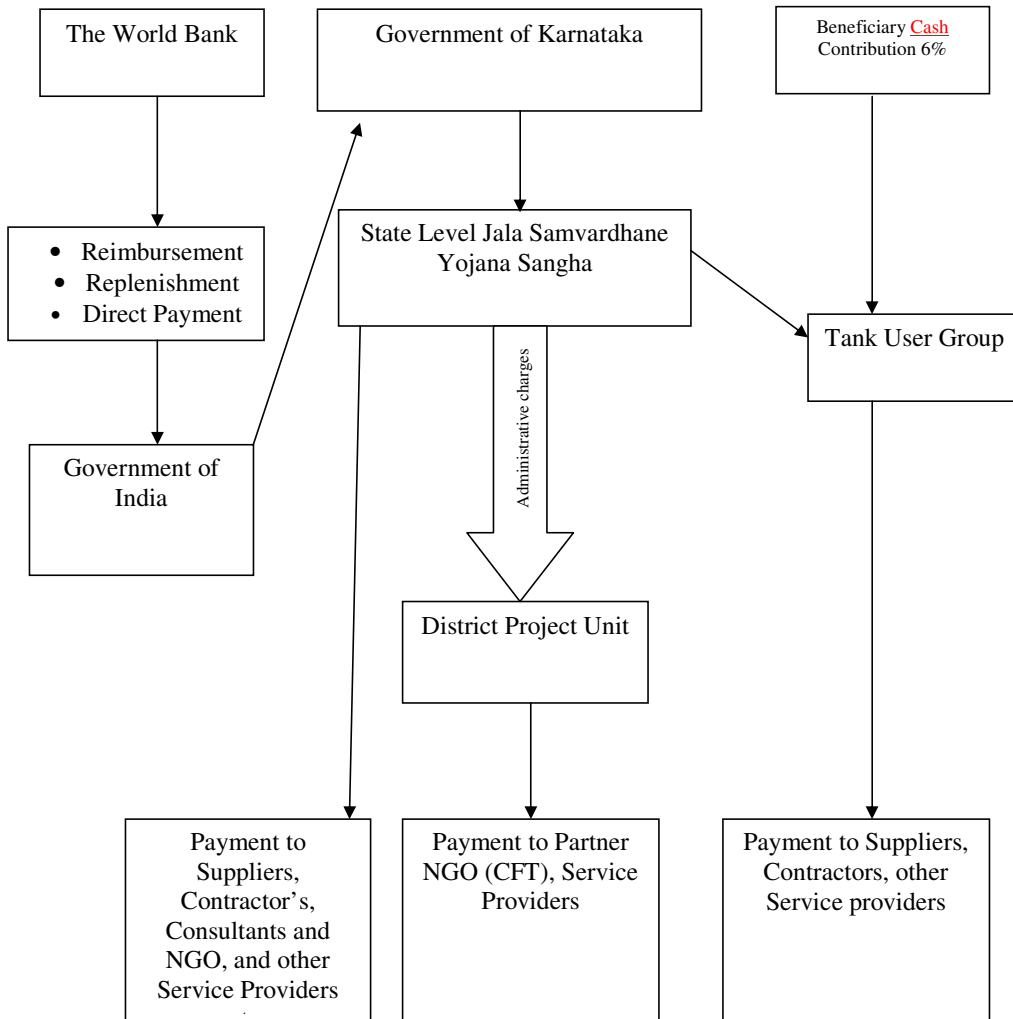
**JSYS** is the main body meant to provide technical, administrative and financial assistance to TUGs for restoration of the identified irrigation tanks. Therefore, the Budget of the JSYS comprises of three parts:-

1. Funds required by various TUGs, as certified by various CFTs and DPU for restoration of irrigation tanks during the annual budgetary period
2. Funds required by DPU for operational expenses, execution of work for its offices by contractors, procurement of goods and services from vendors, consultants, Non Governmental Organizations etc.
3. Funds required by JSYS at State Level its administrative expenses and project expenses such as for studies, training, Consultancy services apart from procurement of goods and equipments etc,

The budget estimate of Jala Samvardhane Yojana Sangha, combined with the consolidated estimates of various District project units inclusive of their TUGs' will form the Annual Action Plan, based on which the Government Budgetary grants will be sought. The FMR formats will be redesigned and used for budgeting purposes.

The budgetary provisions are to be broken into monthly and / or quarterly targets for effective monitoring of progress in implementation of the project.

#### 4. FUNDS FLOW MECHANISM



Note: The cash contribution of 6% from TUGs will be credited to TDF account for operation & maintenance purpose.

Formatted: Justified, No bullets or numbering

---

#### **4.1 Importance of Fund Flow**

Funds flow mechanism plays an important role in smooth implementation of the project. Adequate funds at the right time and at the right place will support the project, especially in the KCBTM project, wherein certain activities like “Desilting” cannot be carried out in monsoon season. The funds flow recommended here under would enable speedy and timely payments to the TUG, NGOs, Suppliers and Contractors, etc, which will motivate them to accomplish the given task in time.

#### **4.2 Source of Funds**

The main source of funds for the project is:

- IDA/IBRD of the World Bank Group.
- IBRD
- Government of Karnataka
- Beneficiary Contribution (from the Community)

#### **4.3 Implementing Offices:**

The following project offices shall implement the Project:

- Jala Samvardhane Yojana Sangha at State Level
- District Project Unit at District Level

#### **4.4 Funding by IDA (The World Bank) to the Project**

Obtaining the finance from the World Bank is referred to as “Disbursement”. The Bank follows the established disbursement process for the project. (Refer Annexure 2/Chapter 7). Only that amount which has been expended<sup>2</sup> by the TUG or by the SPU can be claimed for funding from the Bank.

#### **4.5 Funding by Government of Karnataka to State JSYS**

State level JSYS get the grants from the Government of Karnataka through the Annual Budgetary support for the project. Funds are to be drawn from the Government Treasury through “Grant-in-Aid Bill”. It is preferable to draw the funds on a quarterly basis, based on the budget and the anticipated commitment of the project, to avoid blocking of funds.

---

<sup>2</sup> Expenditure by TUG means actual payment made by TUG to contractors/labourers against work done and does not include advances/transfers made by the TUG. Also in cases of JSYS, any advances/transfers made by the SPU to TUG/DPU should be treated as advances and not as expenditure eligible for claims. The same can be claimed once the amount is paid against actual expenditure to contractors/workers.

---

#### **4.6 Funding from State JSYS**

The main activity of the project being the restoration of tank is carried out by Tank User Groups at the tank level. The funds to be transferred to DPUs based on the requisition from the DPUs, justifying the need for funds for administration and for support purposes.

#### **4.7 Funding to the TUG's**

Funds to sub-projects will be disbursed based upon proposals submitted by the TUG and approved by JSYS. Contractual agreements between JSYS, TUG, and partner organizations are used to implement the projects. Disbursements of funds to TUG are made against specific outputs as per contract. JSYS has adopted an innovative approach whereby funds are made available directly to the communities, and bypassing intermediaries. JSYS is using the services of national commercial bank and rural cooperative banks for fund transfer. The fund transfer mechanism established between JSYS and the TUGs are recorded in the Memorandum of Understanding (MOU).

The state project unit transfers the funds directly to the TUGs accounts by installment based fund flow mechanism. The role of the DPU and SPU in transferring the funds to the TUGs and providing the access to the funds is provided in the form of the table given below.

**TABLE SHOWING THE INSTALLMENT BASED FUND FLOW MECHANISM**

<u>ROLE OF SPU</u>	<u>ELIGIBILITY CRITERIA FOR SPU TO TRANSFER FUNDS TO TMI</u>	<u>ROLE OF DPU</u>	<u>TIME PERIOD ALLOWED FOR UTILISING THE AMOUNT</u>
<b>1<sup>st</sup> installment (paid in advance):</b> 30% of the ITDP amount will be directly transferred to TMI accounts	After appraisal of ITDP by the committee and 6% of the civil component of ITDP funds upfront cash collection of community contribution deposited in the form of FD/submission of TUG registration certificate & TAN Registration Application.	To access the funds by TMI, 1 <sup>st</sup> LOA will be issued from DPU after the agreement signed by both the parties (i.e. DPU and TMI)	4 months period will be allowed to utilize 75% of the amount
<b>2<sup>nd</sup> installment :</b> SPU shall transfer the next 30% of the ITDP amount as 2 <sup>nd</sup> installment amount directly to TMI accounts	After receiving the utilization certificate for 75% expenditure of 1 <sup>st</sup> Installment, with the recommendation of DPC, amount will be released within 7 days	After receiving the utilization certificate for 75% of 1 <sup>st</sup> installment with copies of TUG resolution MB,OK card, check measurement, etc ,2 <sup>nd</sup> LOA will be issued from DPU, utilization certificate for TDP/GAP activities also should be obtained	6 months period will be allowed to utilize the balance 25% of 1 <sup>st</sup> installment if any and 75% of 2 <sup>nd</sup> installment amount.
<b>3<sup>rd</sup> installment :</b> SPU shall transfer the next 20% of ITDP funds as 3 <sup>rd</sup> installment directly to TMI accounts	After receiving the utilization certificate for 100% expenditure of 1 <sup>st</sup> Installment and 75% of 2 <sup>nd</sup> installment and prorata 6% labour community contribution, with the recommendation of DPC, amount will be released within 7 days from the days of receipt of proposal.	After receiving the utilization certificate for 100% expenditure of 1 <sup>st</sup> Installment including non-civil and 75% of 2 <sup>nd</sup> installment with copies of TUG resolution, Utilization Certificate, MB, OK card, check measurement and remaining prorata 6% labour contribution details, 3 <sup>rd</sup> LOA will be issued from DPU.	4 months period will be allowed to utilize the entire amount of 2 <sup>nd</sup> installments if any and 75% of 3 <sup>rd</sup> installment.
<b>4<sup>th</sup> installment :</b> SPU shall transfer the next 14% of ITDP funds as 4 <sup>th</sup> and final installment directly to TMI accounts.	After receiving the utilization certificate for 100% expenditure of 1 <sup>st</sup> and 2 <sup>nd</sup> Installments and 75% of 3 <sup>rd</sup> installment, with the recommendation of DPC, amount will be released within 7 days from the days of receipt of proposal.	To access the funds by TMI 4 <sup>th</sup> LOA will be issued from DPU after receiving the 100% expenditure details of 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> installment with copies of TUG resolution, Utilization Certificate, MB,OK card, check measurement and utilization certificate etc.	4 months period will be allowed to utilize the entire amount.

Deleted: TABLE SHOWING THE PROPOSED INSTALLMENT BASED FUND FLOW MECHANISM ... [1]

Formatted Table

Formatted

Deleted: -----Page Break-----

Deleted: . ¶  
<sp>¶  
¶  
<sp><sp><sp>¶  
¶  
<sp><sp>¶  
<sp><sp>¶  
¶  
<sp><sp>¶  
<sp>¶  
<sp>¶  
<sp><sp><sp>¶  
<sp>¶  
<sp>¶  
¶  
<sp><sp>¶  
<sp>¶  
¶  
<sp>¶

**Note:** 1. Grace period of 3 months will be allowed by ED, without surrender of TMI funds to SPU. Thus it covers two working seasons. Total grace period shall not exceed 3 months in the entire project cycle of implementation of ITDP activities.  
2. The installment percentage of ITDP releases pertains exclusively to civil components. The non- civil components like IGA, TDP, GAP, Kitchen Garden, and Administrative Expenses will be released 100% in the 1<sup>st</sup> installment.  
3. DPC to ensure that ITDP agreement and TUG Registration are in force at the time of release of each LOA. DPC may facilitate TUGs in this direction.  
4. The 6% cash contribution should be held in the form of FD for a minimum period of 5 years.

Note: The cash contribution of 6% from TUGs will be credited to TDF account for operation & maintenance purpose.¶  
¶

## 5. ACCOUNTING SYSTEM

The accounting systems are designed in such a way to:

- Provide for full accountability for all funds provided by the Bank and other lenders.
- Result in adequate Financial Statement disclosures including a clear statement of the accounting policies adopted;
- Ensure fair presentation of Financial Performance and position
- Be acceptable to the Bank-Approved auditor.
- Be amenable to preparation of PMR and other Bank related reports

The key components of the accounting system are discussed in the following pages.

### 5.1.Accounting Centers

Accounting Centers are the offices/locations where the accounting of the transactions takes place. The accounting centers are responsible for accounting, preparation and compilation of reports.

Accounting Centre	Accounting	Consolidation	Reporting	Report to
State Project Unit	✓	✓	✓	<b>Govt/WB</b>
District Project Unit	✓		✓	<b>SPU</b>
Tank User Groups	✓		✓	<b>DPU (through Consultants)</b>

Formatted Table

Deleted: CFT

... [2]

Deleted: CFT

Deleted: )

All District Project Units of the respective Departments will report to the State Project Unit where the consolidation will take place and where all reports and reimbursement claims will be consolidated. Consolidation has been limited to two levels to minimize the time for consolidation, as well as to ensure that the reports are submitted to World Bank on time.

Centralized accounting system is followed to ensure greater accountability through the TALLY accounting package. The DPU shall maintain the accounting of ITDP funds and expenditure tank-wise. The consolidated summary in the format, generated by the software shall be submitted to the SPU within the time period specified (ref financial reporting chapter), which shall in turn be consolidated DPU-wise at the SPU and submitted to the Bank for reimbursement.

### 5.2.Method of Accounting

- Cash basis of accounting has been adopted as the basis for preparing the claim statements to be submitted to the World Bank.
- Accounting will be done based on Double-entry accounting system

- Expenditure is recognized only when the amount is actually spent for the activity. Expenditures are booked in case of ITDP against UC and in case of other activities against the respective bills and vouchers.
- Any advances paid will be as per the contract and no advances will be claimed from the World Bank. Advances will be accounted separately and adjusted separately. Any advance other than ITDP advance beyond 10% of contract value should be invariably backed by Bank Guarantee.
- All payments (excluding advance) shall be charged off to the relevant expense account head at the time of making the payment.

### 5.3.Accounting Procedure :

As Jala Samvardhane Yojana Sangha is a registered society, under the Societies Registration Act, it has to prepare its annual Balance Sheet and Income and Expenditure statement. Despite JSYS being a non-revenue earning entity, we follow Hybrid System of Accounting for reasons of limitations under cash basis accounting. Irrespective of the system of Accounting adopted, the main objective of the project Management is to ensure that the project is completed within the acceptable time and cost constraints and work performance is acceptable.

The following accounting procedures are adopted for this project for effective implementation of the Financial Management System:

Sl.No	Particulars	Accounting Procedure	Time period
1	Income Recognition	The procedure depends on the income.	
	Revenue Government grants	“Revenue Grants” will be shown as income in the year of receipt. It will be utilized for operational expenses and reflected in the Income and Expenditure Statement.	As and when received
	Interest Income	The Bank interest will be shown as income in the year of receipt.	Ref point 6
	Other miscellaneous receipts	Other miscellaneous receipts will be shown as income in the year of receipt.	As and when received
2	Expenditure	Accounted on Cash/accrual basis depending on the expenditure	
	Incremental Operating Expenses	All incremental operating expenses like salaries, rent, rates and taxes, consumables, stationery, office expenses etc will be accounted on cash / accrual basis depending on the expenses. Year end provision will be made for the expenses that is accounted on the accrual basis	As and when payment is made , with year end provision for accrued expenses.

3	Cash Flow	Cash Flow statements to be prepared regularly at end of each month.	Monthly
4	Direct Payments by World Bank in Foreign Currency	Direct Payments, if any, will be recorded in Local Currency at Exchange or Conversion rate prevailing on the date of the transaction .	As and when it happens.
5	Government Grants	Grants received from the State Government will be classified into “Capital and Revenue” Grants. “Capital Grants” will be utilized for Investment expenditure and reflected in the Balance Sheet.	
6	Interest on Short Term Deposits	JSYS may invest such funds not immediately required for meeting expenditure in Term Deposits with Nationalized Banks, with approval from competent Authority, for a period not exceeding one year.	On receipt/accrual basis whichever is earlier
7	Investment of Short Term Deposits	District Project Unit of JSYS shall not invest funds in short term deposits with Banks. To ensure that prudence financial management is followed DPU should request only funds required to meet the expenditure and should minimize idle funds.	
8	Fixed Assets	Fixed assets to be accounted for at cost or purchase price. This price to include all taxes, levies and all expenses attributable to it till the time of commissioning and putting to use.	As and when acquired
9	Depreciation on Fixed Assets	Depreciation to be applied annually at specific rates on “written down method” over the life of the asset.	Year end
10	Training, Workshops and Seminars	Expense on Training, Workshops and Seminars are to be treated as “Investment Expenditure” and not to be charged to “Income and Expenditure”. As this is a project specific activity it is reflected in the Balance sheet under Other project expenses. The expenses are booked on cash basis.	As and when it happens
11	Consultants and NGOs	Payments to Consultants and NGOs for services rendered to be treated as Investment cost and not as a Recurrent cost. As this is a project specific activity it is reflected in the Balance sheet under Other project expenses. The expenses are booked on cash	As and when it happens

		basis.	
12	Treatment of Funds released to TUGs for Restoration of Tanks	Release of Funds to TUGs will be as per approved ITDP Budget in installments. Such releases shall be treated as Advances requiring submission of accounts by TUGs. Such advances will be adjusted against UCs,/Expenditure statements submitted by TMI on monthly/quarterly basis and only the actual expenditure will be claimed from the World Bank. Subsidiary register will be maintained by DPUs showing tank wise ITDP a/c. The unutilized funds as at 31 <sup>st</sup> March will be indicated as advance/ work in progress for simplicity in accounting and providing more accountability for the TUG's – community to complete the work. However, monthly financial and physical monitoring is required from CFT's.	Advances to be accounted as and when released and UC to be accounted on Monthly basis.

Special Year End Accounting Procedure

The exercise of provision of depreciation, write off etc. will be carried out by JSYS.

Every Year end DPUs and SPU are to obtain confirmation from all debtors regarding amounts owed by them to JSYS. DPUs and JSYS to obtain confirmation of balances in their Bank accounts, both savings and term deposits. Confirmation of cash on hand held by DPUs and JSYS as at close of business on account closing date and physical verification to be done. Bank reconciliation has to be carried out.

**Deleted:** Under assets all fixed and project assets are to be physically verified and tallied with Asset register. This includes valuation of inventories if any constituting current assets.

**Deleted:** as per the approval of Executive Committee. ¶

**Deleted:** JSYS

**Deleted:** ¶

Further, both SPU and DPU should endeavor to settle or recover all advances made to contractor's suppliers, consultants, NGOs, Staff Members etc. as far as feasible and bring the outstanding balances in the Advance accounts to the barest minimum.

**Deleted:** ¶

**Deleted:** JSYS

Under liabilities, confirmation of balances from creditors to be obtained in respect of payments to be made by DPUs and SPU.

**Deleted:** JSYS

Both SPU and DPUs are non-revenue earning entities. However, there may be income through interest on bank deposits, issue of Tender forms etc. The interest on Bank deposits accrued but not paid by Bank should be taken into account by obtaining information from the Bank.

**Deleted:** JSYS

Under Expenditure, especially recurrent expenditure like rent, electricity, telephone bill, salaries etc the expenses accrued but not paid during the financial year to be crystallized and accounted for under provision.

JSYS and DPU should prepare a contract monitoring statement JSYS-PCA 1 and identify the committed value of contract for TUG, Works, goods and equipments and services on a quarterly basis. This will facilitate the project to prepare budget, better monitoring of progress of work/ activities undertaken by the JSYS apart from proper disclosure and early preparation of Annual Accounts.

**Form 4 and 9**<sup>3</sup> along with monthly expenditure statement are designed to ascertain the utilizations of funds drawn from ITDP accounts by TUGs.

It is highlighted that all statutory taxes, duties and levies should be paid within the financial year and necessary provision should be made in the annual accounts for such payments. Tax deducted at source such as Income tax from staff, contractors, consultants etc, should be remitted to the concerned department within the prescribed time limit and JSYS to issue necessary TDS certificates.

Deleted: ¶

#### 5.4.Accounting Entries

The following shall be norms observed for authorizing payments and receipts. The entries are made in the Tally and hence the software generated basic ledger format shall be format used for the books and records maintained.

S.NO	ACTIVITY	ACCOUNTING ENTRY	PROCEDURE
1	Cash Receipts	Cash a/c Dr. To Income a/c / a/c.	Cash receipts are prepared by the cashier in preprinted serially numbered book. No amount exceeding Rs.2500 to be received in Cash and be requested to be deposited by DD only.
2	Cash payments	Expenses a/c Dr. To Cash a/c	Cashier makes the payments after the approval of CFAO/ED against Bills etc
3	Request for withdrawal	No entry	As a procedure the cashier to prepare a request for withdrawal of cash from bank giving details of cash on hand, Imprest balance and anticipated payments. The same will be verified by FM and approval of ED shall be obtained.
4	Opening Bank a/c	Bank a/c Dr. To cash a/c (for min deposit )	Bank accounts shall be opened only with the nationalized bank, which is near to the Project office. Prior approval of the

<sup>3</sup> This statement has to be designed/revised by the SPU depending on the information to be reported to SPU. The major fields of this statement should contain Tank Name, ITDP account No, Releases, Utilization, Unutilized, Bank balance of ITDP and utilization %.The UC's in form 4 & 9 are being used at present. form 9 will be replaced by tally reporting formats once the ITDP accounting is fully established at DPUs.

			Executive Director in writing is required for opening bank account, through minutes of the Executive Committee. The approval shall state the Authorized signatories to operate the bank account. Immediately Instruction shall be given to Bank on transfer of the officers or on resignation of the Officer with the new authorized signatory.
5	Bank Deposits	Bank a/c Dr. To giver a/c / Income a/c	JSYS should ensure that all cash, cheque, demand drafts collected during the day is promptly deposited on the same day or the next day after recording the same in the cashbook and subsidiary books. Bank Receipt Voucher shall be prepared on a daily basis and entered in the Bank Book in the tally accounting package. Regularly Bank Book shall be printed and bound. Cashier shall maintain the counter foils of the Paying-in-slip and record full details of the Cheque, Cash, and Demand draft being deposited into bank account. Finance Manager shall verify the bank reconciliation statements with the bank statement monthly. He shall review the returned cheque and take suitable action by consulting the concerned heads of the department and Executive Director.
6	Fund Withdrawal / transfer	Expenses a/c Dr./ Receiver a/c Dr. To Bank a/c	Cheques shall be prepared for making payment to suppliers, contractors, etc, only under the specific instructions of the Chief Accounts and Finance Officer and Executive Director. Funds to be transferred to DPU only against the written request from the DPU – Requisition of funds with the approval of the Executive Director.
7	Advances	For ITDP accounting ref Chapter for DPU accounting for ITDP funds  Advances a/c Dr. To cash/bank a/c	Advances are the amounts paid to a person <sup>4</sup> before that person has provided any services under this contract. The services can include ITDP, consultancy, training, or receipt of goods like computers. Advance can be paid only against a specific activity of the project. The contract between the department and the person should clearly lay down the terms and conditions on which the advance will be sanctioned. Any advance paid will be treated separately, and accounted separately. The advance will be adjusted against the services obtained or goods received. The rules for adjusting the advance will also be laid down at the time of sanctioning of the advance. At the time of reporting advance will be shown separately. The approval from the ED would be required to pay advances

<sup>4</sup> Person here includes an individual, partnership firms, companies, body corporate.

---

### 5.5. Chart of Accounts

A multi-layered Chart of Accounts has been designed for the Community Based Tank Management Project for implementation by JSYS to meet the financial reporting requirements of various stakeholders. The structure of the Chart of Accounts and its linkages are elaborated in the annexure.

### 5.6. Books of Accounts

Jala Samvardhane Yojana Sangha is registered under Society Registration Act, 1860. Thus as per the Act, Sangha is required to maintain Cash Book for recording both cash and Bank transactions, General ledger leading to Trial Balance and Balance Sheet and Income and Expenditure Statement together with subsidiary registers such as Fixed Assets register etc., which at present maintained in TALLY accounting package.

Deleted: ¶  
¶  
Page Break

The following table gives a broad list of Computerized books of accounts maintained for the project

Books of accounts and records	SPU	DPU
Cash Book	✓	✓
Bank Book	✓	✓
Cheque Issue Register	✓	✓
General Ledger	✓	✓
Advance Register	✓	✓
Fixed Assets Register	✓	✓
Salary (Payroll) Register	✓	✓
Transfer Entry Register (Journal)	✓	✓
Statement of Expenses Register	✓	
Bank Guarantee register	✓	✓

Deleted: JSYS

Deleted: Project Ledger Account ... [3]

The list of books and Registers mentioned above is only indicative. Tally accounting software is used and hence the software generated format shall be used.

## 5.7.Financial reporting

The time limit for financial reporting (SOE and FMR) to the World Bank is 45 days from the end of the quarter. Thus the Divisions, Departments and the SPU need to complete their reporting and consolidation within the period of 45 days from the end of each quarter.

Deleted: PMU

To enable timely reporting, the last date of submission of reports/ reimbursement claims at each level has been specified in the table below:

Accounting Centre	Period	Last Date for Submission	Submission to
DPU	Monthly	5th of next month	SPU
SPU	Monthly	10 <sup>th</sup> of next month	World Bank

The accounting centers shall send monthly expenditure summary for claiming purpose

## 5.8.Closing of Account Books

The Sangha accounts (which will be a separate company in Tally) which are being maintained at the DPU shall be closed at the end of every year and new books of account (company) opened in tally for the following year. The DPU shall start the closing of books of account from 15<sup>th</sup> March of the financial year. All the expenditure statements from the Sanghas have to be received by the 31<sup>st</sup> March so that the same can be included in the accounts. The books should be closed by the 10<sup>th</sup> April of the next FY. The DPU after the books of accounts are closed shall send to the SPU within 20 days from the end of the financial year. The Project Financial Statements shall be prepared by the State Project Unit at the end of the year after the consolidation of the statements received from the District project unit.

## 5.9.Financial Statements

The following are the financial statements prepared by the project. The formats are given as annexure.

Statements	Statement Name
AFS 1	Balance sheet
AFS 2	Balance sheet Schedules
AFS 3	Income and expenditure account
AFS 4	A Schedule of Claims for the financial Year ended B Breakup of Claims Submitted

**5.10. Project Monitoring Reports**

As per World Bank’s disbursement guidelines the project prepares FMRs on a quarterly basis and submitted to the Bank. The formats of the FMRs are given in Annexure.

**FMR FOR ON – GOING PROJECT**

<u>Statements</u>	<u>Statement Name</u>	<u>Period</u>	<u>Last Date for Submission</u>
<u>FMR 1</u>	<u>Sources and Uses of Funds for the Year</u>	<u>Quarterly</u>	<u>45 days from the end of the quarter</u>
<u>FMR 2</u>	<u>Project Expenditure against budget for the quarter</u>		
<u>FMR 3</u>	<u>District-wise Project Expenditure for the quarter</u>		
<u>FMR 4</u>	<u>Consolidated Project Expenditure Against Budget for the quarter</u>		
<u>FMR 5</u>	<u>Component and sub component wise Expenditure for the year</u>		
<u>FMR 6</u>	<u>Project Expenditure based on expenditure category for the Year</u>		
<u>PCA1</u>	<u>Consolidated Procurement method and, procurement Category-wise Expenditure for the year</u>		

**FMR FOR ON – GOING PROJECT**

Deleted: ¶  
 Formatted: Bullets and Numbering  
 Deleted: PMR  
 Deleted: PMR

Formatted Table

Formatted: Font color: White

**FMR FOR FOLLOW-ON PROJECT**

<u>Statements</u>	<u>Statement Name</u>	<u>Period</u>	<u>Last Date for Submission</u>
<u>FMR 1</u>	<u>Financial Monitoring Report for the quarter ended....</u>	<u>Quarterly</u>	<u>45 days from the end of the quarter</u>
<u>FMR 1 A</u>	<u>Cumulative Financial Monitoring Report for the quarter ended....</u>		
<u>FMR 2</u>	<u>Activity-wise Project Expenditure report for the quarter ended .....</u>		
<u>FMR 2A</u>	<u>Funds Requirement Report for the quarter ended .....</u>		
<u>FMR 3</u>	<u>Component , Sub-component -wise Project Expenditure report for the quarter ended .....</u>		
<u>FMR 3A</u>	<u>District-wise Project Expenditure for the quarter ended .....</u>		
<u>FMR 4</u>	<u>Category-wise Project Expenditure Against Budget for the quarter ended.....</u>		
<u>FMR 5</u>	<u>Category-wise Expenditure for the Quarter.....</u>		
<u>FMR 5A</u>	<u>District-wise Cumulative Project Expenditure based on expenditure category for the Quarter ended .....</u>		
<u>PCA1</u>	<u>Consolidated Procurement method and , procurement Category-wise Expenditure for the year</u>		

Deleted: Statements ... [4]

Formatted Table

Deleted: FMR FOR ON - GOING PROJECT¶

Formatted: Font: Bold

Deleted: Statements ... [5]

Formatted: Justified, No bullets or numbering

Formatted: Justified, No bullets or numbering

Formatted: Bullets and Numbering

---

## 6. DPU ACCOUNTING FOR ITDP FUNDS

The accounting for the ITDP is decentralised at the DPU level. Accounting of the ITDP fund releases and expenditure will be done at the DPU of the respective TMIs. This is useful to track the actual expenditure incurred by each TMI.

### 6.1 Accounting procedure:

A separate company will be opened at DPU level for maintaining the ITDP related accounts. Each ITDP would be maintained as a ledger in the accounts wherein the transfer of funds and the receipt of UC will be recorded.

Following activities that need to be carried out to have a proper accounting system:

1. Releases of Funds, after approval from the SPU in installments and transfer of funds to TMI to access the funds to be recorded in the books of account.
2. The expenditure against corresponding releases, after monthly expenditure statement is to be received from the CFTs and recorded in the books of account.
3. Based on the accounting books, prepare and submit monthly release and expenditure statement<sup>5</sup> to SPU with respect to every Tank. This will be used for claiming reimbursement from the World Bank as for this component only the actual expenditure incurred, can be claimed from the Bank.
4. Reconciling the unutilized amount against the UC's produced at the end of every quarter.
5. Finally if and when the released amount lies unutilized with the TUG's and returned back to the DPU's (as proposed under new fund flow mechanism), record the receipt of the funds returned in the books of account.
6. Recording the returned funds, when it is transferred back to SPU in the books of account.
7. Prepare a financial MIS report formats which must be submitted by the DPU to SPU every month.

---

<sup>5</sup> This statement has to be designed/revised by the SPU depending on the information to be reported to SPU. The major fields of this statement should contain Tank Name, ITDP account No, Releases, Utilization, Unutilized, Bank balance of ITDP and utilization %. The UC's in form 4 & 9 are being used at present. form 9 will be replaced by tally reporting formats once the ITDP accounting is fully established at DPUs.

Deleted: ¶  
¶  
¶

The following entries will be passed in the DPU separate TMI accounts (Tank wise)  
The following entries will be applicable for every instalment stages of releases under the new Instalment based Fund Flow mechanism .Since the tank wise accounting is proposed to be done, these entries will be entered with respect to every tank under separate account.

Activity	Particulars	In The Books Of SPU		In The Books Of DPU	
		Entries	TIME WHEN THE ENTRIES WILL BE PASSED	Entries	TIME WHEN THE ENTRIES WILL BE PASSED
1	For grants received Transferred by SPU directly to TUG	DPU Control a/c Dr  To Bank account	on the date on which the grant is transferred to the TMI	LOA control a/c Dr  To SPU ITDP Control a/c	On the date on which the intimation is received by DPU
2	When LoA is issued	No entry		Tank ITDP A/c Dr. To LOA Control A/c	When LOA is issued
3	for recording expenditure against UC's/Expenditure Statement received from TUG/CFT		-NA-	Tank System a/c Dr Consultancy a/c Dr Training & workshop a/c Dr.  To Tank ITDP a/c	On the date on which the expenditure statement is received from the TMI/CFT. This should be done on monthly basis
4	for transfer back of unutilized funds by TMI to SPU	Bank a/c dr  To DPU Control a/c	On the date on which the unutilized funds refunded is received from the DPU	SPU-ITDP control a/c Dr  To Tank ITDP a/c	on the date on which the unutilized funds refunded are transferred to the SPU Bank a/c upon intimation from SPU
5	For transferring the expenditure incurred to SPU through journal entry	Tank System a/c Dr Consultancy a/c Dr Training & workshop a/c Dr.  To DPU Control a/c	At the end of every month/quarter	SPU ITDP Control a/c Dr  To Tank System a/c To Consultancy a/c To Training & workshop a/c	At the end of every month/quarter

-----

The following shall be the entries that is required to be passed in case of expenditures which have been already claimed from the World bank , after the opening balances (i.e. The unutilised amount lying with the TUGs) have been incorporated.

Activity	Particulars	In The Books Of SPU		In The Books Of DPU	
		Entries	TIME WHEN THE ENTRIES WILL BE PASSED	Entries	TIME WHEN THE ENTRIES WILL BE PASSED
1.	For transfer of WIP a/c to DPU control account / entering opening balance	DPU control a/c Dr To Tank Restoration WIP a/c To Training WIP a/c To Consultancy WIP a/c	Beginning of the Financial Year	Tank ITDP A/c Dr. To SPU ITDP Control A/c	Beginning of the Financial Year
2.	For recording expenditure against UC's/Expenditure Statement received from TUG/CFT		-NA-	Tank System a/c Dr Consultancy a/c Dr Training & workshop a/c Dr.  To Tank ITDP a/c	On the date on which the expenditure statement is received from the TMI/CFT. This should be done on monthly basis
3.	For expenses Transferred by DPU to SPU	Tank Restoration a/c Dr Local Training a/c Dr Consultancy a/c Dr To DPU Control a/c	on the date on which the expenses is transferred to SPU	SPU ITDP control a/c Dr  To Tank System a/c To Consultancy a/c To Training & workshop a/c	On the date on which the UCs are captured by DPU

---

## 6.2 Reporting Procedure:

The DPU shall maintain Tank-wise ITDP account, giving code for every TMI for whom the Fund is released.

They shall generate the consolidated expenditure summary of ITDP account and submit to the SPU for every month, on or before 5th of the following month along with monthly expenditure statement. SPU maintain DPU ITDP account and shall pass corresponding journal entry for expenditure submitted by the DPU and generate consolidated DPU-wise expenditure statement, which in turn will submit the expenditure for reimbursement from the World Bank.

## 6.3 Format for reports:

The tally accounting package is used for the accounting of the entries stated above. Therefore the basic format generated by the software will be used for reporting purposes. The formats are given as annexure.

Statements	Statement Name	Frequency
ACC 4	Tank wise Ageing Analysis Statement as on	Quarterly
ACC 6	Consolidated summary of expenditure statement of TUGs	Monthly - Within 5 days of end of month

Deleted: ¶  
¶

Formatted: Bullets and Numbering

Deleted: 1

Deleted: 2A

## 6.4 Books and records

The Following are the computerized Books/Registers that shall be maintained by the DPU for accounting ITDP funds and their utilization.

Books of accounts and records	DPU
LOA register	✓
Component Wise Register	✓
ITDP Expenditure Register	✓

Formatted: Bullets and Numbering

## 7. CLAIMS AND DISBURSEMENTS

Deleted: ¶  
¶

### 7.1 Disbursement

Obtaining the finance from the World Bank is referred to as Disbursement. Disbursement process will be indicated in the Development Credit Agreement to be executed by the Bank with the GoI and GOK (the project implementing authority). The Bank will follow the standard disbursement procedure for the proposed project. Bank reimburses the cost at the agreed rate provided such expenditure has been incurred adhering to the procurement guidelines or norms of the bank

### 7.2 Disbursement Category

The disbursement category is as follows:

Sl. No.	Disbursement Category	Percentage of Disbursement for On-Going Project	Percentage of Disbursement for follow-on project
1	Works	75%	90%
2	Goods, Equipments, Vehicles	80%	90%
3	Consultancies	80%	90%
4	NGO services	100%	90%
5	Training & Workshop	100%	90%
6	Operations & Maintenance Cost	25%	90%
7	Incremental Salaries	25%	90%

### 7.3 Ineligible items for Financing by Bank

Disbursement handbook of the World Bank specifies the ineligible items for financing by the Bank. There may be project specific items not eligible for financing or eligible over a limited period or at a reduced scale, which will be specified in the Project Agreement. The general list of ineligible items for financing from bank is:-

- Land cost
- Taxes and duties
- Retention money
- Custom Duties,
- Local freight charges in case of imported goods
- Self Insurance
- Goods and services procured from non-member countries
- Items not within the project and category description defined in the project agreement
- Items procured not following the World Bank procurement guidelines
- Payment after the closing date
- Late payments and penalties
- Excessive advance payments

---

## 7.4 Claim Form

### Claim Statement and Statement of Expenditure

The SPU shall prepare the Claim statement for the on-going entire project. A Statement of Expenditure (SOE) will also be sent along with the Claim Statements. **The formats of the Claim Statement and the Statement of Expenditure are given at the end of this Chapter**

Statement of Withdrawal is the form to be submitted to World Bank by the SPU. This form shall be populated from the claim register sent by the DPU. The World Bank has prescribed the format, which is attached at the end of the chapter, for Application for withdrawal. For the purpose of submission of Reimbursement Claim application the following forms may be used,

- a) **SOE Statement of Expenditure – 1B** which represent the contract for values greater than thresholds prescribed by the World Bank (ref: Procurement manual )
- b) **DOC – Document of Claims - 1C** which represent the contract for values lesser than thresholds prescribed by the World Bank (ref: Procurement manual )

## 7.5 Limit for submission of SOE Claims

Normally, the Schedule 1 of PROJECT AGREEMENT contain limit for submission SOE claims (without documentation) and claims requiring documentation. Project Agreement contains the limit for post review contract limits for each procurement category. Normally, prior review contracts require documentation while submitting claims. The threshold for DOC is as given in PAD.

## 7.6 Special Drawing Rights (SDR)

Project Agreement specifies the extent of financing in terms of SDR for each disbursement category, and earmarks a specified amount towards ‘Unallocated’ category for future reallocation.

Deleted: ¶

¶

Formatted: Bullets and Numbering

## 7.7 Special Account

The Project Agreement of the project normally specifies the opening of a Special Account by the borrower (Government of India) with the Reserve Bank of India in US Dollars on the terms and conditions satisfactory to the Bank. Normally, Special Account limit is also specified in the PROJECT AGREEMENT. As per the agreed terms (Authorized Allocation) Bank will deposit such sums into the Special Account.

## 7.8 Operation of Special Account

The power to operate the Special Account vests with the Controller of Aid, Accounts and Audit Division, Ministry of Finance, (Department of Economic Affairs) Government of India. Based on the request for replenishment

---

received from the Project office, CAA&A withdraws the money from the Special Account. Periodically, the World Bank replenishes the Special Account of the project.

### **7.9 Release of Funds to State**

CAA&A after withdrawal for money from the Special Account maintained at RBI intimates the World Bank and PMU, Plan Finance Division, Department of Expenditure, Ministry of Finance, GOI. After scrutiny the PF Division, issues Additional Central Assistance (ACA) to the State. The funds are credited to the Government of Karnataka Account maintained at RBI

### **7.10 Claims for New Project**

For the New Project the disbursements would be based on the forecast for two quarters as provided in the quarterly Interim Financial Report. (Refer Annexure for Formats) The following is the disbursement provision for the follow-on project

*(i) Disbursement Methods:* The following Disbursement Methods may be used under the Financing:

- Advance
- Reimbursement

*(ii) Disbursement Deadline Date).* The Disbursement Deadline Date is 4 months after the Closing Date specified in the Loan Agreement and Financing Agreement. Any changes to this date will be notified by the World Bank.

*(iii) Disbursement Conditions.* Please refer to the Disbursement Letter in the Financing Agreement.

*(iv) Supporting documents.* The Supporting documentation should be provided with each Application for Withdrawal as set out below:

- **For reporting eligible expenditures paid from the Designated Account:**
  - interim financial report in the form attached (Refer Annexure for Formats)
  - List of payments against contracts that are subject to the World Bank's prior review, in the form prescribed for this purpose.
- **For requests for reimbursement:**
  - Interim financial report in the form attached. (Refer Annexure for Formats)
  - List of payments against contracts that are subject to the World Bank's prior review, in the form prescribed for this purpose.
  - Frequency of Reporting Eligible Expenditures Paid from the Designated Account: quarterly

-----  
Funds from the World Bank will be made available to GoK (through the GOI) under the back-to-back arrangements between GOI and the States. However, part of the expenditures incurred on the project would be financed by the GoI (to the extent of \$16 million) and these would be transferred, from IDA resources borrowed under the project, as grant by GoI to GoK.

Formatted: Not Highlight

Disbursements from IDA/IBRD will be made based on reports (quarterly Interim unaudited financial reports<sup>6</sup>) submitted by the project. These IUFRRs would reflect the actual expenditure for the project components. Any advances to TUGs or others given by the project would be separately shown in the IUFRRs and would not be eligible to be claimed as agreed in the revised FM arrangements.

The bank will finance actual expenditures that are made on project components as reported in the IUFRRs. All expenditures reported in the IUFRRs will be subject to confirmation/certification by the annual audit reports. Any discrepancies between the expenditure reported by the annual audited IUFRRs and those reported in the annual audit reports will be adjusted in subsequent disbursements. The format of IUFRR is outlined in the Financial Management manual.

A designated account would be maintained in the RBI and would be operated by the DEA of GOI. The Designated account would be operated in accordance with the Bank's operational policies. Each deposit into the account will be the amount required to make the balance in the account equal to forecasted IDA disbursements for next 6 months. Accordingly, the balance in the account will not be fixed, but will be determined according to forecasted disbursements for the next 6 months. The project will submit withdrawal applications to CAA&A in DEA for onward submission to Bank for replenishment of the designated account or reimbursement. Each disbursement of funds by IDA in special account will be transferred within a reasonable time on a back to back basis by GoI to GoK for being transferred to JSYS.

Formatted: Not Highlight

<sup>6</sup> These would be submitted within 45 days from the end of each quarter.

## 8. INTERNAL CONTROL

There is a need for proper documentation & evidence for transactions recorded.

Sl.No	Check Points/ Stages	Internal control checks	Trigger for payment	Authorized unit for making the Payment
1.	1 <sup>st</sup> Release of ITDP funds	<ul style="list-style-type: none"> <li>a Duly appraised ITDP agreement by DPU</li> <li>b proof of registration of TUG</li> <li>c <del>6%</del> cash contribution in the form of FD should be obtained.</li> </ul>	On receipt of the recommendation of the DPC. <sup>7</sup>	SPU
2.	For subsequent releases of ITDP funds	<ul style="list-style-type: none"> <li>a Copy of Measurement Book</li> <li>b Running account Bill</li> <li>c Duly certified O.K card certificate wherever applicable</li> <li>d TUG resolution</li> <li>e Copy of bank Statement/Cash Flow statement/<u>utilisation certificate including TDP/GAP activities.</u></li> <li>f Recommendation/Observation Of DSS/DSO should be held</li> <li>g Coolie payments should be invariably recorded in NMR format.</li> <li>h AEE/DSO has to specifically ensure that quality certification is held wherever applicable</li> <li>i Check measurement should be recorded before recommending subsequent release.</li> </ul>	On receipt of the recommendation of the DPC.	SPU
3.	Before release of III LOA	<ul style="list-style-type: none"> <li>a <del>Prorata 6% of Labour</del> as community contribution should have <u>been ensured. In other words it should be ensured that labor contribution to the extent envisaged is made.</u></li> </ul>	On receipt of the recommendation of the DPC.	SPU
4.	Before final release of ITDP funds	<ul style="list-style-type: none"> <li><del>It should be ensured that funds released through previous LOAs are utilized as per norms.</del></li> </ul>	On receipt of the recommendation of the DPC. The format for recommendation is given at the end of the chapter.	SPU
5.	Before Release of IGA funds	<ul style="list-style-type: none"> <li>a Recommendation of DSS</li> <li>b TUG resolution</li> <li>c Agreement with the beneficiaries on stamp paper, end use receipts should be held.</li> </ul>	Passing through the Internal check	SPU
6.	Before release of Fishery payment	<ul style="list-style-type: none"> <li>a. Whether procurement procedure is followed</li> <li>b. If there is any deviation in procedure for eg: in case of Single Source , whether approval from World Bank is held</li> <li>c. Whether claim is made as per the rates and quantity specified in the contract / order of JSYS.</li> <li>d. Whether recommendation of the fishery specialist is held</li> </ul>	Passing through the Internal check	SPU
<del>7.</del>	Before release of G & E	<ul style="list-style-type: none"> <li>a. Whether procurement procedure is followed.</li> <li>b. If there is any deviation in procedure for eg: in case of Direct Contracting , whether approval from</li> </ul>	Passing through the Internal check	SPU

Formatted

Deleted: 3

Deleted: Balance 3

Deleted: civil component

Deleted: of ITDP

Deleted: been held in the form of FD.

Deleted: It should be ensured that labor contribution to the extent envisaged is made.

Formatted: Bullets and Numbering

<sup>7</sup> Note : The format for recommendation is given at the end of the chapter.

	payments	World Bank is held c. Whether approval of the ED/EC as per the sanctioning powers is held as in annexure 6 d. Whether claim is made as per the rates and quantity specified in the contract / order of JSYS. e. Whether the specifications in the contract is met		
<u>8.</u>	Before Release of R & R	<b>a</b> Beneficiary's economic status proof and necessary declaration for surrender etc <b>b</b> TUG resolution should be obtained <b>c</b> End use receipt / registration papers (in case of land) should be obtained post disbursement.	Passing through the Internal check	SPU
<u>9.</u>	Before Consultancy payment	a. Whether procurement procedure is followed b. If there is any deviation in procedure for eg:in case of Single Source , whether approval from World Bank is held c. Whether claim is made as per the rates and quantity specified in the contract / order of JSYS. d. Whether recommendation of the concerned specialist is held eg recommendation of IGA specialist for consultancy on Impact study on IGA activities , Internal Audit consultants by CFAO etc	Passing through the Internal check	SPU
<u>10</u>	In case of all other payments	<b>a</b> Necessary supporting documents/vouchers should be held. The expenditure/Payment should have been authorized by competent authority(e.g.DPC/ED/ECetc) <b>b</b> Procurement procedure should have been followed and wherever TOR/letter of Agreement is executed adherence to terms should be ensured before release of payment.	Passing through the Internal check	SPU
<u>11</u>	Receipts	All receipts should be acknowledged by issue of receipt and any investment of surplus funds on temporary basis should be in public sector only and preferably as per the guidelines prevailing for GOK departments.		

← - - - Formatted: Bullets and Numbering

← - - - Formatted: Bullets and Numbering

← - - - Formatted: Bullets and Numbering

← - - - Formatted: Bullets and Numbering

Attachment 1

Recommendation of DPC for the release of ITDP funds from SPU

I Mr/Mrs.....working in capacity of DPC hereby recommend for the release of the ..... installment of ITDP funds amounting to Rs.....(in words.....),to the TUG/ TUGs listed below :

Name of the TUG	Village Name	ITDP a/c no	Installment No	Installment Amount (in RS)(in words)	Total ITDP cost (civil portion)

Verified by  
Accountant

Recommended by  
DPC

---

## 9. AUDIT

### 9.1 Need for Audit

It is the responsibility of the project to maintain the required books of accounts, records, documents etc., hence, every step has to be taken by the project authorities to maintain the books of accounts update and reconcile the accounts on a regular basis. The Audit report has to be submitted within the prescribed time limit (say six months after the year end) every year.

### 9.2 Statutory Audit

Jala Samvardhane Yojana Sangha is registered as a Society under Karnataka Societies Registration Act, 1960, the Books of accounts and final annual statements are required statutorily to be audited by a firm of Chartered Accountants and the statements are registered with the concerned registrar. Refer Annexure 4 for the TOR.

### 9.3 Internal Audit:

There is an Internal Audit team established in SPU and audit assistant team in the DPU, along with External CAs or Firms shall be inducted based on the TOR acceptable with the World Bank.

---

## **10. PROCUREMENT PROCEDURE**

A separate manual exists for Procurement procedure and hence the same is not needed to be reproduced in this manual.

---

# **ANNEXURES**

Annexure 1: Role of Finance & Accounts Section

Deleted: 1

Deleted: 1

Brief description of the role of Finance and accounts personnel is given below for better understanding of their duties and responsibilities.

- Preparation of Annual Budget for approval by Competent Authority
- To seek Grants from the State Government with necessary documentation
- Verification of requisitions and arrangement for timely and speedy transfer of funds to various Project implementing agencies for project activities
- Scrutiny of bills received from Suppliers, Contractors and Consultants. NGO's etc
- Preparation and Scrutiny of Salary Bills of JSYS establishment
- Maintenance of proper books of accounts, registers, records, files and related documents in respect of expenses incurred by it.
- Issue of receipts and accounting of receipt of money
- Classify and group the expenditure accounting to the approved chart of Accounts covering:-
  - State Budget Heads
  - Capital and Revenue Expenditure
  - Components and Sub-components of the project
  - Disbursement Category of the World Bank
  - Procurement Method and Category
  - Location wise classification
  - Cost Centers
  - Expenditure Category
  - Local and Foreign Currency
  - Disbursement Method
  - Prior and Post review Contracts
  - Funding Institution
- Prepare Monthly Financial Statements
- Preparation of Bank Reconciliation Statement.
- Obtain and Verify the Monthly Financial Returns from project implementing offices - DPUs and TUGs
- Consolidate Monthly Project Accounts
- Reconcile the Payments with Project Expenditure
- Reconcile the Project Expenditure which are Eligible for Financing from the Bank
- Set financial targets say quarterly for the implementing offices and monitor the progress and to report on any adverse variation
- Observe all statutory rules and regulations such as filing of returns, deduction and payment of taxes, etc
- Preparation and submission of Claim Application with necessary documentation to the Controller of Aid Accounts and Audit, New Delhi.

- Follow-up and obtain the Reimbursement from the World Bank and GOI
- Reconcile the Claim submitted with admittance and disbursement
- Maintenance of fixed assets registers
- Renewal of Insurance
- Safe keeping of Bank Guarantees, other important documents and its timely renewal
- Monitor the progress of the contracts and impose penalty or liquidated damages etc, as per the terms
- Arrange for audit of accounts and obtain audit certificates
- Submit Audit Certificate to World Bank
- Comply with the Audit observations
- Obtain, verify and consolidate periodical progress financial statements for the Executive Committee and Governing council meetings etc, for monitoring and decision making
- Submit periodical financial returns to various departments – PMU, FD, GOK, GOI and World Bank etc,
- Obtain financial statements and utilization certificate from all implementing agencies at periodical intervals
- Facilitate the Project Management Team with necessary financial progress statements for monitoring the progress and to take necessary corrective action

**Job description**

The CFAO shall allocate responsibilities to various officers & officials under him for execution of functions enumerated above. The following table shows the Job description of the Finance and Accounts personnel, which is an indicative only, and not an exhaustive, as the occasions arise additional responsibility may be entrusted with equitable distribution of work among the personnel.

Designation	Qualification	Duties and Responsibilities
Chief Accounts Officer	Chartered Accountant / Joint Controller of State Accounts	Overall In charge of all financial functions from <ul style="list-style-type: none"> <li>• Planning</li> <li>• Budgeting,</li> <li>• Funds Management</li> <li>• Release of Funds to Project Implementing offices</li> </ul>

← - - - Formatted Table

		<ul style="list-style-type: none"> <li>Monitoring and Analysis of Financial progress vis- a- vis Budgets, Targets etc and Physical progress</li> <li>Accord approval of bills as to its eligibility with reference to contract terms</li> <li>Reporting the progress to the Executive Director and Executive Committee</li> <li>Monitoring of Submission of reports as required by World Bank, Government of Karnataka</li> <li>Ensuring timely obtention of disbursement and release of grants.</li> <li>Compliance with Audit Requirements.</li> <li>Issue circulars and guidelines for accounting and reporting</li> <li>Undertake periodical review meeting and field visits</li> <li>Assist and provide the World Bank Review Mission with latest progress statements and other required information</li> <li>Prepare quarterly targets / bench marks in consultation with technical team</li> <li>Review of all major contracts</li> <li>Issue opinion on financial matters and advice the Executive Director with respect to Budget, eligibility for financing etc,</li> </ul>
Finance Manager ( WB reimbursements )	Chartered Accountant	<ul style="list-style-type: none"> <li><u>Preparation and Review of Budget (Project, State and District)</u></li> <li><u>Review of Financial Statements/Reports of World Bank.</u></li> <li><u>Monitor the Fund Management.</u></li> <li><u>Undertake periodical review meeting .</u></li> <li><u>Assist and provide the World Bank Review Mission with latest progress statements and other required information</u></li> <li><u>Prepare quarterly targets / bench marks in consultation with technical team</u></li> <li><u>Discuss with CAO and issue necessary circulars, instructions and guidelines from time to time regarding budget, accounts, financial reporting, audit, etc.</u></li> <li><u>Create new heads of accounts or grouping etc. Verify the Books of accounts, registers, documentation and also ensure its correctness.</u></li> <li><u>Follow up of claims and its reconciliation</u></li> <li><u>Liaison with Computer Operators and Systems analyst on the various reports</u></li> <li><u>Ensure necessary data backs are taken</u></li> <li><u>Modify and rectify the data with the approval of CAO</u></li> <li><u>Verify the bank reconciliation statements and take necessary corrective actions</u></li> <li><u>Monitor the advances and ensure that it is recovered in time</u></li> </ul>
Finance Manager ( DPU	Chartered Accountant Inter	<ul style="list-style-type: none"> <li><u>Review of all major contracts</u></li> </ul>

Formatted: Bullets and Numbering

Formatted: Bulleted + Level: 1 + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25", Position: Horizontal: Left, Relative to: Column, Vertical: In line, Relative to: Margin, Horizontal: 0", Vertical: 0", Wrap Around

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

<u>Accounting)</u>		<ul style="list-style-type: none"> <li>• <u>Renew the insurance policy, Bank guarantees, deposits etc.</u></li> <li>• <u>Verify and scrutiny the bills and accord its admissibility</u></li> <li>• <u>Verify the Books of accounts, registers, documentation and also ensure its correctness</u></li> <li>• <u>Recommendation for release of Funds to District Office and TUGs'</u></li> <li>• <u>Check the various reconciliation statements with respect to its admissibility</u></li> <li>• <u>Review the DPU accounting in the tally accounting Package and report on the progress Tank wise.</u></li> <li>• <u>Verify the reconciliation of the DPU accounting with respect to ITDP accounts and Bank accounts of TUG.</u></li> </ul>
<u>Accounts Superintendent (WB , salaries and claims)</u>	<u>B.Com. SAS</u>	<ul style="list-style-type: none"> <li>• <u>Verification of Bills of suppliers, contractors, consultants, and others</u></li> <li>• <u>Preparation of periodical Financial Statements and Returns</u></li> <li>• <u>Reports as required by World Bank.</u></li> <li>• <u>Review Budgeting (Contracts and Procurements)</u></li> <li>• <u>Consolidation of Budget Proposals received from District Offices (DPU).</u></li> <li>• <u>Cash Forecasting</u></li> <li>• <u>Maintenance of Accounts</u></li> <li>• <u>Review and Attend to the Audits of the World Bank</u></li> <li>• <u>Check the subsidiary registers and take necessary actions with respect to advances, deductions etc</u></li> <li>• <u>Ensure timely remittances of funds collected</u></li> <li>• <u>Prepare Bank reconciliation</u></li> <li>• <u>Ensure necessary financial returns are submitted in time</u></li> <li>• <u>Preparation of Claim application after reconciliation</u></li> <li>• <u>Ensure that all contract terms of suppliers, consultants etc, are adhered to</u></li> <li>• <u>Custodian of cheque books and receipt book etc.</u></li> <li>• <u>Ensure that all data (vouchers) are entered properly coded and fed into computer</u></li> <li>• <u>Check the data entry / check list before processing</u></li> <li>• <u>Suggest changes required in the heads of accounts, reporting or data requiring modifications</u></li> <li>• <u>Reconcile the Accounts of the DPU and TUG's etc.</u></li> <li>• <u>Verify and Recommend for release of funds to DPU's</u></li> <li>• <u>Verify and ensure necessary taxes etc, are deducted from bills and remitted in time to the concerned department (like Income Tax, sales tax etc.)</u></li> <li>• <u>Issue necessary tax deducted certificates to suppliers and contractors</u></li> </ul>
<u>Accounts Superintendent (Project)</u>	<u>B.Com. SAS</u>	<ul style="list-style-type: none"> <li>• <u>Budgeting (Operations &amp; Establishment)</u></li> <li>• <u>Consolidation of Budget Proposals from District Office (Operations)</u></li> <li>• <u>Verification of Pay roll</u></li> </ul>

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

		<ul style="list-style-type: none"> <li>• <u>Review of the Monthly Accounts of Head-Office and District Offices for submission to Auditor General's Office</u></li> <li>• <u>Attending to Statutory Review of AG Office and Audit</u></li> <li>• <u>Verify the pay bills and scrutiny the various aspects of advances and deductions</u></li> <li>• <u>Verify and update the staff advances and its recover</u></li> <li>• <u>Verify and ensure necessary taxes etc. are deducted from salary and remitted in time to the concerned department (like Income Tax, LIC, PF, NSC)</u></li> <li>• <u>Issue necessary tax deducted certificates to employees</u></li> <li>• <u>Verify the increments, obtain necessary sanctions, including Medical leave etc.</u></li> </ul>
<u>Accounts Assistant (Projects)</u>	<u>B.Com. Exposure to Computer Operations inclusive of MS Office.</u>	<ul style="list-style-type: none"> <li>• <u>Prepare payment vouchers, its numbering and filing</u></li> <li>• <u>Maintenance of Books of Accounts and registers</u></li> <li>• <u>Data entry of vouchers after approval of Superintendent</u></li> <li>• <u>Assist the Accounts Superintendent in preparation of Statements and Reports as required by the World Bank</u></li> <li>• <u>Assist and Prepare Budgeting (Contracts and Procurements)</u></li> <li>• <u>Consolidation of Budget Proposals received from District Offices.</u></li> <li>• <u>Assist in Review and Attend to the Audits of the World Bank</u></li> </ul>
<u>Accounts Assistant um Cashier (Operations)</u>	<u>B.Com. Exposure to Computer Operations inclusive of MS Office.</u>	<ul style="list-style-type: none"> <li>• <u>Preparation of payment vouchers</u></li> <li>• <u>Preparation of receipt &amp; vouchers</u></li> <li>• <u>Deposits cash, DD, cheques into bank account</u></li> <li>• <u>Accounting for Imprest account</u></li> <li>• <u>Maintaining cash and Bank book,</u></li> <li>• <u>Maintain the Books of Accounts</u></li> <li>• <u>Assist the Accounts Superintendent in preparing the Budget (Operations &amp; Maintenance)</u></li> <li>• <u>Consolidation of Budget Proposals from District Office (Operations)</u></li> <li>• <u>Preparation of pay roll</u></li> <li>• <u>Bank reconciliation</u></li> <li>• <u>Consolidation of Monthly Accounts of Head-Office and District Offices for submission to Auditor General's Office</u></li> <li>• <u>Attending to Statutory Review of AG Office and Audits</u></li> </ul>
<u>Finance Manager</u>	<u>B.Com. SAS</u>	<ul style="list-style-type: none"> <li>• <u>Review of all major contracts</u></li> <li>• <u>Renew the insurance policy, Bank guarantees, deposits etc.</u></li> <li>• <u>Verify and scrutiny the bills and accord its admissibility</u></li> <li>• <u>Verify the Books of accounts, registers, documentation and also ensure its correctness</u></li> <li>• <u>Recommendation for release of Funds to District Office and TUGs'</u></li> <li>• <u>Create new heads of accounts or grouping etc.</u></li> <li>• <u>Check the various reconciliation statements with respect to its admissibility</u></li> <li>• <u>Review the DPU accounting in the tally accounting Package and report on the progress Tank wise.</u></li> <li>• <u>Verify the reconciliation of the DPU accounting with respect to ITDP accounts and Bank accounts of TUG</u></li> </ul>

← - - - Formatted: Bullets and Numbering

← - - - Formatted: Bullets and Numbering

← - - - Formatted: Bullets and Numbering

		<ul style="list-style-type: none"> <li>Review and Consolidate the Budget Proposals and Fund Requisition and forward the same to JSYS</li> <li>Review the Consolidate the Accounts and Expenditure Statements received from various TUGs and send the same to JSYS and ITDP accounting of it in the tally accounting package and ensure its regular submission to the SPU.</li> </ul>
Accounts Superintendent (District project unit)	B.Com. SAS	<ul style="list-style-type: none"> <li>Review the Books of Accounts Maintained at the District project unit.</li> <li>Consolidate the Accounts and Expenditure Statements received from various TUGs and send the same to JSYS</li> <li>Monitor the Fund flow at the district project unit</li> <li>Monitor and Correspond the requirement of Funds with TUGs</li> </ul>
Accounts Assistant Cum cashier (District project unit)	B.Com. Exposure to Computer Operations inclusive of MS Office	<ul style="list-style-type: none"> <li>Preparation of payment vouchers</li> <li>Preparation of receipt &amp; vouchers</li> <li>Deposits cash, DD, cheques into bank account</li> <li>Accounting for Imprest account</li> <li>Maintaining cash and Bank book.</li> <li>Maintain the Books of Accounts at District project unit</li> <li>Prepare the monthly progress statements of the district project unit for onward submission to JSYS</li> <li>Assist in consolidating the Accounts received from TUGs for onward submission to JSYS.</li> <li>Assist in consolidating requisition of Fund Requirement from Various TUGs for onward submission to JSYS.</li> <li>Prepare payroll</li> <li>Prepare Bank Reconciliation statement of district project unit for onward submission to JSYS</li> </ul>

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

Deleted: ¶  
¶  
¶

Deleted: -----Page Break-----  
Finance Manager ( WB reimburse ... [6]

---

Annexure 2: Disbursement Methods

Deleted: 2

Deleted: 2

- Method of Disbursement

The disbursement from the World Bank can be grouped as under:-

- Replenishment to Special Account
- Reimbursement
- Direct Payment

- Special Account

The PROJECT AGREEMENT of the project normally specifies the opening of a Special Account by the borrower (Government of India) with the Reserve Bank of India in US Dollars on the terms and conditions satisfactory to the Bank. Normally, Special Account limit is also specified in the PROJECT AGREEMENT. As per the agreed terms (Authorized Allocation) Bank will deposit such sums into the Special Account.

- Operation of Special Account

The power to operate the Special Account vests with the Controller of Aid, Accounts and Audit Division, Ministry of Finance, (Department of Economic Affairs) Government of India. Based on the request for replenishment received from the Project office, CAA&A withdraws the money from the Special Account. Periodically, the World Bank replenishes the Special Account of the project.

CAA&A after withdrawal for money from the Special Account maintained at RBI, intimates the World Bank and PMU, Plan Finance Division, Department of Expenditure, Ministry of Finance, GOI. After scrutiny the PF Division, issues Additional Central Assistance (ACA) to the State. The funds are credited to the Government of Karnataka Account maintained at RBI Nagpur, with intimation to the GoK, Finance department and SPU.

Annexure 3: Chart of Accounts

Deleted: 3

Deleted: 3

**A .Chart of Accounts for Assets**

Formatted Table

Groupings	Major sub groups	Sub-groupings	Ledger Heads of Accounts
Fixed Assets:	Land & Buildings	Land	Lease Hold land
			Free Hold Land
		Buildings	Office Buildings
			Residential (Staff Quarters)
			Training centers
			Godowns
			Community Halls
	Vehicles	Vehicles	Cars
			Jeeps
			Tractors and Trailers
			Trucks
			Dumpers
			Two Wheelers
			Vans
			Buses
			Others-specify
	Equipments	Earth Moving Equipments	Escavators
			Drillers
		Office Equipments	Computers
			Printers
			UPS
			Scanner
			Projector
			Photo Copier Machine
			Type Writer
			Calculating Machines (Calculators)
			Operating & Application Software's with accessories
			Gis Equipment/ Software
			Air Conditioners
			Air Coolers

		Communication Equipments	EPABX –Telephone & Intercoms
			Mobile Phones
			Pagers
			Fax Machine
			Modems
			Answering Machines
			Web Cameras
			Public Address System – Mike
			Television
			Audio System – Radio / Tape Recorders/ CD
			Video Systems VCR/VCP/DVD
			Other wireless – Communication equipments
		Field Inputs	Agricultural inputs /Tools/equipments
			Horticulture Inputs /Tools/equipments
			Forestry inputs /Tools/equipments
			Fishery inputs /Tools/equipments
			Dairy inputs / Dairy Kits
		Training Materials	Wipro Boards & Accessories
			Training Kits
			Training Books & Materials
			Books
	Furniture	Furniture & Fixtures	Tables
			Chairs
			Sofa Sets
			Cupboards

			Partitions/ Cubicles	Cabins/ Cubicles
			Filling cabinets/ racks	
			Book Shelf	
			Refrigerators	
			Fans	
			Water Cooler	
			Vacuum Cleaner	
		Sundry Assets	Clocks	
			Water Filters	
			Curtains	
			Carpets	
			Crockery & Utensils	
			Interior Decorative Items	
Project Specific Expenses	Works	Restoration of Tanks Expenses	Desiltation	
			Transportation of silt	
			Deweeding	
			Bund Repair	
			Sluice Repairs	
			Waste Water Weir Repair	
			Spill Replacement	
			Resection of feeder Channel	
			Cleaning of Main Canal	
			Lining of Main Canal	
			Construction of unlined canal	
			Farm Activity	
			Catchments Area Improvement	
			Command Area Improvement	
			Community & Gender Development	
Other Project Expenses	Training & Workshop	Training	Local Training Programme	
			Overseas Training	

			Programme
			Workshop
			Seminar
	IEC Expenses	Media & Publicity	Air/ Doordarshan/ TV Serials
			Street Plays
			Audio & Videography
			Brochure
			Magazines
			Advertisement in News Paper
			Others
	Professional Services	Professional Services	Consultancy Services
			NGO Services
			Legal Fee
			Architect Fee
			Arbitration Fee
			Guest Lectures Fee
			Other Services
Current Assets		Cash – on hand	Cash on Hand
			Imprest Account
		Cash at Bank	Cash at Hand
			Cash-in-Transit
		Short Term Investments	Fixed Deposits with Banks
		Loans and Advances	Advance Paid to DPU's
			Advance Paid to Contractor
			Advance Paid to Suppliers
			Advance Paid to Consultants
			Advance Paid to NGOs
			Advance Paid to Staff
			Advance Paid to Staff- Festival Adv

			Advance Paid to Staff-Vehicle Adv
			Advance Paid to Staff-TravelAdv
			Advance Paid to Training Institutions (For Conducting Training)
			Advance paid to other service Providers
		Inventory	Inventory (Specify the item)
		Deposits	Rent Deposit
			Electrical Deposit
			Telephone Deposit
			Other Deposits (Specify)
		Prepaid Expenses	Prepaid Expenses
Miscellaneous Expenses		Miscellaneous Expenses	Miscellaneous Expenses
			Deferred Revenue Expenditure
			Preliminary Expenses
Equity:		Capital	
		Government Grants	Government Grants – Capital Grants
		Endowment/Specific Capital Fund	
		Beneficiary Contribution	Cash Contribution
			Labour Contribution
			Contribution –in-Kind
Term Liabilities:		Secured Loans	Secured Loans – Banks
			Secured Loans – Hudco
			Secured Loans – other Financial Institutions (Specify)

		Un Secured Loans	
		Bonds	Bonds – Series Wise
		Debentures	Debenture – Series Wise
		Public Deposits	Public Deposits
Current Liabilities		Bills Payable	Bills Payable to Contractor
			Bills Payable to Suppliers
			Bills Payable to Consultants
			Bills Payable to NGOs
			Bills Payable to other service providers
		Earnest Money Deposit	EMD received from contractor
			EMD received from Suppliers
		Retention Money (Security Deposit)	Security Deposits from Contractors
		TDS Deducted at Sources	TDS – income Tax on salaries
			TDS – income Tax on Professional
			TDS – income Tax on rent
			TDS – income Tax on Contactors
			TDS – income Tax on others

**B Chart of Accounts for Expenditure with disbursement categories**

Component	Sub-component	Activities	Disbursement category
Groups	Sub groups	Ledger Head of Account	Cost Centre

1. Establishing and Enabling Environment	1.1 Policy Planning & Legal Environment	1.1.1 Policy Planning & Legal Environment	CONS/ NGOEDU/ T&W <sup>8</sup>
	1.2 Project Management	1.2.1 Information Management 1.2.2 Monitoring and Learning 1.2.3 Technical Support Services and Studies 1.2.4 Workshops and Meetings 1.2.5 Vehicle, Equipment, Furniture	CONS / T&W CONS/ NGOEDU <sup>9</sup> NGOEDU T&W G&E
	1.2.6 Incremental Staff	1.2.6 a Pay officers 1.2.6 b Pay Staff 1.2.6 c Dearness Allowance 1.2.6 d Other Allowances	IS

<sup>8</sup> More than one cost centre is applicable

<sup>9</sup> More than one cost centre is applicable

	1.2.7 Operating Expenditure	1.2.7 a Travel Expenses - Local 1.2.7 b Travel Expenses - Overseas 1.2.7 c Telephone charges 1.2.7 d Mobile Phone charges 1.2.7 e Postage / Courier Charges 1.2.7 f Internet Charges 1.2.7 g Running Expenses -Petrol 1.2.7 h Running Expenses -Diesel 1.2.7 i Running Expenses -Other Lubricants 1.2.7 j Repairs to Vehicles 1.2.7 k Repairs to Buildings 1.2.7 l Repairs to Equipments 1.2.7 m Repairs to Machinery 1.2.7 n Repairs to Computers 1.2.7 o Rent, Rates and taxes 1.2.7 p Electricity Charges 1.2.7 q Water Charges 1.2.7 r Insurance 1.2.7 s Printing/Stationary/Xerox 1.2.7 t Newspaper, Books Periodicals &Subscriptions 1.2.7 u Local Conveyance 1.2.7 v Office Expenses 1.2.7 w Security Services 1.2.7 x Meeting Expenses <sup>10</sup> 1.2.7 y Bank Charges And Commission 1.2.7 z Interest Expenses 1.2.7 aa Repairs - Vehicles 1.2.7 bb Repairs – Equipment	IO&M
		1.2.7 cc Audit Fees	CONS
		1.2.8 Information Dissemination	I O & M
	1.2.9 Income	1.2.9 a Interest on Bank Deposits 1.2.9 b Sale of Bid Documents (Tender Forfeiture of EMD Forms) 1.2.9 c Other Receipts (Specify) Government Grants – Revenue Grants	NC
2. Strengthening Community Development	<b>2.1 Human and Institutional Resource Development</b>	2.1.1. CFT 2.1.2. TUG/GPSC Training and capacity building	NGOEDU T&W T&W

<sup>10</sup> Includes sitting fees

		2.1.3. CFT Training and capacity building 2.1.4. DPU Training and capacity building 2.1.5. STATE TEAM Training and capacity building	T&W T&W
	2.2 Safeguard and Gender Action Plans	2.2.1. Institutional development 2.2.2. Skill Development and capacity building 2.2.3. Income Generation Fund for inclusion of ITDP 2.2.4. Resettlement Action Plan 2.2.5. RAP 2.2.6. Training Need Assessment 2.2.7. Capacity Building 2.2.8. Tribal Development Plan	T&W T&W T&W NGOEDU/ T&W <sup>11</sup> CONS T&W T&W CONS/ T&W/G&E <sup>12</sup>
	<b>2.3 Planning and Management Support to TUGs</b>	2.3.1. Environment Management Plan 2.3.2. M&E Consultancy Services	T&W/ NGOEDU <sup>13</sup> CONS
	<b>2.4 Communication</b>	2.4.1 Communication	CONS/ T&W/G&E/IO&M <sup>14</sup>
3. Under Taking Tank System Improvement	3.1 Tank Civil Works Improvements (4 to 40 Hectares)	3.1.a Central Dry Zone 3.1.b Eastern Dry Zone 3.1.c North Eastern Dry Zone 3.1.d North Eastern Transition Zone 3.1.e Northern Dry Zone 3.1.f Dam Safety Task Force 3.1.g Survey Expenses 3.1.h Soil Testing Expenses	TSS
	3.2 Tank Civil Works Improvements > 40 Hectares	3.2.a Central Dry Zone 3.2.b Eastern Dry Zone 3.2.c North Eastern Dry Zone 3.2.d North Eastern Transition Zone 3.2.e Northern Dry Zone 3.2.f Southern Dry Zone 3.2.g Hilly Zone 3.2.h Dam Safety Task Force	TSS

<sup>11</sup> More than one cost centre is applicable

<sup>12</sup> More than one cost centre is applicable

<sup>13</sup> More than one cost centre is applicable

<sup>14</sup> More than one cost centre is applicable

		3.2.i Survey Expenses Soil Testing Expenses	
	3.3 Agriculture and Horticulture Development	3.3.1. On-Farm Demonstration 3.3.2. Support Assistance 3.3.3. Training Activities 3.3.4. Innovation Fund	NGOEDU NGOEDU T&W T&W
	3.4 Technical Assistance for Other Income Generation	3.4.1. Livestock Development 3.4.2. Forestry Development 3.4.3. Fisheries 3.4.4. Technical Assistance 3.4.5. Capacity Building 3.4.6. Trainer Allowances	T & W T & W G&E <sup>15</sup> NGOEDU T&W T&W
	3.5 Technology Development	3.5.1. Pilot Projects 3.5.2. Other Studies 3.5.3. Planning ITDP preparation 3.5.4. Monitoring and Evaluation 3.5.5. Consultancies 3.5.6. TUG/GPSC Administration & Management Costs	T&W T&W T&W T&W/G&E <sup>16</sup> CONS TSS

**List of Abbreviations**

TSS	Tank system sub project
G&E	Goods and Equipment
T&W	Training and workshop
NGOEDU	NGOs education & research Institution
CONS	Consultancy Services
IS	Incremental Salaries
IO&M	Incremental operations and maintenance costs
NC	Non-claimable

<sup>15</sup> More than one cost centre is applicable

<sup>16</sup> More than one cost centre is applicable

Annexure 4: Statutory Audit – Scope of Work

Deleted: 4

Deleted: 4

*Scope of Work*

The audit will be carried out in accordance with the international standards of Auditing and will include such tests and controls, as the auditor considers necessary under the circumstances. In conducting the audit special attention shall be paid to the following: -

- All external funds have been used in accordance with the conditions of relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- Counterpart Funds have been provided by **Government of India / Government of Karnataka** are used in accordance with relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- Goods and Services financed have been procured in accordance with the relevant financing agreements and also the World Bank Procurement Norms have been followed.
- All necessary supporting documents, records, and accounts have been kept in respect of all project ventures (including expenditures reported via Statement Of Expenditure's or Special Accounts) Clear linkages should exist between the books of account and reports presented to Government of Karnataka/ GOI and the World Bank.
- The project accounts have been prepared in accordance with consistently applied International Accounting standards and give a true and fair view of the financial situation of the project at the end of each financial year and the resources and expenditure for the year ended on that date.

The audit to cover all activities of the project. The consolidated Project financial statements of SPU & DPUs audited should cover:

- Sources and Uses of Funds with all appropriate schedules and summary
- Statement of project expenditure by various Implementing Agencies according to Components / Sub components, Expenses category, Disbursement categories
- Statement of Assets and Liabilities acquired and created by the project
- Statement of withdrawals from IDA credit, indicating details of withdrawals as to date, method and amount of withdrawal. The statement to be reconciled with the World Bank's Disbursement statement
- Statement of Special Account, if any
- The auditor to make field visits as considered necessary and the audit to be carried out on a quarterly basis.

Audit Report should contain Auditor's opinion on the above aspects

*Management Letter:*

The Auditor to furnish a statement to project management containing:

- Comments on the Accounting system, records and internal controls observed during the course of audit
- Any deficiencies or weakness in systems and controls observed, with recommendations for strengthening and improving.
- Compliance with the Covenants and Credit Agreement if any, on internal and external matters affecting such compliance
- Any other matter which had come to the attention of the auditor during the course of audit and / or auditor considers relevant for the knowledge of the project Management.
- Any other matter that the auditor considers appropriate.

Necessary Data, Services and Facilities to be provided by the Client

The Auditor would be given access to all legal documents, project proposals, agreements, World Bank policies and guidelines on Financial Reporting and Auditing, Financial Accounting and reporting Handbook, Disbursement Handbooks, Project Financial Manual, Procurement Guidelines and correspondence apart from the Books of accounts, vouchers, financial statements and any other information associated with the project and deemed necessary by the auditor.

Key Personnel and Qualification:

- The audit has to be carried out by a firm of qualified Chartered Accountants having a minimum professional experience of 10 years in the audit of accounts of the Government departments, and preference shall be given to the firm having experience in auditing or development of financial management system for externally aided projects funded by the World Bank or Asian Development Bank or the United Nations etc,
- The Audit team should include sufficient number of appropriate staff matching with the size and scope of the assignment.

The statutory auditor submits the quarterly management letter which in turn shall be shared with the world Bank within 5 days from the date of receipt .

*Annexure 5: Format of Reports*

Deleted: 5  
Deleted: 5

**I. SPU Reports**

**Table A For On-Going Project**

Reports	Particulars	Frequency
FMR 1	Fund Flow Statement	Quarterly
FMR 2	Statement Showing Project Expenses against Budget	Quarterly
FMR 3	District-wise Project Expenditure	Quarterly
FMR 4	Consolidated Project Expenditure against Budget	Quarterly
FMR 5	Activity Monitoring Report as per Component, Subcomponent for the State Office	Quarterly
FMR 6	Project Expenditure based on Expenditure Category	Quarterly
PCA 1	Consolidated Procurement Management Report	Quarterly

**Table A For Follow-on Project**

Reports	Particulars	Frequency
FMR 1	Financial Monitoring Report for the quarter ended....	Quarterly
FMR 1 A	Cumulative Financial Monitoring Report for the quarter ended....	Quarterly
FMR 2	Activity-wise Project Expenditure report for the quarter ended .....	Quarterly
FMR 2A	Funds Requirement Report for the quarter ended .....	Quarterly
FMR 3	Component , Sub-component -wise Project Expenditure report for the quarter ended .....	Quarterly
FMR 3A	District-wise Project Expenditure for the quarter ended .....	Quarterly
FMR 4	Category-wise Project Expenditure Against Budget for the quarter ended.....	Quarterly
FMR 5	Category-wise Expenditure for the Quarter.....	Quarterly
FMR 5A	District-wise Cumulative Project Expenditure based on expenditure category for the Quarter ended .....	<u>Quarterly</u>
<b><u>PCA 1</u></b>	<b><u>Procurement Management Report for prior review procurements for the quarter ended .....</u></b>	<u>Quarterly</u>

Formatted: Font color: Auto

**Table B**

Statements	Statement Name
AFS 1	Balance sheet
AFS 2	Balance sheet Schedules
AFS 3	Income and expenditure account
AFS 4 <sub>A</sub>	Schedule of Claims for the financial Year ended
AFS 4 <sub>B</sub>	Breakup of Claims Submitted

Deleted: A

Deleted: B Breakup of Claims Submitted

Formatted: Font color: Auto

**Table C**

Statements	Statement Name	Frequency
Form 1B	Document Of Claims	Monthly/Quarterly
Form 1C	Statement of Expenditure	Monthly/Quarterly

Deleted: ¶

**II DPU reports**

**Table A**

Statements	Statement Name	Frequency
ACC <sub>1</sub>	Component & subcomponent Expenditure for the month of ---- and Quarter ended -----	Monthly -Within 5 days of end of month
ACC <sub>2</sub>	Category –wise Expenditure for the month of.... And quarter ended.....	Monthly -Within 5 days of end of month
ACC <sub>3</sub>	Tank wise Ageing Analysis Statement as on	Quarterly
ACC <sub>4</sub>	Utilization Certificate of TUG's / TMI's ITDP Activities	Quarterly
ACC <sub>5</sub>	Letter of Authority	Within 10 days of the issue of LOA
ACC <sub>6</sub>	Consolidated summary of expenditure statement of TUGs	Monthly - Within 5 days of end of month

Deleted: ACC1 ... [7]

Deleted: 4

Deleted: 5

**Table B**

Statements	Statement Name
CPV	Cash Payment Voucher
BPV	Bank Payment Voucher
BRV	Bank Receipt Voucher

Deleted: ¶

Annexure 6: Delegation of Powers

Deleted: -----Page Break-----

Deleted: 6

Deleted: 6

-----

**A. Financial Delegation of Powers :**

The following is the threshold for financial sanctioning.

Sl.No	Designation	Threshold (Amount in Rs)
1	Project Executive Director	Upto 5,00,000/-
2	Project Director P& I	Upto 2,00,000/-

Note: However all powers with respect to assets shall be with the Executive Director of the project.

The above threshold is for a single sanction.

**B. Signing Powers:**

The following is the threshold for Cheque signing

Sl.No	Designation	Threshold (Amount in Rs)
1	Project Director and Project Executive Director	Above Rs.50, 000/- and payments for Asset
2	<u>Project Director and</u> Project CFAO	Upto 50,000/-

Note: The above threshold is applicable for a single payment.

Deleted: ¶

Deleted: ¶

Page 11: [1] Deleted User 1/23/2009 11:08:00 AM

Page 12: [2] Deleted User 1/20/2009 3:49:00 PM

CFT			✓	DPU
-----	--	--	---	-----

Page 18: [3] Deleted User 1/20/2009 3:56:00 PM

Page 21: [4] Deleted User 4/4/2009 11:05:00 AM

**TABLE SHOWING THE PROPOSED INSTALLMENT BASED FUND FLOW MECHANISM**

ROLE OF SPU	ELIGIBILITY CRITERIA FOR SPU TO TRANSFER FUNDS TO TMI	ROLE OF DPU	TIME PERIOD ALLOWED FOR UTILISING THE AMOUNT
<b><u>1<sup>st</sup> installment (paid in advance):</u></b> 30% of the ITDP amount will be directly transferred to TMI accounts	After appraisal of ITDP by the committee and 3% of the civil component of ITDP funds upfront cash collection of community contribution deposited in the form of FD	To access the funds by TMI, 1 <sup>st</sup> LOA will be issued from DPU after the agreement signed by both the parties (i.e. DPU and TMI)	4 months period will be allowed to utilize 75% of the amount
<b><u>2<sup>nd</sup> installment :</u></b> SPU shall transfer the next 30% of the ITDP amount as 2 <sup>nd</sup> installment amount directly to TMI accounts	After receiving the utilization certificate for 75% expenditure of 1 <sup>st</sup> Installment, with the recommendation of DPC, amount will be released within 7 days	After receiving the utilization certificate for 75% of 1 <sup>st</sup> installment with copies of TUG resolution MB, OK card, check measurement, etc ,2 <sup>nd</sup> LOA will be issued from DPU	6 months period will be allowed to utilize the balance 25% of 1 <sup>st</sup> installment if any and 75% of 2 <sup>nd</sup> installment amount.
<b><u>3<sup>rd</sup> installment :</u></b> SPU shall transfer the next 20% of ITDP funds as 3 <sup>rd</sup> installment directly to TMI accounts	After receiving the utilization certificate for 100% expenditure of 1 <sup>st</sup> Installment and 75% of 2 <sup>nd</sup> installment and remaining 3% cash collection of community contribution, with the recommendation of DPC, amount will be released within 7 days from the days of receipt of proposal.	After receiving the utilization certificate for 100% expenditure of 1 <sup>st</sup> Installment and 75% of 2 <sup>nd</sup> installment with copies of TUG resolution, Utilization Certificate, MB, OK card, check measurement and remaining 3% cash contribution details (by F.D receipts), 3 <sup>rd</sup> LOA will be issued from DPU.	4 months period will be allowed to utilize the entire amount of 2 <sup>nd</sup> installments if any and 75% of 3 <sup>rd</sup> installment.
<b><u>4<sup>th</sup> installment :</u></b> SPU shall transfer the next 14% of ITDP funds as 4 <sup>th</sup> and final installment directly to TMI accounts.	After receiving the utilization certificate for 100% expenditure of 1 <sup>st</sup> and 2 <sup>nd</sup> Installments and 75% of 3 <sup>rd</sup> installment, with the recommendation of DPC, amount will be released within 7 days from the days of receipt of proposal.	To access the funds by TMI 4 <sup>th</sup> LOA will be issued from DPU after receiving the 100% expenditure details of 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> installment with copies of TUG resolution, Utilization Certificate, MB, OK card, check measurement and utilization certificate etc.	4 months period will be allowed to utilize the entire amount.
Project Ledger Account			
Components and Sub-components Register			

Statements	Statement Name	Period	Last Date for Submission
FMR 1	Sources and Uses of Funds for the Year	Quarterly	45 days from the end of the quarter
FMR 2	Project Expenditure against budget for the quarter		
FMR 3	District-wise Project Expenditure for the quarter		
FMR 4	Consolidated Project Expenditure Against Budget for the quarter		
FMR 5	Component and sub component wise Expenditure for the year		
FMR 6	Project Expenditure based on expenditure category for the Year		
PCA1	Consolidated Procurement method and , procurement Category-wise Expenditure for the year		

Page 21: [5] Deleted User 1/20/2009 3:59:00 PM

Page 41: [6] Deleted User 1/23/2009 11:23:00 AM

Statements	Statement Name	Period	Last Date for Submission
FMR 1	Financial Monitoring Report for the quarter ended....	Quarterly	45 days from the end of the quarter
FMR 1 A	Cumulative Financial Monitoring Report for the quarter ended....		
FMR 2	Activity-wise Project Expenditure report for the quarter ended .....		
FMR 2A	Funds Requirement Report for the quarter ended .....		
FMR 3	Component , Sub-component -wise Project Expenditure report for the quarter ended .....		
FMR 3A	District-wise Project Expenditure for the quarter ended .....		
FMR 4	Category-wise Project Expenditure Against Budget for the quarter ended.....		
FMR 5	Category-wise Expenditure for the Quarter.....		
FMR 5A	District-wise Cumulative Project Expenditure based on expenditure category for the Quarter ended .....		

<p>Finance Manager ( WB reimbursements )</p>	<p>Chartered Accountant</p>	<p>Preparation and Review of Budget (Project, State and District)  Review of Financial Statements/Reports of World Bank.  Monitor the Fund Management.  Undertake periodical review meeting and field visits  Assist and provide the World Bank Review Mission with latest progress statements and other required information  Prepare quarterly targets / bench marks in consultation with technical team  Discuss with CAO and issue necessary circulars, instructions and guidelines from time to time regarding budget, accounts, financial reporting, audit, etc,  Follow up of claims and its reconciliation  Liaison with Computer Operators and Systems analyst on the various reports  Ensure necessary data backs are taken  Modify and rectify the data with the approval of CAO  Verify the bank reconciliation statements and take necessary corrective actions  Monitor the advances and ensure that it is recovered in time</p>
<p>Finance Manager ( DPU Accounting)</p>	<p>Chartered Accountant Inter</p>	<p>Review of all major contracts  Renew the insurance policy, Bank guarantees, deposits etc,  Verify and scrutiny the bills and accord its admissibility  Verify the Books of accounts, registers, documentation and also ensure its correctness  Recommendation for release of Funds to District Office and TUGs'  Create new heads of accounts or grouping etc,  Check the various reconciliation statements with respect to its admissibility  Review the DPU accounting in the tally accounting Package and report on the progress Tank wise.  Verify the reconciliation of the DPU accounting with respect to ITDP accounts and Bank accounts of TUG.</p>
<p>Accounts Superintendent (WB , salaries and claims)</p>	<p>B.Com. SAS</p>	<p>Verification of Bills of suppliers, contractors, consultants, and others  Preparation of periodical Financial Statements and Returns Reports as required by World Bank.  Review Budgeting (Contracts and Procurements)  Consolidation of Budget Proposals received from District Offices (DPU).</p>

		<p>Cash Forecasting</p> <p>Maintenance of Accounts</p> <p>Review and Attend to the Audits of the World Bank</p> <p>Check the subsidiary registers and take necessary actions with respect to advances, deductions etc</p> <p>Ensure timely remittances of funds collected</p> <p>Prepare Bank reconciliation</p> <p>Ensure necessary financial returns are submitted in time</p> <p>Preparation of Claim application after reconciliation</p> <p>Ensure that all contract terms of suppliers, consultants etc, are adhered to</p> <p>Custodian of cheque books and receipt book etc,</p> <p>Ensure that all data (vouchers) are entered properly coded and fed into computer</p> <p>Check the data entry / check list before processing</p> <p>Suggest changes required in the heads of accounts, reporting or data requiring modifications</p> <p>Reconcile the Accounts of the DPU and TUG's etc,</p> <p>Verify and Recommend for release of funds to DPU's</p> <p>Verify and ensure necessary taxes etc, are deducted from bills and remitted in time to the concerned department (like Income Tax, sales tax etc,)</p> <p>Issue necessary tax deducted certificates to suppliers and contractors</p>
Accounts Superintendent (Project)	B.Com. SAS	<p>Budgeting (Operations &amp; Establishment)</p> <p>Consolidation of Budget Proposals from District Office (Operations)</p> <p>Verification of Pay roll</p> <p>Review of the Monthly Accounts of Head-Office and District Offices for submission to Auditor General's Office</p> <p>Attending to Statutory Review of AG Office and Audit</p> <p>Verify the pay bills and scrutiny the various aspects of advances and deductions</p> <p>Verify and update the staff advances and its recover</p> <p>Verify and ensure necessary taxes etc, are deducted from salary and remitted in time to the concerned department (like Income Tax, LIC, PF, NSC)</p> <p>Issue necessary tax deducted certificates to employees</p> <p>Verify the increments, obtain necessary sanctions, including Medical leave etc,</p>
Accounts Assistant (Projects)	B.Com. Exposure to Computer Operations inclusive of MS Office.	<p>Prepare payment vouchers, its numbering and filing</p> <p>Maintenance of Books of Accounts and registers</p> <p>Data entry of vouchers after approval of Superintendent</p> <p>Assist the Accounts Superintendent in preparation of Statements and</p>

		<p>Reports as required by the World Bank</p> <p>Assist and Prepare Budgeting (Contracts and Procurements)</p> <p>Consolidation of Budget Proposals received from District Offices.</p> <p>Assist in Review and Attend to the Audits of the World Bank</p>
<p>Accounts Assistant um Cashier (Operations)</p>	<p>B.Com. Exposure to Computer Operations inclusive of MS Office.</p>	<p>Preparation of payment vouchers</p> <p>Preparation of receipt &amp; vouchers</p> <p>Deposits cash, DD, cheques into bank account</p> <p>Accounting for Imprest account</p> <p>Maintaining cash and Bank book,</p> <p>Maintain the Books of Accounts</p> <p>Assist the Accounts Superintendent in preparing the Budget (Operations &amp; Maintenance)</p> <p>Consolidation of Budget Proposals from District Office (Operations)</p> <p>Preparation of pay roll</p> <p>Bank reconciliation</p> <p>Consolidation of Monthly Accounts of Head-Office and District Offices for submission to Auditor General's Office</p> <p>Attending to Statutory Review of AG Office and Audits</p>
<p>Finance Manager</p>	<p>B.Com. SAS</p>	<p>Review of all major contracts</p> <p>Renew the insurance policy, Bank guarantees, deposits etc,</p> <p>Verify and scrutiny the bills and accord its admissibility</p> <p>Verify the Books of accounts, registers, documentation and also ensure its correctness</p> <p>Recommendation for release of Funds to District Office and TUGs'</p> <p>Create new heads of accounts or grouping etc,</p> <p>Check the various reconciliation statements with respect to its admissibility</p> <p>Review the DPU accounting in the tally accounting Package and report on the progress Tank wise.</p> <p>Verify the reconciliation of the DPU accounting with respect to ITDP accounts and Bank accounts of TUG</p> <p>Review and Consolidate the Budget Proposals and Fund Requisition and forward the same to JSYS</p> <p>.Review the Consolidate the Accounts and Expenditure Statements received from various TUGs and send the same to JSYS and ITDP accounting of it in the tally accounting package and ensure its regular submission to the SPU.</p>
<p>Accounts Superintendent (District project unit)</p>	<p>B.Com. SAS</p>	<p>Review the Books of Accounts Maintained at the District project unit.</p> <p>Consolidate the Accounts and Expenditure Statements received from various TUGs and send the same to JSYS</p> <p>Monitor the Fund flow at the district project unit</p> <p>Monitor and Correspond the requirement of Funds with TUGs</p>
<p>Accounts Assistant Cum cashier (District</p>	<p>B.Com. Exposure to Computer</p>	<p>Preparation of payment vouchers</p> <p>Preparation of receipt &amp; vouchers</p>

project unit)	Operations inclusive of MS Office	Deposits cash, DD, cheques into bank account Accounting for Imprest account Maintaining cash and Bank book, Maintain the Books of Accounts at District project unit Prepare the monthly progress statements of the district project unit for onward submission to JSYS Assist in consolidating the Accounts received from TUGs for onward submission to JSYS. Assist in consolidating requisition of Fund Requirement from Various TUGs for onward submission to JSYS. Prepare payroll Prepare Bank Reconciliation statement of district project unit for onward submission to JSYS
---------------	--------------------------------------	---

ACC1	Tank wise Ageing Analysis Statement as on	Quarterly
ACC2	Utilization Certificate of TUG's / TMI's ITDP Activities	Quarterly
ACC 2A	Consolidated summary of expenditure statement of TUGs	Monthly - Within 5 days of end of month
ACC 3 LOA	Letter of Authority	Within 10 days of the issue of LOA