

Training Module on  
**“Fund Flow and Banking  
Arrangements”**

April, 2014



# Learning Objective of the Module

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The aim of this training module on “Fund Flow and Banking” is to help the finance and accounts staff to develop an understanding of the following:

- ✓ Key sources of funds under NRHM
- ✓ Overall Fund Flow mechanism and Fund Flow relating to some key schemes under NRHM
- ✓ Frequency and timelines for release of funds at various levels
- ✓ Banking arrangements under NRHM
- ✓ Delegation of Financial Power under NRHM

# Contents of the Module

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- ✓ Fund Flow
  - Sources of Funds
  - Fund Flow Process
- ✓ Frequency of Funds release and Conditions Precedent
  - Tranche Release Arrangements
  - Snapshot of the Timelines for Disbursement of Funds
  - Checks to be followed
- ✓ Banking Arrangements
  - Bank Accounts
  - Signatories of the Bank Accounts
- ✓ About CPSMS
- ✓ Delegation of Financial Powers
  - Process for Sanction & Release of Funds
  - Important delegated Administrative and Financial Powers
- ✓ Illustrations
- ✓ Self Assessment
- ✓ Annexures

# **Fund Flow**

# Sources of Funds

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- ✓ NRHM is a centrally sponsored scheme wherein the funds for implementation of the programme consists of Grants-in-aid made by Government of India or State Government and funds from Donor parties like DFID, World Bank etc.
- ✓ All States and UT Health Societies receiving grants from the Central Government should contribute in the ratio of 85:15 based on the total funds released by GoI
- ✓ State contribution should be made taking into account the releases made under all the programmes under NRHM including NDCPs, NCDs and Infrastructure Maintenance
- ✓ It should be ensured that all along the state expenditure on health increases in real terms and there is no substitution of the state expenditure by Central expenditure
- ✓ Other source of funds include grants received from any source other than the GoI like gifts, donations, benefactions and any interest credited in bank balances transferred

# Fund Flow Process

## **FUND RELEASE THROUGH SOCIETY ROUTE**

- ✓ A tentative budgetary envelope is communicated to all States/UTs in the beginning of the year to prepare their respective targets & fund requirement
- ✓ Then accordingly, the States/UTs are required to submit an NRHM Programme Implementation Plan (PIP) for the Financial Year to the centre in advance with complete projections of funds required to implement programme activities
- ✓ The PIPs are appraised and approved by National Programme Coordination Committee (NPCC) of the MoHFW, which finalizes the budgets for all states for the proposed year



### *Fund Flow at Centre*

- FMG at the GoI level puts a proposal to the Integrated Finance Division (IFD) for fund release as per the approved PIPs' amount
- After the approval from of Director Finance & Mission Director, sanctions are issued to respective SHS accounts after uploading on the website of the Controller General of Accounts (CGA).
- The funds are then transferred online to the respective states/ UTs.

# Fund Flow Process

- ✓ State should deposit and confirm the credit of 15% of State's share of PIP within 7 days of such credit to the Ministry.
- ✓ The funds with the SHS do not lapse at the close of financial year. SHS is empowered to utilize the unspent balance during the next financial year for the same purpose for which the funds were allocated.

## *Fund Flow at SHS*

- SHS should transfer the funds to the districts within 15 days of the receipt of funds from GoI.
- SHS should directly credit to the bank account of the main account of DHS from where the funds shall be transferred to the sub account maintained under each programme.
- The releases made to districts should be as per the approved District Health Action Plans and after adjusting unspent balances from the previous year.



## *Fund Flow at DHS & below*

- The districts then disburse the funds to the blocks as per their requirements, part of which are further disbursed to the implementing units including CHC/PHCs, SCs and VHSNCs.

**Frequency of Funds release and  
Conditions Precedent**



# Frequency of Funds release and Conditions Precedent

*As per Rule 212 (1) of GFR 2005;*

- ✓ The first tranche (to the extent of 75% of PIP) should be released on submission of Utilization Certificates on a provisional basis for the funds released during the previous year to a State/UT.
- ✓ Unspent balance should be taken in to account while making subsequent releases
- ✓ Ministry or Department should ensure even flow of expenditure throughout the year
- ✓ The second tranche (i.e. the balance 25% of the approved budget under the PIP) should be released after the receipt of audited statements and audited Utilization Certificates for the previous financial year
- ✓ Reports submitted by the Internal Audit parties of the Ministry or Department and inspection reports received from Indian Audit and Accounts Department and the performance reports received for the year to be looked into while sanctioning further grants

*Funds should be released to SHS based upon the approval of the Programme Implementation Plans and Annual Work Plans of the States/UTs by National Programme Co-ordination Committee*

# Conditionalities for Release of Funds – Department of Expenditure

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*The States are requested to comply with the following conditionalities for release of Grants in Aid as directed by the Ministry of Finance:*

- ✓ Submission of Utilization Certificates is a MUST.
- ✓ No funds should be transferred under any Plan schemes in relaxation of matching funding by the states.
- ✓ State Governments should submit monthly returns of Plan expenditure
- ✓ Quarterly submission of FMR with Physical Achievements.
- ✓ The unspent balances available with the States and implementation agencies should to be taken into account before further releases are made.

# Criteria for Release of Funds

| First release of 75% of B.E.  | Final release of balance 25% of B.E.  |
|---|---|
| <ul style="list-style-type: none"><li>• No shortfall under State's Matching contribution</li><li>• No Pending Audited UCs up 2011-12 for all programmes under NRHM (For release of F.Y. 2013-14)</li><li>• After deducting the Unspent balance</li><li>• Regular Financial Reporting and Physical Reporting</li></ul> | <ul style="list-style-type: none"><li>• Submission of Consolidated Audit Report of 2012-13 and Audited UCs</li><li>• Credit of 25%/10% State Share to Bank account of SHS for the amount already released by GOI in 2013-14 after contributing the arrears of matching State share</li><li>• Submission of Physical and Financial Progress made by the State</li><li>• Compliance with above and ROP conditionalities of incentives and disincentives</li><li>• Any other conditionalities as thinks fit to impose for release of funds</li></ul> |

***Note: The States should make all efforts to clear the Shortfall in the State Share, Furnish Monthly Statement of Fund Position, Audit Reports and Audited Utilization Certificates at the earliest***

# Snapshot of the Timelines for Disbursement of Funds

| Disbursing Unit                | Receiving Unit     | Frequency  |
|--------------------------------|--------------------|--|
| <b>MoHFW – FMG</b>             | State              | Generally in May and October or as and when required |
| <b>State Health Society</b>    | District           | Within 15 days of the receipt of funds from the GOI  |
| <b>District Health Society</b> | Block              | Immediately after receipt of fund from SHS           |
| <b>Block/ supervisory unit</b> | Implementing Units | Immediately after receipt of fund from DHS           |

## Certain Checks to be followed

*Following are certain checks that need to be followed while disbursement of funds by the supervisory units to the units under their jurisdictions:*

Supervisory/ disbursing units should release the funds to the units under them immediately after receipt of funds by them

Amount of fund released should be adjusted for unspent balance kept at the subordinate units (from the previous year)

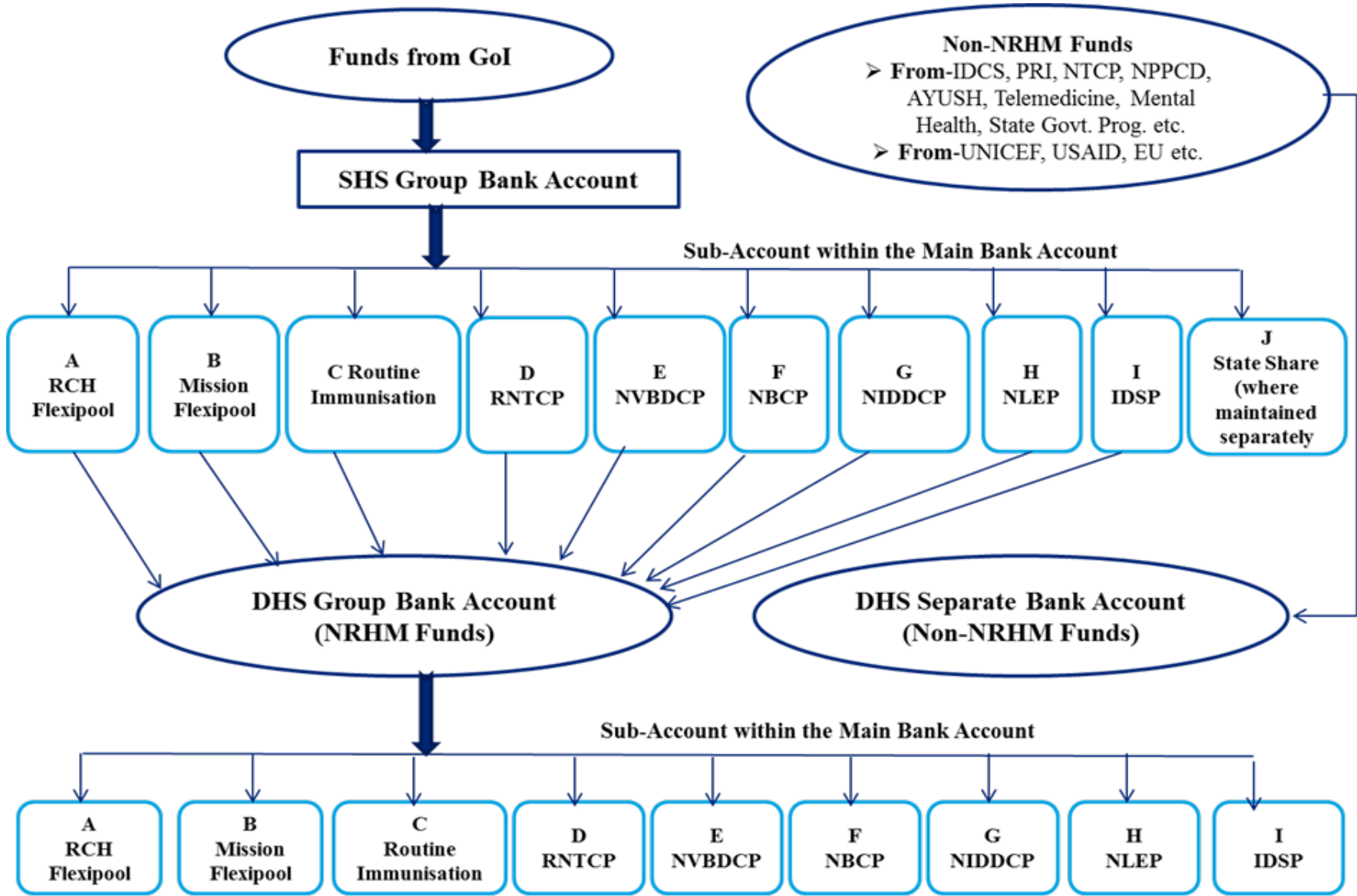
Cheque should be issued for transfer of funds electronically from the Centre to States to District to Sub-District levels

Cheque should be signed by atleast two Joint Signatories as per the prescribed guidelines

Entry in the books of accounts should be made immediately upon transfer of funds / issue of cheque

# **Banking Arrangements**

# Bank Accounts



\*State share where maintained separately by the State would be in a separate sub-group account, otherwise this would be credited against relevant sub-group account as desired by the state.

# Banking Arrangements

- ✓ Funds shall be released by the Ministry to the SHS Bank Account for NRHM
- ✓ The concerned Programme Officer on receipt of the sanction order from the Ministry shall move a specific proposal for release of funds to their respective sub accounts at state and district level in accordance GFR, to the Mission Director
- ✓ The State FMG shall ensure that funds are released within ten working days of the receipt of the proposal. The Funds at State Level are managed by State PMSU and at district level by District PMSUs
- ✓ Few important points w.r.t bank accounts are as follows:
  - SHS and DHS should open the bank accounts of the all the health facilities in those banks which are technologically capable for electronic fund transfer.
  - As per the instructions of MoHFW, SHS & DHS should maintain the main Group account with any bank, preferably a nationalised bank or state-accredited bank or state lead bank, if the bank concerned has the facility of maintaining RTGS enabled Group bank accounts linked to sub accounts for NDCPs.
  - The individual sub-bank accounts should be linked to the Main Group Account for parts A, B & C and for each NDCPs – parts D, E, F, G, H & I
  - In case of Sub-Centres and VHSNCs, accounts can be opened in any scheduled commercial bank / Grameen Bank/ Post office.S



# Operating the main Bank Accounts and Sub-Accounts

The following points should be noted for compliance while operating the Group Bank Account & linked Sub-Accounts:

- ✓ The main Group account will be utilized for crediting funds received under all NRHM Programmes from GoI.
- ✓ Funds released for parts A, B & C will flow directly from Group account into the sub-accounts for parts A, B & C
- ✓ Funds released for NDCPs will flow directly from the main Group account into the sub-accounts of each NDCP
- ✓ Any additional funds received under Non-NRHM Program and Non GoI funded programs, sponsored programs or State Govt. funded health & other programs will not be routed through main Group bank account or sub accounts linked thereto and shall have to be maintained in a separate bank account
- ✓ Where funds are being routed through SHS / DHS, a separate bank account ( non-NRHM ) may be opened for other national programs which are not part of NRHM
- ✓ Cheque signing mandate to be given to the bank having Group account and sub-accounts will be as per guidelines and delegation of powers issued by Ministry and/or State Govt

## Operating the main Bank Accounts and Sub-Accounts (contd.)

- ✓ For DHS, similar Group bank account preferably with the same bank is required to be opened having sub-accounts linked to it
- ✓ At Block level, the number of bank accounts should be kept at minimum so as to discourage scattered maintenance of NRHM funds which results in weak financial management and poor internal controls
- ✓ For each Rogi Kalyan Samiti in the state, there should be a single bank account for receipt of RKS Grants and depositing user charges and any other receipt by RKS
- ✓ For all VHSNCs, a separate bank account should be opened. If no bank is available in a village, then bank account should be opened with banks in nearby places or alternate arrangements should be made.
- ✓ The number of bank accounts opened at State should be kept at a minimum and should not exceed one main account with linked sub-accounts at SHS and DHS level

## Do Not's

- ✓ No funds would be kept in the form of a Fixed Deposit or any other investments of any nature other than the saving bank account. Moreover, savings accounts should be vanilla savings bank accounts and not smart savings bank accounts
- ✓ Accounts at all levels may preferably be kept in government approved banks. In case there are no approved banks in the region then accounts can be maintained with the post office
- ✓ No funds other than GoI releases and State's contribution should be kept in NRHM bank Accounts. Separate Bank Account to be maintained for funds received from other sources
- ✓ Retention of cash in individual custody should be discouraged

# Signatories of the Bank Accounts

- ✓ A set of three signatories, common for all the programmes at State & District Health Society, exist for operating the bank accounts under NRHM
- ✓ For block & levels below, two signatories are authorized by the Governing/Executive body of the Society in line with the defined guidelines.
- ✓ Any two signatories can jointly sign cheques/issue electronic instruction for e-banking to operate all bank accounts.
- ✓ Table in the next slide provides the signatories of Bank Accounts at each level

# Signatories of the Bank Accounts

| Level             | Signatories   |
|-------------------|---|
| <b>SHS</b>        | <ul style="list-style-type: none"><li>• Mission Director (in whatever capacity she/he is in the SHS or her/his nominee)</li><li>• A member from the State PMSU (SPM/ SFM/ SAM)</li><li>• In-charge of the Programme Division at the State level</li></ul>     |
| <b>DHS</b>        | <ul style="list-style-type: none"><li>• CMO/CDMO/CS/CMHO (in whatever capacity she/he may be in the DHS)</li><li>• Member from the District PMSU (preferably the District Accounts Manager/ District Programme Manager)</li><li>• Programme Officer</li></ul> |
| <b>BLOCK</b>      | <ul style="list-style-type: none"><li>• Block Medical Officer in-charge</li><li>• Block Accountant</li></ul>  |
| <b>CHC/PHC</b>    | <ul style="list-style-type: none"><li>• Medical Officer in- charge</li><li>• CHC/PHC Accountant</li></ul>   |
| <b>RKS</b>        | <ul style="list-style-type: none"><li>• Member Secretary</li><li>• Executive committee member</li></ul>   |
| <b>SUB-CENTRE</b> | <ul style="list-style-type: none"><li>• The ANM</li><li>• The Sarpanch</li></ul>  |
| <b>VHSNC</b>      | <ul style="list-style-type: none"><li>• The Gram Pradhan/ Panchayat Secretary</li><li>• The ASHA/AWW</li></ul>  |

**Central Plan Scheme Monitoring System  
(CPSMS)**

# Background

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## *Central Plan Scheme Monitoring System (CPSMS)*

- ✓ The Central Plan Scheme Monitoring System (CPSMS) is a Central Sector Plan Scheme of the Planning Commission which is being implemented by the Office of Controller General of Accounts in partnership with National Informatics Centre.
- ✓ The scheme has established a common transaction-based on-line fund management and payment system and MIS for the Plan Schemes of Government of India.
- ✓ The platform has now been extended to State Governments for effecting payments of plan funds received directly at the State Treasuries.
- ✓ CPSMS has operationalized an active interface with 90 banks (26 Public Sector Banks, 59 Regional Rural Banks and 5 major Private Sector Banks) to provide immediate validation of bank accounts, prompt electronic credit to the beneficiary's bank account and bank reconciled expenditure statements to the implementing agencies.
- ✓ The system is geared for fund management and e-payments for Plan/non-Plan Schemes of the Government of India and report utilization under these schemes at different levels of implementation on a real time basis.

# Objectives of CPSMS

## *Establishment of an efficient fund management system:*

- ✓ Disburse funds from the Central Civil Ministries to States / Special Purpose Vehicles (societies) / Autonomous bodies / NGOs.
- ✓ Effect payments to ultimate beneficiaries of the Schemes, including Aadhaar based payments through National Payment Corporation of India (NPCI).
- ✓ Disburse payment and maintain a record of component-wise fund disbursement from Special Purpose Vehicles (societies) / Autonomous bodies / NGOs to subsequent implementing agencies and individual beneficiaries in the States/UTs.

## *Establishment of an effective expenditure information network:*

- ✓ Maintain a centralized database of all implementing agencies administering various Schemes at Centre / State /District /Block / Panchayat/Village level and managing government funds.
- ✓ Report on details of beneficiaries receiving payments, including details of Aadhaar based payments, geographical location, total Scheme-wise amounts received etc.
- ✓ Capture activity-wise/component-wise fund utilization by implementing agencies at various levels under various Schemes of Government of India.
- ✓ Provision of financial services in an integrated manner including a validated bank reconciled statement on utilization of funds to all implementing agencies.



# Objectives of CPSMS

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## *Reforms in the area of Public Financial Management:*

- ✓ Move from the prevailing prescriptive fund release system to ‘just in time’ fund release, minimizing float with the banks thereby leading to better cash management.
- ✓ Transition from a credit push (a-priori release of funds to various implementing agencies) to debit pull based fund transfer system in which a debit to central pool is triggered only when payment instructions are issued on the system by implementing agencies.
- ✓ Progressing from the current system of booking fund releases as ‘expenditure’ to a system of booking fund releases as ‘transfers’ and actual utilization reported from the implementing agencies as ‘expenditure’.
- ✓ Providing on-line status of fund utilization on a real time basis, both for the funds devolved through the Treasury route and SPV route, leading to a better Decision Support System for Plan schemes.

# Implementation Strategy

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## *Public disclosure:*

- ✓ All relevant information can be put in the public domain following the principle of maximum public disclosure.
- ✓ The scheme is being implemented through a web based application developed and deployed by the O/o Controller General of Accounts
- ✓ All Ministries / Departments are required to register the details of agencies / individual beneficiaries receiving grants from GOI on the CPSMS application along with their bank account details
- ✓ Sanction-IDs are generated on the portal and sanction orders are generated, DDO incorporates the bill number and the paying agency enters the payment detail against the Sanction IDs. The payment details are captured by the system on a real time basis.
- ✓ CPSMS will generate a transaction-based, robust, reliable and transparent Financial Management Information System (FMIS) which unlike other MIS applications where financial MIS relies on post-facto data feeding, the fund utilization data in CPSMS has one to one correlation with the banking transactions effected by the implementing agencies.
- ✓ Thus, the FMIS available from the system has bank reconciled data on financial transactions on a real time basis.

# **Delegation of Financial Powers**

# Delegation of Financial Powers

*Delegation of financial powers is the sub division and sub-allocation of powers to the subordinates in order to achieve effective results.*

- ✓ A model delegation of Financial and Administrative Powers has been prescribed by the Government of India to State/UT Governments for both SHS and DHS levels
- ✓ Five overarching governing principles are formulated based on which powers are decentralized at various levels
- ✓ The office bearers of the SHS & DHS have full powers to sanction the expenditure incurred at SHS & DHS level, in accordance with norms and no separate approvals of any State Government Department is necessary
- ✓ The functionaries concerned are fully empowered to incur expenditure in accordance with the norms laid down in the approved plans for the funds spent by BMOs, CHCs/PHCs, Sub-Centres, VHSNCs, etc.

# Process for Sanction & Release of Funds

*The following process is followed under SHS/DHS for Sanction & release of funds:*

Each State/District Programme Officer processes the files for making expenditure under their respective programmes based on the delegated powers

They issue the sanction letter at their own level for expenditure within their own powers

If expenditure is beyond their delegated powers, they submit the files to the concerned authorities for taking required approvals

The Programme Division then issues sanction letters, a copy of which is marked to the FMG functioning under the State/District PMSUs

# Important delegated Administrative and Financial Powers

Some important delegated administrative and financial powers of the office bearers and staff of the *State Health Society* and *District Health Society* are indicated below:

| Item  | Authority                                | Extent of Power   |
|---|--|---|
| Financial sanctions for release of funds to District Health Societies   | <b>Director-H/FW or Mission Director</b> | Full Powers   |
| Approval of proposals for re-appropriation of the funds beyond 10% of the original allocation at the District level | <b>Mission Director cum CEO (CMO)</b>    | Full powers   |
|   | <b>State Programme Officers</b>          | As per reallocation powers provided under existing programme Guidelines |
| Approval for release of Untied Funds and Annual Maintenance Grants to RKS, CHC, PHC, Sub-Centre and VHSNC etc.      | <b>Mission Director cum CEO (CMO)</b>    | Full powers subject to allocations in the approved DAP                  |
| Approval for release of funds, other than Untied Funds, to implementing agencies                                    | <b>Mission Director cum CEO (CMO)</b>    | Full powers subject to allocations in the approved DAP                  |
|   | <b>District Programme Officers</b>       | Up to Rs.20,000 per case subject to allocations in the approved DAP     |

Model Delegations of Financial and Administrative power is appended as **Annexure I**

**Illustration**

# Illustration

- ✓ There are various activities under NRHM for which funds are received and disbursed at each level
- ✓ Following illustration provides the details of fund flow and other sources of funds under few schemes such as;
  - *Janani Suraksha Yojana*
  - *Family Welfare / Family Planning*
  - *Immunization*



# Illustration- Various activities for which funds are received and disbursed at Block Level

| S. No.   | Funds Received by the Block                                   | Used at the Block or Disbursed to CHC / PHC / Sub-centers  |
|----------|---|--|
| <b>A</b> | <b>RCH Flexipool</b>  |  |
| 1        | Salary to LT / PHN / Additional ANM RCH                       | Directly credited to bank account of the respective person by Block Programme Management Unit<br>Or<br>Disbursed to linked CHC /PHC who further credit the amount / issue account payee cheques in the name of the employees |
| 2        | Mobility at Block   | Given to the BCMO  |
| 3        | Mobility at CHC / PHC   | Disbursed to CHC / PHC for mobility support of MO  |
| 4        | Family Welfare  | Disbursed to CHC / PHC   |
| 5        | JSY Payments to Mothers & ASHAs                               | Disbursed to CHC / PHC & Sub-Centers   |
| 6        | JSY Admin Cost  | Disbursed to CHC / PHC to the extent allocated to them   |
| 7        | OE JSY Admin Cost   | Distributed among BPM & CHC / PHC and accordingly the said amount disbursed to CHC / PHC   |
| 8        | Any Other (to be specified)                                   |  |
| <b>B</b> | <b>NRHM Additionalities</b>                                   |  |
| 1        | MO Allowance  | Disbursed for MO of CHC / PHC  |
| 2        | Salary to Accountants / Ayush / BPM / DEO / GNMs at CHC & PHC | Directly credited to bank account of the respective person by BPMU<br>Or<br>Disbursed to linked CHC /PHC who further credit the amount / issue account payee cheques in the name of the employees                            |
| 3        | OE for BPMU   |  |
| 4        | Mobility for BPMU   | For use at BPMU  |
| 5        | Office Furniture for BPMU                                     |  |
| 6        | ASHA Monthly Meeting  | Disbursed to CHC / PHC   |
| 7        | AMG at CHC  | Disbursed to CHC   |
| 8        | AMG at PHC  | Disbursed to PHC   |
| 9        | AMG at Sub-Centre   | Disbursed to Sub-Centre  |
| 10       | Untied Funds for VHSNC  | Disbursed to bank account of supervising sub-center  |
| 11       | Untied Funds at CHC   | Disbursed to CHC   |
| 12       | Untied Funds at PHC   | Disbursed to PHC   |
| 13       | Untied Funds at Sub-Centers                                   | Disbursed to sub-center  |
| 14       | Any Other (to be specified)                                   |  |
| <b>C</b> | <b>R I Strengthening Projects (Immunization)</b>              |  |
| 1        | Alternate Vaccine Distribution System                         |  |
| 2        | Pulse Polio Programme   | Disbursed to CHC / PHC   |
| 3        | Social Mobilization   |  |
| 4        | Any Other (to be specified)                                   |  |

# Illustration- Various activities for which funds are received and disbursed at Block Level

| S. No.   | Funds Received by the Block                                   | Used at the Block or Disbursed to CHC / PHC / Sub-centers  |
|----------|---|--|
| <b>A</b> | <b>RCH Flexipool</b>  |  |
| 1        | Salary to LT / PHN / Additional ANM RCH                       | Directly credited to bank account of the respective person by Block Programme Management Unit<br>Or<br>Disbursed to linked CHC /PHC who further credit the amount / issue account payee cheques in the name of the employees |
| 2        | Mobility at Block   | Given to the BCMO  |
| 3        | Mobility at CHC / PHC   | Disbursed to CHC / PHC for mobility support of MO  |
| 4        | Family Welfare  | Disbursed to CHC / PHC   |
| 5        | JSY Payments to Mothers & ASHAs                               | Sub-Centers  |
| 6        | JSY Admin Cost  | the extent allocated to them   |
| 7        | OE JSY Admin Cost   | CHC / PHC and accordingly the said amount disbursed to CHC / PHC   |
| 8        | Any Other (to be specified)                                   |  |
| <b>B</b> | <b>NRHM Additionalities</b>                                   |  |
| 1        | MO Allowance  | Disbursed for MO of CHC / PHC  |
| 2        | Salary to Accountants / Ayush / BPM / DEO / GNMs at CHC & PHC | Directly credited to bank account of the respective person by BPMU<br>Or<br>Disbursed to linked CHC /PHC who further credit the amount / issue account payee cheques in the name of the employees                            |
| 3        | OE for BPMU   |  |
| 4        | Mobility for BPMU   | For use at BPMU  |
| 5        | Office Furniture for BPMU                                     |  |
| 6        | ASHA Monthly Meeting  | Disbursed to CHC / PHC   |
| 7        | AMG at CHC  | Disbursed to CHC   |
| 8        | AMG at PHC  | Disbursed to PHC   |
| 9        | AMG at Sub-Centre   | Disbursed to Sub-Centre  |
| 10       | Untied Funds for VHSNC  | Disbursed to bank account of supervising sub-center  |
| 11       | Untied Funds at CHC   | Disbursed to CHC   |
| 12       | Untied Funds at PHC   | Disbursed to PHC   |
| 13       | Untied Funds at Sub-Centers                                   | Disbursed to sub-center  |
| 14       | Any Other (to be specified)                                   |  |
| <b>C</b> | <b>RI Strengthening Projects (Immunization)</b>               |  |
| 1        | Alternate Vaccine Distribution System                         |  |
| 2        | Pulse Polio Programme   | Disbursed to CHC / PHC   |
| 3        | Social Mobilization   |  |
| 4        | Any Other (to be specified)                                   |  |

Fund Flow under these schemes/ components have been explained in details in the following slides

# Key Schemes / Sources of Funds

## *Janani Suraksha Yojana*

### *Purpose*

- To provide cash assistance to women from below BPL families with antenatal care during the pregnancy period, institutional care during delivery and immediate post-partum period in a health centre
- To encourage institutional deliveries to help bring down MMR & IMR

### *Target Group*

All pregnant women belonging to the below poverty line (BPL) households;

- ✓ Of the age of 19 years or above
- ✓ Up to two live births

### *Eligible Amounts*

Cash assistance provided to beneficiary and ASHAs:

- Payment to beneficiary
  - LPS – Rs. 700/- in rural areas & Rs. 600/- in urban areas
  - HPS - Rs. 700/- in rural areas
- Payment to ASHAs
  - LPS – Rs. 600/- in rural areas
  - HPS - Rs. 200/- in rural areas

# Key Schemes / Sources of Funds

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## *Fund Flow*

- SHS directly credits the bank account of the DHS
- DHS transfers the funds received to District Hospital/Block which are further disbursed through Cash/Cheque to ANMs/ASHA or the Beneficiary

## *Other payments under the scheme;*

- An imprest money of Rs. 5000/- to every ANM/health worker
- Cash advance of Rs.1500/- to the ASHA for institutional delivery of beneficiaries
- Assistance for Caesarean Section up to Rs. 1500/- per case will be provided for hiring services of private experts

# Key Schemes / Sources of Funds

## *Family Welfare / Family Planning*

### *Purpose*

As per centrally sponsored scheme of family welfare / family planning under the NRHM programme, compensation is provided to families opting for sterilization

### *Eligible Amounts*

The details of compensation to be provided is as follows

- Compensation for beneficiary
  - Female Sterilization – Rs 600/-
  - Male Sterilization – Rs 1100/-
- Compensation for Motivator
  - For Female Sterilization – Rs 150/-
  - For Male Sterilization – Rs 200/-

### *Fund Flow*

Funds transferred from DHS to the Block are further disbursed to the CHC / PHC

# Key Schemes / Sources of Funds

## *Immunization*

### **Mobility Support for Supervision & Monitoring to Child Health Officer**

#### *Purpose*

Funds are provided for mobility support to MO for supervision and monitoring of immunization programmes and MCHN (Child Health & Nutrition Day) camps

#### *Eligible Amounts*

- Rs 3,000 /- per month is to be provided to MO (who have their own vehicles)
- Up to Rs 6,300/- is provided to MO who do not own any vehicles to the extent of bills produced for hiring of vehicles

### **Social Mobilization**

Compensation is provided to ASHA worker (Rs 150/- per camp) for regular / weekly camps that are held in ANGANWADI centres.

### **Contingency Fund**

Provision of Rs 1,000/- per month for stationery and other expenses related to reporting of expenditure via email.

# Key Schemes / Sources of Funds

## Computer Assistant

### *Eligible Amount*

- Provision of Rs 4,500/- per month for a computer assistant under the immunization programme
- If there is a computer available at the Child Health office then the provision is Rs 3,500/- only

## Alternate Vaccine Distribution System

### *Purpose*

ANM is responsible for bringing vaccines from the depot to the AGANWADI centre and also for depositing the unused vaccines at the end of the day back to the depot.

### *Eligible Amount*

- Rs 50/- per MCHN camp for this activity

### *Fund Flow*

Funds are received from the DHS for the said activity and the Block further is required to disburse the funds to the CHC / PHC

**Details of other sources of funds for Sub-District Level are appended as Annexure II**

# **SELF ASSESSMENT**



# Self Assessment

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Please tick mark (✓) the correct answers. A question can have more than one correct answer.

1. Which of the following statements are true with respect to fund transfer at SHS level?
  - a) SHS should directly credit to the bank account of the main account of DHS
  - b) The funds with the SHS lapse at the close of financial year.
  - c) SHS is empowered to utilize the unspent balance during the next financial year for any purpose.
  - d) All of the above
  
2. Which of the following statements are true in connection to components of the Mission Flexi-Pool?
  - a) Part A includes funds for RCH related components
  - b) Part B includes funds for routine immunization
  - c) Part C includes funds for any additional activities that cannot be funded from any other programme
  - d) All of the above
  
3. Which of the following statements is true with respect to release of funds in the first tranche?
  - a) Funds should be released to SHS upon the approval of the PIP by NPCC
  - b) Funds should be released only after Utilization Certificates on provisional basis in respect of grants of the preceding financial year, are submitted
  - c) Only b
  - d) Both a & b

# Self Assessment

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4. Which of the following is false w.r.t to the conditions relating to release of funds under NRHM?
  - a) First tranche to be released after taking into account the unspent balance available with the State/UTs at the beginning of the financial year
  - b) Up to 25% of approved PIP can be released in the first tranche
  - c) Funds cannot be released in more than two tranches
  - d) All of the above
  
5. Which of the following important points should be kept in mind for maintenance of bank accounts?
  - i. Bank accounts can be maintained in private banks
  - ii. In areas where bank availability is a problem, account should be maintained in post office
  - iii. Funds can be kept as Fixed Deposits or any other investments of any nature
  - iv. Separate Bank Account to be maintained for funds received from other sources.
  - a) Only i
  - b) Both ii & iv
  - c) i, iii & iv
  - d) ii, iii & iv

# Self Assessment

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6. Which of the following are true in connection with the checks that need to be followed while disbursement of funds by the supervisory units?
  - a) Cheque should be signed by at least two Joint Signatories as per the prescribed guidelines
  - b) Supervisory/ disbursing units should release the funds to the units under them immediately after receipt of funds by them.
  - c) Entry in the books of accounts for fund transfer/issue of cheque should be made at the end of each month
  - d) All of the above
  
7. Which of the following statements is true with reference to the process of sanction & release of funds?
  - a) Each State/ District Programme Officer processes the files for making expenditure under their respective programmes based on the delegated powers
  - b) If expenditure is beyond their delegated powers, they submit the files to the concerned authorities for taking required approvals
  - c) The Programme Division then issues sanction letters, a copy of which is marked to the FMG functioning under the State/District PMSUs
  - d) All of the above

# Self Assessment

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8. Which of the following statements is not correct with respect to signatories of bank accounts?
- a) Three Joint signatories common for all the programmes at State & District Health Society exists for operating the bank accounts under NRHM
  - b) Two signatories are authorized by the Governing/ Executive body of the Society for Block & levels below
  - c) Any one signatory can sign cheques/ issue electronic instruction for e-banking to operate all bank accounts
  - d) None of the above
9. Which of the following is correct with respect to timelines for disbursement of funds from one unit to another?
- a) District Health Society disburses the funds to the Block within 15 days of the receipt of funds
  - b) State Health Society transfer the funds to the DHS within 30 days after receipt of fund from the GoI
  - c) Block/ supervisory unit transfers the funds to the implementing units immediately after receipt of fund from DHS
  - d) All of the above

# **Annexures**

# Annexure I - Delegation of Financial and Administrative power

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# Annexure II - Key Schemes / Sources of Funds

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Document

**THANK YOU**



## **Annexure I- Key Activities & Sources of Funds**

### **1. Monthly ASHA meetings**

#### ***Purpose***

1. The Medical Officer In-charge of the CHC / PHC will hold a monthly meeting which would be attended by ANM and ASHAs, LHVs and Block Facilitator. Payment of incentive to ASHAs under various schemes could be organized on that day so that ASHA need not visit the PHC many times to receive her incentives. During these meetings, the support received from the Village Health and Sanitation Committee and their involvement in all activities also should be carefully assessed. The ASHA kits also could be replenished at that time. Replenishment of kit should be prompt, automatic and through a simplified procedure.
2. The idea is that apart from the meeting with officials they should be given opportunity to share some of their own experience, problems, etc. They will also get an opportunity to independently assess the health system and can bring about much needed changes.

#### ***Fund Flow***

3. Funds are received from the DHS for the said activity and the Block further is required to disburse the funds to the CHC / PHC.

### **2. Annual Maintenance Grants**

*The guidelines of MoHFW is available at the following link*

*[http://mohfw.nic.in/NRHM/Documents/Guidelines\\_of\\_untied\\_funds\\_NRHM.pdf](http://mohfw.nic.in/NRHM/Documents/Guidelines_of_untied_funds_NRHM.pdf)*

Amount to be disbursed

- All those sub-centres operating out of government buildings to get Rs 10000 pa as AMG
- Every PHC to get Rs 50000 pa as AMG
- Every CHC to get Rs 100000 pa as AMG

### **3. United Funds for CHC / PHC**

*The guidelines of MoHFW is available at the following link*

*[http://mohfw.nic.in/NRHM/Documents/Guidelines\\_of\\_untied\\_funds\\_NRHM.pdf](http://mohfw.nic.in/NRHM/Documents/Guidelines_of_untied_funds_NRHM.pdf)*

Amount to be disbursed

- Every VHSC to get Rs 10000 pa as untied funds
- Every sub-centre to get Rs 10000 pa as untied funds
- Every PHC to get Rs 25000 pa as untied funds
- Every CHC to get Rs 50000 pa as untied funds

#### **4. RKS Grants**

*The guidelines of MoHFW is available at the following link*

<http://mohfw.nic.in/NRHM/RKS.htm>

<http://mohfw.nic.in/NRHM/Guidelines%20for%20Setting%20up%20Rogi%20Kalyan%20Samiities%20-%20Hospital%20Management%20Committee.htm>

Amount to be disbursed

- Every PHC to get Rs 100000 pa as RKS grant
- Every CHC to get Rs 100000 pa as RKS grant

#### **5. Salaries for all NRHM employees at Block, CHC / PHC &Sub-centres**

*Purpose*

1. Salary for all the contractual staff, for eg. – LT, PHN, Additional ANM (RCH), Accountants, AYUSH, BPM, DEO, GNM, etc. is directly paid by the supervising block.

*Fund Flow*

2. Funds are received from the DHS for the activity. In most states the Blocks directly credits the salaries to the respective bank accounts of these employees. But in some of the states it is routed through the CHC / PHC, where in funds are disbursed by the block to the bank account of the concerned CHC / PHC and the CHC / PHC further credit the amount to the bank amount of the employee or issue account payee cheques in the name of the employees.

## Annexure II

### Delegation of Administrative and Financial Powers at the State level

#### Financial Powers of the Governing Body, Executive Committees, Programme Committees, and other office bearers of the State Health Society:

The Committee recommends that the delegated administrative and financial powers of the office bearers and staff of the State Health Society may be as indicated in Table below.

***Note:** The officers/officials intended to be empowered are shown in (brackets) and correspond to the designation assigned to Officers/officials as per the ‘National Rural Health Mission: Institutional Setup at the State level’ communicated vide Secretary (H&FW)’s DO no 37018/6/2003-EAG (Part IV) dated 20<sup>th</sup> June 2005. If the designations of these officers/officials in concerned societies are different, the State Governments may use the relevant designations in the tables below to empower the intended officers/officials.*

| Item  | Authority   | Extent of power   |
|---|---|---|
| A-1: Approval of the State Programme Implementation Plan (State PIP) for Submission to GOI  | Governing Body  | Full powers   |
| A-2: One time approval of the activities in the State PIP approved by GOI and approval of Program-wise, District-wise allocations                     | Executive Committee   | Full powers   |
| B-1: Financial sanctions for release of funds to District Health Societies  | Vice-Chair, Executive Committee ( <b>Director-H/FW</b> ) or Convenor, Executive Committee ( <b>Mission Director</b> ) | Full powers   |
| B-2 Approval of proposals for re-appropriation of the funds beyond 10% of the original allocation at the District level (ref. Governing Principle-4), | Vice-Chair, Executive Committee ( <b>Director-H/FW</b> ) or Convenor, Executive Committee ( <b>Mission Director</b> ) | Full powers   |
|   | Member Secretaries/ Jt. Secretaries, Programme Committees ( <b>State Programme Officers</b> )                         | As per reallocation powers provided under existing programme guidelines |

| Item  | Authority   | Extent of power  |
|---|---|--|
| <b>C: Specific expenditure proposals</b>  |   |  |
| <p>C-1: Approval of procurement of goods, medicines, medical equipments, etc. approved in the State PIP</p> <p>C-2: Approval of procurement of services (including hiring of auditors) for specific tasks including outsourcing of support services for the Directorate.</p> <p><i>Note-1: As far as possible, procurements should be done using the rate contracts of the DGS&amp;D or State Government / any other rate contract adopted by the State Health Society to the extent possible.</i></p> <p><i>Note-2: For items which are not available under rate contract mechanism, the respective approving authorities should approve the expenditure on the recommendations of a duly appointed procurement committee.</i></p> <p><i>Note-3: The State Health Society should develop and adopt detailed procurement guidelines for itself and District Health Societies.</i></p> | <p>Chairperson, Executive Committee<br/><b>(Principal Secy/Secy)</b></p> <p>Vice Chair, Ex. Comm.<br/><b>(Director Health/FW)</b><br/>or<br/>Convenor, Executive Committee<br/><b>(Mission Director)</b></p> <p>Member Secretaries /Jt. Secys. Programme Committees<br/><b>(State Programme Officers)</b></p> | <p>Full Powers for C-1 and C-2</p> <p>More than Rs.5 lakhs and upto Rs.50 lakh per case for C-1 and more than Rs.1 lakh and upto Rs. 10 lakh per case for C-2</p> <p>Upto Rs. 5 lakh per case for C-1 and Rs.1 lakh per case for C-2</p> |
| <p>C-3: Financial sanctions for major/new civil works</p> <p><i>Note-1: Estimates should be prepared on the basis (a) an approved type design and, (b) State schedule of rates ( SORs).</i></p> <p><i>Note-2: Options other than executing works through Public Works Departments [PWD]</i></p>   | <p>Chairperson, Executive Committee<br/><b>(Principal Secretary/ Secretary)</b></p>   | <p>Full Powers subject to notes 1 to 4.</p>  |

| Item  | Authority  | Extent of power  |
|---|--|--|
| <p><i>can be exercised. However, the selected agency must follow the open tendering process for selecting contractors.</i></p> <p><i>Note-3: Works can be bundled at the State level [for a group of districts or all districts] or delegated to District Health Societies.</i></p> <p><i>Note-4: As far as possible, contracts should be awarded on a turnkey basis (design, execution and handing over) with ‘no cost over-run’ and ‘penalty’ (for time over run) clauses.</i></p> <p><i>Note-5: Maintenance should be delegated to facility level management society along with suitable guidelines.</i></p> | <p>Vice Chair, Ex.Comm.(<b>Dir, HFW</b>)<br/>or<br/>Convenor,<br/>Executive Committee<br/>(<b>Mission Director</b>)</p>  | <p>Up to Rs. 2 crore persite.</p>  |
| <p>C-4: Minor Civil Works at the StateLevel: repairs and renovations (including civil &amp; electrical works)</p> <p><i>Note-1: Any civil work related to already existing structure and amounting upto Rs. 20 lakhs per institution/structure should be considered as Minor Civil Works.</i></p> <p><i>Note-2: Minor civil works should generally be delegated to the concerned hospital management society (Rogi Kalyan Samiti).</i></p>  | <p>Chairperson, Executive Committee<br/>(<b>Principal Secretary/ Secretary</b>)</p> <p>Vice Chair, Executive Committee<br/>(<b>Director-Health/FW</b>)<br/>or<br/>Convenor, Executive Committee<br/>(<b>Mission Director</b>)</p> <p>Member Secretaries/ Jt. Secretaries, Programme Committees<br/>(<b>State Programme Officers</b>)</p> | <p>Full Powers</p> <p>More than Rs.1 lakh and upto Rs. 10 lakhs per site.</p> <p>Upto Rs. 1 (one) Lakhper site</p> |
| <p>C-5: Hiring of contractual staff against approved posts in the State PIP, including sanction of compensation package, eligibility, ToR etc.</p> <p><i>Note: The posts under the State Health Society can be filled up through hiring from the open market or through appointment of regular officers on deputation basis [ref:MoHFW DO no. 37018/6/2003-EAG (part IV) dated 20<sup>th</sup> June, 2005].</i></p>   | <p>Executive Committee</p>   | <p>Full powers</p>   |

| Item  | Authority  | Extent of power  |
|---|--|--|
| <p>C-6: Approval/sanction of payment of monthly remuneration/ honorarium / wages for approved contractual staff</p> <p><i>Note: All contracts will be subject to review and renewal on an annual basis and will require approval of the Executive Committee.</i></p>  | <p>Convenor, Executive Committee<br/><b>(Mission Director)</b></p> <p>Member Secretaries/Jt. Secretaries, Programme Committees<br/><b>(State Programme Officers)</b></p>   | <p>Full powers to the extent of the budget in the approved State PIP.</p> <p>Full powers for the contractual staff specifically working under their programme.</p>   |
| <p>C-7: Sanction of TA/DA and other Full Powers admissible allowances</p> <p><i>Note-1: TA/DA should be regulated in accordance with the bye-laws of the State Health Society which can be defined on the lines of the norms.</i></p> <p><i>Note-2: The Society funds can be used for payment of TA/DA only for the personnel who are drawing salaries from the State Health Society, unless otherwise provided in the specific programme included under the NRHM.</i></p>  | <p>Vice Chair, Executive Committee<br/><b>(Director-Health/FW)</b></p> <p>Or<br/>Convenor, Executive Committee<br/><b>(Mission Director)</b></p> <p>Member Secretaries / Jt. Secretaries, Programme Committees<br/><b>(State Programme Officers)/ State Programme Manager (State PMSU)</b></p> | <p>Full Powers</p> <p>Full powers in respect of contractual staff working under him/her</p>  |
| <p>C-8: Approval for hiring of Vehicles/Taxis for supervisory visits by state level programme officers or office bearers/officials of state health society.</p> <p><i>Note-1: Provision for hiring is only available where vehicles are not available from the State Government or from the project/programme.</i></p> <p><i>Note-2: Hiring charges have to be met from the 6% management costs along with salaries, TA/DA and office expenses.</i></p> <p><i>Note-3: The state PIP should indicate the overall distribution of provisions for vehicle hiring at state, district and sub district levels.</i></p> <p><i>Note-4: The State Health Society should create a panel of accredited taxi operators through open tendering for hiring vehicles.</i></p> | <p>Chairperson, Executive Committee<br/><b>(Principal Secretary/ Secretary)</b></p> <p>Vice Chair, Executive Body<br/><b>(Director Health/ FW)</b></p> <p>or<br/>Convenor, Executive Committee<br/><b>(Mission Director)</b></p>   | <p>Full Powers subject to approved budget</p> <p>Full powers, subject to approved budget and the condition that payments for any vehicle costing more than Rs. 1,000/- per day shall require the approval of Chairperson, Executive Committee.</p> |



| Item   | Authority  | Extent of power                             |
|--|--|---|
| C-9: Expenditure on office expenses such as stationary, computer accessories, office equipments, office furniture, broadband internet connection, etc.               | Chairperson, Executive Committee <b>(Pr.Secretary-HFW)</b>   | Full Powers subject to the approved budget. |
|  | Vice Chair, Executive Body <b>(Director Health/FW)</b><br>or<br>Convenor, Executive Committee <b>(Mission Director)</b>  | Upto Rs.50,000/- per case.                  |
|  | Member Secretaries/Jt. Secretaries, Programme Committees <b>(State Programme Officers)</b>                               | Up to Rs 10,000/- per case.                 |
|  | State Programme Manager of the State PMSU  | Upto Rs.1,000/- per case.                   |
| C-10: Expenditure on approved workshops, meetings etc. (excluding training), including associated expenses incurred as per programme guidelines                      | Chairperson, Executive Committee <b>(Pr.Secretary-HFW)</b>   | Full Powers                                 |
|  | Vice Chair, Ex. Comm. <b>(Director Health/FW services)</b> or<br>Convenor, Executive Committee <b>(Mission Director)</b> | Up to Rs. 2 lakhs per case.                 |
|  | Member Secretaries/Jt. Secretaries, Programme Committees <b>(State Programme Officers)</b>                               | Up to Rs 50,000 per case.                   |
| C-11: Expenditure on approved Training activities: including payment of TA/DA as per approved norms and purchase of training material and other associated expenses. | Chairperson, Executive Committee <b>(Pr.Secretary/Secretary)</b>   | Full Powers                                 |
|  | Vice Chair, Ex. Comm. <b>(Director Health/FW services)</b> or<br>Convenor, Executive Committee <b>(Mission Director)</b> | Upto Rs.5 lakhs per case.                   |
|  | Member Secretaries/Jt. Secretaries, Programme Committees <b>(State Programme Officers)</b>                               | Up to Rs 1 lakh per case.                   |



| Item   | Authority   | Extent of power            |
|--|---|----------------------------|
| C-12: Miscellaneous expenses not specifically covered above.<br><br><i>Note: No assets shall be acquired under this head. Any proposal for acquiring assets should be specifically provided for in the State PIP under the provisions laid down in para C-9 or other relevant provisions above (as the case may be), and approval sought for the same.</i> | Chairperson, Executive Committee<br><b>(Principal Secretary/ Secretary)</b>   | Full powers                |
|  | Vice Chair, Executive Committee<br><b>(Director Health/FW services)</b> or Convenor, Executive Committee<br><b>(Mission Director)</b> | Upto Rs. 1 lakh per Case   |
|  | Member Secretaries/Jt. Secretaries, Programme Committees<br><b>(State Programme Officers)</b>   | Upto Rs. 10,000/- per case |

**Footnote-1:** The Governing Body of the State Society should adopt a resolution indicating work allocation among (a) Vice-Chair, Executive Committee (**Director-H/FW**), (b) Convenor, Executive Committee (**Mission Director**), Member Secretaries/ Jt. Secretaries, Programme Committees (**State Programme Officers**) and the other the office bearers of the Society.

**Footnote-2:** For cheque signing/electronic e-banking authorization for funds transfers, the procedures detailed in “National Rural Health Mission: Guidelines on Financial, Accounting, Auditing, Fund Flow & Banking Arrangement” as approved by the Empowered Programme Committee (EPC) of NRHM, as per the notification No.107/FMG/2005-06 dated 14th December, 2006 of Government of India, shall apply. All funds flow and other associated processes will also be as per the same notification.

**Footnote-3:** Management cost [items C-6, C-7, C-8, C-9 and C-12] cannot exceed 6% of total expenditure in a year.

**Financial Powers of the Governing Body, Executive Committees, Programme Committees, and other office bearers of the District Health Society**

**Note:** The officers/officials intended to be empowered are shown in (brackets). If the designations of these officers/officials in concerned societies are different, the State Governments may use the relevant designations in the table below to empower the intended officers/officials.

**Important:** Chief Medical Officer or equivalent as per the designation used in the state [CDMO/CHMO/Civil Surgeon etc.] should be declared as the ‘Mission Director - cum-Chief Executive Officer (CEO)’ of the District Health Society as per the generic guidelines on creation of SHS and DHS (Institutional framework for NRHM).

The Committee recommends that the delegated administrative and financial powers of the office bearers and staff of the District Health Society may be as indicated in Table below.

| Item   | Authority  | Extent of power  |
|--|--|--|
| A: Approval of District Action Plan (DAP)  | Governing Body   | Full powers  |
| B-1: Approval for release of Untied Funds and Annual Maintenance Grants to RKS, CHC, PHC, Sub-Centre and VHSC etc.   | Mission Director cum- CEO (CMO)  | Full powers subject to allocations in the approved DAP               |
| B-2: Approval for release of funds (other than Untied Funds) to implementing agencies, for example, to Hospitals/hospital societies, Block Medical Officers/CHC/PHC/Sub Centre/ VHSC/ NGOs and other implementing agencies and imprest money to Medical Officers, ANM and ASHA etc.. | Mission Director cum- CEO (CMO)  | Full powers subject to allocations in the approved DAP.              |
|  | Member-Secretary of the concerned Programme Committee (District Programme Officers) for their concerned programmes | Up to Rs.20,000 per case subject to allocations in the approved DAP. |
| C: Specific Expenditure proposals  |  |  |
| C-1: Major/New Civil works which have been delegated to the District Health Society  | Chairperson, Governing Body / Executive Committee (District Collector/DDC)   | Full powers subject to allocations in the approved DAP.              |
| <i>Note-1: Estimates should be prepared on the basis of (a) an approved type design and , (b)</i>  |  |  |

|  |  |   |
|--|--|---|
| <p><i>State schedule of rates ( SORs).</i></p> <p><i>Note-2: Options other than executing works through Public Works Departments [PWD] can be considered, provided selection of executing agency is done through a competitive tendering/bidding process which allows the PWD to participate in the tendering / bidding process.</i></p> <p><i>Note-3: Major civil works should not be delegated below district level.</i></p> <p><i>Note-4: As far as possible, contracts should be awarded on a turnkey basis (design, execution and handing over) with ‘no cost over-run’ and ‘penalty’ ( for time over run) clauses.</i></p> <p><i>Note-5: Maintenance should be delegated to facility level management society.</i></p> | <p>Mission Director cum- CEO (CMO)</p>   | <p>Upto Rs.1 crore per site, subject to allocations in the approved DAP.</p>              |
| <p>C-2: Approval for minor civil works;repairs and renovations (including civil and electrical works)</p> <p><i>Note-1: Any civil work related to already existing structure and amounting upto Rs.20.00 Lakhs per institution/structure should be considered as Minor Civil Work.</i></p> <p><i>Note-2: Minor civil works should generally be delegated to the concerned hospital management society (Rogi Kalyan Samiti) along with suitable guidelines.</i></p>   | <p>Mission Director– cum-CEO (CMO)</p> <p>Member Secretary of Programme Committee (i.e. <b>DistrictProgrammeofficers of variousprogrammes</b>)</p> | <p>Full powers subject to approved budget under DAP.</p> <p>Up to Rs.1 lakh per case</p>  |
| <p>C-3: Approval for procurement of medical equipment, furniture and other items for the facilities selected for</p>   | <p>Executive Committee</p>   | <p>Full powers subject to approved DAP and following approved procurement guidelines.</p> |

|  |  |   |
|--|--|---|
| <p>upgradation to FRU/IPHS level and/or 24/7 PHC level</p> <p>C-4: Approval for procurement of other goods, medicines and medical supplies</p> <p>C-5: Approval for procurement of services (including hiring of auditors) for specific tasks including outsourcing of support services.</p> <p><i>Note-1: To the extent possible, procurement should be done using the rate contracts of the DGS&amp;D or State Government / any other rate contract adopted by the State Health Society.</i></p> <p><i>Note-2: For items which are not available under rate contract mechanism, the respective approving authorities should approve the expenditure on the recommendations of a duly appointed <b>procurement committee</b>, as per the procurement rules/guidelines prescribed by the State Health Society.</i></p> | <p>Mission Director– cum- CEO (CMO)</p>  | <p>Upto Rs. 20 lakh per case subject to approved DAP and following approved procurement guidelines for C-3.</p> <p>Upto Rs. 5 lakh per case subject to approved DAP and following approved procurement guidelines for C-4.</p> <p>Upto Rs. 1 lakh per case subject to approved DAP and following approved procurement guidelines for C-5.</p> |
|  | <p>Member Secretary of Programme Committee (i.e. <b>District Programme officers of various programmes</b>)</p> | <p>Up to Rs. 15,000/- per case subject to approved DAP</p>  |
| <p>C-6: Hiring of contractual staff against approved posts in the DAP, including sanction of compensation package.</p> <p><i>Note: The posts under the District Health Society can be filled up through hiring from the open market or through appointment of regular officers /staff on deputation basis [ref: MoHFW DO no. 37018/6/2003-EAG (part IV) dated 20<sup>th</sup> June, 2005].</i></p>   | <p>Executive Committee</p>   | <p>Full powers, subject to the norms / guidelines prescribed by the State Health Society.</p>   |
| <p>C-7: Sanction/approval for payment of monthly remuneration for contractual Staff and payment of their TA/DA</p>   | <p>Mission Director cum- CEO (CMO)</p>   | <p>Full powers subject to norms adopted by the Society.</p>   |

|   |   |  |
|---|---|--|
| <p><i>Note-1: All contracts will be subject to review and renewal on an annual basis and will require approval of the Executive Committee. Accordingly, proposals for review and renewal, where applicable, should be submitted at least one month before the expiry of existing contracts.</i></p> <p><i>Note-2: TA/DA should be regulated in accordance with the bye-laws of the District Health Society and the State Health Society has to provide generic norms and guidelines which the District Health Societies can adopt through a resolution. The generic norms and guidelines may be adopted on the lines of norms.</i></p> <p><i>Note-3: The Society funds can be used for payment of TA/DA only for the personnel who are drawing salaries from the District Health Society, unless otherwise provided under specific programme included under NRHM.</i></p>   | <p>Member Secretary of Programme Committee (i.e. <b>District Programme officers of various programmes</b>)</p>  | <p>Full powers for the staff working specifically under their programme</p>  |
| <p>C-8: Approval for hiring of vehicles/taxis for supervisory visits in the district</p> <p><i>Note-1: Provision for hiring is only available where vehicles are not already available from the state government or from the project/programme.</i></p> <p><i>Note-2: Hiring charges have to be met from the 6% management costs along with salaries, TA/DA and office expenses</i></p> <p><i>Note-3: The DAP should indicate the distribution of provisions for vehicle hiring at district and sub-district level.</i></p> <p><i>Note-4: District Health Society should create a panel of accredited taxi operators through open tendering for hiring taxis. The block medical officers and other sub-district level programme managers should be authorized to hire vehicles from this panel. Approval of the Executive Committee should be obtained before operating the Rate Contracts concluded through tendering.</i></p> | <p>CEO and Mission Director (CMO)</p> <p>Member Secretary of Programme Committee (i.e. <b>District Programme officers of various programmes</b>) and Block Medical Officers and other sub-district level functionaries.</p> | <p>Full powers subject to approved budget</p> <p>Full powers subject to approved budget for the programme/ block / hospital under the DAP and the condition that payment for vehicles hired outside the Rate Contract referred to in Note-4 shall require approval of the CEO and Mission Director (CMO)</p> |



|  |  |  |
|--|--|--|
| C-9: Expenditures on Workshops, Meetings etc. (excluding training) at District level   | Chair-person, Executive Committee  | Full powers, subject to approved budget.               |
|  | Mission Director cum- CEO (CMO)  | Up to Rs.25,000 per case                               |
|  | Member Secretary of Programme Committee (i.e. District Programme officers of various programmes) | Up to Rs 5,000/- per case                              |
| C-10: Expenditure on Training at District level (including TA/DA as per norms, AV equipment and logistics etc.)  | Chair-person, Executive Committee  | Full powers, subject to budget in the approved DAP     |
|  | Mission Director cum- CEO (CMO)  | Up to Rs. 1 lakh per case                              |
|  | Up to Rs. 1 lakh per case  | Up to Rs 20,000/- per case                             |
| C-11: Expenditure on offices expenses such as stationary, computer accessories, maintenance of office equipments (AMC), broadband internet connection and other miscellaneous items not covered above. | Chairperson, Executive Committee   | Full powers, subject to budget in the approved DAP     |
|  | Mission Director cum- CEO (CMO)  | Upto Rs.50,000/- per case, subject to approved budget  |
|  | Member Secretary of Programme Committee (i.e. District Programme officers of various programmes) | Up to Rs 25,000/- per case, subject to approved budget |
|  | DPM of DPMSU   | Upto Rs.5,000/- per month subject to approved budget   |

**Footnote-1:** All the above-mentioned financial and administrative powers shall be limited by the norms provided under the approved District Action Plan.

**Footnote-2:** For cheque signing/electronic e-banking authorization for funds transfers, the procedures detailed in 'National Rural Health Mission: Guidelines on Financial, Accounting, Auditing, Fund Flow & Banking Arrangements' shall apply. All funds flow and other associated processes will also be as per the same notification.

**Footnote-3:** Management cost [items C-6/C-7, C-8, and C-11] cannot exceed 6% of total expenditure in a year

**Financial Powers of the Governing Body, Executive Committees and other office bearers of the Hospital Management Societies (RogiKalyanSamities or equivalent):**

*Note: The officers/officials intended to be empowered are shown in (brackets). If the designations of these officers/officials in concerned societies are different, the State Governments may use the relevant designations in the tables below to empower the intended officers/officials.*

The Committee recommends that the delegated administrative and financial powers of the office bearers staff of the Hospital Management Societies [Rogi Kalyan Samitis or equivalent] may be as indicated in Table below.

| <b>Item</b>   | <b>Authority</b>  | <b>Extent of power</b>  |
|---|---|---|
| <p>A-1 : Approval of expenditure plan for the untied grants and annual maintenance grants received under NRHM</p> <p>A-2: Approval of expenditure plan for user fee collections and other receipts</p>  | Executive Committee   | Full powers   |
| <p>B-1: Approval for procurement of goods including minor equipments, medicine, dressing material, injection, vaccine, etc.</p> <p>B-2: Approval for procurement of services <i>(excluding auditorappointment, which would be done bythe DHS)</i> for specific tasks including outsourcing of support services.</p> <p>B-3: Approval for repairs and maintenance including minor civil works</p> <p>B-4: Approval for expenditure on all other activities envisaged under RKS mechanism and funded through the untied grant mechanism and/or maintenance grants</p> | Chairperson,<br>Executive Committee<br>(Hospital Superintendent / MO-in-Charge) | <p>Full Powers if expenditure is as per the plan approved by the Executive Committee.</p> <p>Otherwise, full powers upto the following monetary ceilings without prior approval of the Executive Committee:</p> <ul style="list-style-type: none"> <li>•Rs 1 lakh- District Hospital</li> <li>•Rs 50,000 – Sub-Divisional Hospital / CHC / Block PHC /Rural / Referral Hospital</li> <li>•Rs 35,000 – PHC</li> </ul> <p>Further expenditure shall require endorsement / approval of the above amounts by the Executive Committee. After endorsement, the ceilings indicated above shall stand recouped.</p> <p><u>Note:</u> In case the Executive Committee (RKS) does not endorse the purposes for which funds have been used by theChairperson (Exe.Comm), RKS, the matter may be placed before the Executive Committee of the District Health Society.</p> |



|   |   |  |
|---|---|--|
| <p>C-1: Payment of salaries for contractual medical, paramedical and non-medical Staff and their TA/DA</p> <p><i>Note: TA/DA entitlements may be as per the norms adopted by the District Health Society.</i></p> | <p>Member Secretary, Executive Committee (Sr. Medical Officer nominated by the Superintendent / MO in-charge)</p> | <p>Full Powers, subject to approved budget and norms</p>   |
| <p>C-2: Approval for payments of benefits under Janani Suraksha Yojana</p> <p><i>Note: As per JSY Guidelines, RKS is required to keep a separate Bank Account for JSY funds.</i></p>                              | <p>Member Secretary, Executive Committee (Sr. Medical Officer nominated by the Superintendent / MO in-charge)</p> | <p>Full Powers. Accounts for the funds disbursed should be included in the agenda of the Executive Committee meetings.</p> |

***Footnote-1:*** All Untied Grants should be paid into the Society's account with the appointed bank and should not be withdrawn except by a cheque, bill note or other negotiable instrument signed by the Member-Secretary of the Society and such one more person from amongst the Executive Committee members as may be decided by the Governing Body.

***Footnote-2:***The joint signatories of the RKS bank account should be (1) Medical Superintendent/MO-in-Charge, and (2) any other Medical Officer nominated by the MS/MO-in-Charge.

## Course Module on Fund Flow and Banking Arrangements

| Session Title: Fund Flow and Banking  |  | Session-at-a-glance                    |                            |  |
|---|--|--|----------------------------|--|
| Session learning objectives   | Session Structure  | Teaching Method Used                   | Teaching Material used     | Time Required                              |
| <p><b>Objective of Session:</b></p> <p>The objective of the module is to help the trainees understand the key sources of Funds under NRHM along with the various aspects of fund flow mechanism under NRHM. It explains the frequency and timelines by which funds should be released to various units under NRHM. In addition, it also reflects upon fund flow under some key schemes under NRHM. Further, it elaborates on the Bank Accounts &amp; their respective signatories and e-Banking Arrangements under NRHM and describes the Delegation of Financial Power under NRHM &amp; the process to be followed for Sanction &amp; Release of Funds.</p> <p><b>Materials Required :</b></p> <ol style="list-style-type: none"> <li>1. Slides</li> <li>2. Self-Assessment</li> </ol> | <p>Learning Objective of the module</p> <p><b><u>Key Teaching Point 1:</u></b> Sources of funds under NRHM and fund flow process</p> <p><b><u>Key Teaching Point 2:</u></b> Frequency of Funds release and Conditions Precedent</p> <p><b><u>Key Teaching Point 3:</u></b> Banking Arrangements and key signatories</p> <p><b><u>Key Teaching Point 4:</u></b> Delegation of Financial Powers</p> <p><b><u>Key Teaching Point 5:</u></b> Illustration</p> <p><b><u>Self-assessment</u></b></p> | <b>Instructional and Participative</b> | Slides 2-3                 | 5 mins                                     |
|   |  |  | Slides 4-9                 | 15 mins                                    |
|   |  |  | Slides 10-15               | 10 mins                                    |
|   |  |  | Slides 16-21               | 15 mins                                    |
|   |  |  |                            | <b>Individual attempts by participants</b> |
|   |  |  | Slides 26-34               | 20 mins                                    |
|   |  |  | Slides 35-39               | 15 mins                                    |
|   |  |  | <b>TOTAL TIME REQUIRED</b> | 1 hr 35 min                                |

## **Fund Flow**

### **Solution: Self-Assessment**

1. a
2. a
3. d
4. d
5. b
6. a & b
7. d
8. c
9. c