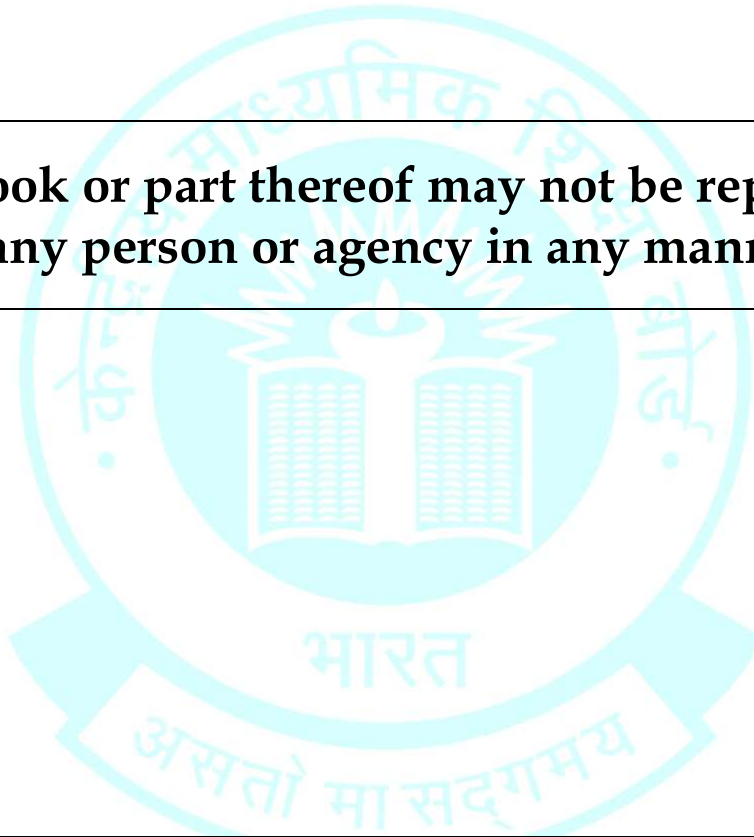




**MANUAL OF
FINANCE AND ACCOUNTS
OF
CENTRAL BOARD OF
SECONDARY EDUCATION**

**SHIKSHA KENDRA 2, COMMUNITY CENTRE, PREET VIHAR,
NEW DELHI-110092**

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FOREWORD

The Central Board of Secondary Education (CBSE) is a premier educational Board in the country. A duly updated management information system is the backbone of an expanding organization like CBSE. This keeps the top management informed about the path being followed by the organization and about the organizational goal and objectives. Invariably, an effective financial management system comprising budget, accounts, and audit function are the most important factors for this management information system.

Since its establishment in 1962, after reconstitution by the Government of India, the Board has issued various circulars and orders to bring uniformity in the implementation of the rules of the Government of India with such adaptations as found necessary.

CBSE has 16 Regional Offices, 19 offices of Centre of Excellence and special units across India. All Regional Offices/COEs and units need to follow the same rules and regulations as the combined Accounts and Balance Sheet is audited by the Comptroller and Auditor General for India for submission to the Parliament. The need for codifying the Accounting Procedure has arisen as the orders on various subjects relating to day-to-day implementation of various procedures like service rule, purchase, construction, personal payments, pension, etc. need to be consolidated at one place. Hence, the present Manual has been prepared as a guiding document for all offices of CBSE across the country.

This manual is the outcome of wholehearted cooperation and untiring sincere efforts of Smt. Bharti Zade (IAFA) and Shri G. N. Srivastava (Addl. IAFA). The All India Council of Auditors and Accountants has also provided valuable inputs based on their experience of Internal Audit of the Boards Accounts. I am also pleased to put on records my thanks to Shri. Giriraj Garg, Chief Vigilance Officer for his critical editing of the draft manual.

I am sure that the Finance Manual will address the needs of all concerned and this, together with earlier guidelines and government of India, will be a guide to every member of the organization. The manual should be followed in both letter and spirit. Suggestions for improvement in the Finance Manual are most welcome, and may be addressed to the Internal Auditor and Financial Adviser of C.B.S.E. for considering in future publications.

Place: New Delhi
Dated: 23/10/2020

Anita Karwal, IAS
Chairperson, CBSE





MESSAGE

It is said that good accounting is synonymous to good governance and similarly the codes and manuals are the foundation stone for good accounting system. The need for manual on finance and accounts is felt more in a vastly-spread organization like Central Board of Secondary Education (CBSE).

Circulars as well as guidelines regarding various issues related to finance and accounts have been issued from time to time to streamline the system and also for standardization of procedure. Moreover, during the last decade, a number of policies have also been framed in the area of finance and accounting to take care of the revision of various instructions related to finance and accounts received from the Government of India.

Need has been felt to consolidate all these circulars in the form of a Manual, not only to serve as a quick reference but also to build up finance and accounting discipline in the organization. Concerted efforts have been made to cover all major aspects of finance and accounts in this manual in a user-friendly manner taking into account the applicable directives and contents in different reference books to bring uniformity in preparation of books of accounts.

Place: New Delhi
Dated: 23/10/2020

Anurag Tripathi, IRPS
Secretary, CBSE



DISCLAIMER

The Finance and Accounts Manual of CBSE has been prepared to make the officers/staff of CBSE aware regarding financial rules and regulations of Govt. of India. In turn, it will improve efficiency, effective framework of financial management in CBSE. The contents of this Manual are based on various Orders/Memorandums/Notifications issued by concerned departments of Govt. of India from time to time. In case of variation between the Orders/Memorandums/Notifications issued by the Govt. of India, and as stated in the Manual, the orders etc. issued by former will be final. The amendments/modifications issued by the Govt. of India subsequent to publication of this Manual, the orders of Govt. of India will prevail upon.

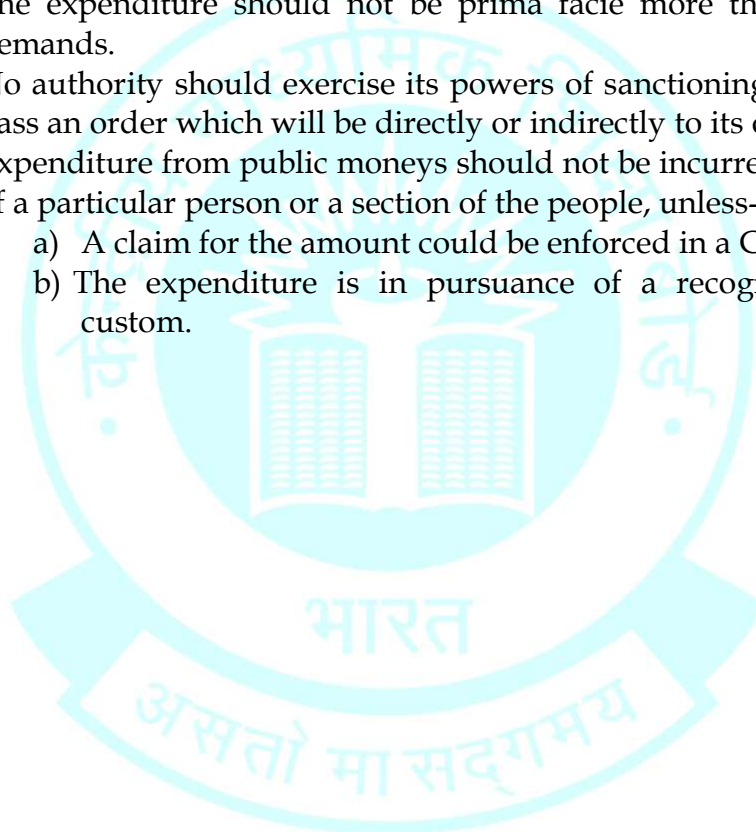




STANDARDS OF FINANCIAL PROPRIETY

Every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following (Rule 21, GFR,2017):-

- (i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- (ii) The expenditure should not be prima facie more than the occasion demands.
- (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv) Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless-
 - a) A claim for the amount could be enforced in a Court of Law, or
 - b) The expenditure is in pursuance of a recognized policy or custom.





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CHAPTER - 1

INTRODUCTORY AND DEFINITIONS



1.1 HISTORICAL BACKGROUND AND PRESENT SETUP OF CBSE

A trail of development marks the significant changes that took place over the years in shaping up the Board to its present status. "U P Board of High School and Intermediate Education" was the first Board set up in 1921. It has under its jurisdiction Rajputana, Central India and Gwalior. In response to the representation made by the Government of United Provinces, the then Government of India suggested to set up a joint Board in 1929 for all the areas which was named as the 'Board of High School and Intermediate Education, Rajputana'. This included Ajmer, Merwara, Central India and Gwalior

The Board witnessed rapid growth and expansion at the level of Secondary education resulting in improved quality and standard of education in institutions. But with the advent of State Universities and State Boards in various parts of the country the jurisdiction of the Board was confined only to Ajmer, Bhopal and Vindhya Pradesh later. As a result of this, in 1952, the constitution of the Board was amended wherein its jurisdiction was extended to part-C and Part-D territories and the Board was given its present name 'Central Board of Secondary Education'. It was in the year 1962 finally that the Board was reconstituted. The main objectives were to serve the educational institutions more effectively, to be responsive to the educational needs of those students whose parents were employed in the Central Government and had frequently transferable jobs.

1.2 SHORT TITLE, EXTENT AND COMMENCEMENT: -

CBSE Finance Manual governing the Finance Accounts and Audit briefly called as CBSE Manual of Finance and Account 2018.

- (i) The main object of this Finance Manual shall be to ensure transparency in financial dealing of the CBSE and bring uniformity in maintaining books of accounts for better administrative control.
- (ii) The instructions in this manual are based on general principles under the rules of accounts and incorporate necessary changes to suit the functioning of CBSE as well as special procedures prescribed by the Ministry of Human Resource Development (MHRD).
- (iii) This Finance Manual shall come in force with effect from 23rd October, 2019.

1.3 DEFINITIONS

- i. **Board:-** Board means Central Board of Secondary Education (CBSE).
- ii. **Controlling Authority:-** Controlling Authority means Secretary (School Education & Literacy), Ministry of Human Resource Development, Government of India.
- iii. **Governing Body (GB):-** Governing Body means the Governing Body of the Board constituted as per provisions of the constitution/MOU of the Board which is consisting of 34 members. The list of the members is enclosed as Annexure.
- iv. **Finance Committee:-** Finance Committee means the Finance Committee of the Board comprising of 4 members, headed by the Chairperson.
- v. **Chairperson:-** The Chairperson is the Chairperson of the Board who is appointed by the Controlling Authority on such terms and conditions of service as Controlling Authority may decide.
- vi. **Secretary:-** The Secretary is the Secretary of the Board who is appointed by the Controlling Authority upon such conditions and for such period as the Controlling Authority may think fit. The Secretary shall, subject to the control of the Board, be the Chief Administrative Officer of the Board. He shall, subject to the control of the Chairperson, be responsible for seeing that the orders of the Board are carried out.
- vii. **Comptroller and Auditor-General”** means the Comptroller and Auditor-General of India.
- viii. **Chief Vigilance Officer (CVO) :-** A CVO heads the Vigilance Division and acts as an advisor to the Chairman in all matters pertaining to vigilance. He is also the nodal officer of the Organization for interaction with the Central Vigilance Commission (CVC) and the Central Bureau of Investigation (CBI).
- ix. **IAFA:-** IAFA is the Internal Auditor and Financial Advisor of the Board. It means the authority responsible for control of receipts and expenditure of the CBSE.
- x. **DDO:-** An Officer of the CBSE who is declared as such and delegated with powers to draw and disburse the claim with reference to the budget grants allotted to him and authorized to collect the receipts on behalf of the CBSE.

- xi. Competent Authority:-** Competent Authority is an authority to whom power has been delegated as per Delegation of Financial power approved by Governing Body.
- xii. Cash:-** Cash includes legal tender Coins, Currency and Bank Notes, Cheques, Bank/ Government Drafts, Demand Drafts, Revenue Stamps and Postal Orders etc.
- xiii. Bank:-** Bank means any Nationalized and Scheduled Bank with which CBSE has regular business.
- xiv. Financial year:-** Financial Year means the year beginning with 1st April and ending on 31st March of the following year.
- xv. Head of Department:-** Head of Department (H.O.D.) means the overall in-charge of a Department as appointed by the Competent Authority.
- xvi. Form:-** Form means a form appended to this Financial Manual.
- xvii. Audit :-** Audit means an examination of accounting records undertaken with a view to establishing its correctness and completeness for which they purport.
- xviii. Appropriation:-** It is the amount authorized by the Competent Authority in the financial estimate for expenditure under the major or minor head or sub-head.
- xix. Re-appropriation:-** It means the transfer of funds from one unit of appropriation under which savings are anticipated to any other unit of appropriation within the same grants to meet the excess expenditure anticipated under later unit.
- xx. Capital Expenditure:-** The Capital expenditure means the expenditure incurred with the object of either acquiring or increasing concrete assets of materials of a permanent nature such as land, building equipments, construction of reservoir for irrigation or water supply etc. and /or reducing recurring liabilities.
- xxi. Non-Recurring Expenditure: -** It means expenditure as a lump sum charge whether the money is paid as lump-sum or by installments. Sanction to any item of expenditure which is of a fixed recurring nature and does not vary periodically and which is chargeable to contingency or to pay of establishment and which does not extend beyond the financial year or beyond six months is deemed to be sanctioned for Non-recurring expenditure.

- xxii. Recurring Expenditure:** - It means expenditure incurred at periodical intervals for same purpose like expenditure on salaries, rent, taxes, insurance, repairs, replacement and renovation of existing assets so as to maintain them in efficient working order.
- xxiii. Administrative Approval:** - Administrative approval is the formal acceptance by the Competent Authority for a proposal to incur expenditure on works, scheme, project initiated or connected with the requirements of CBSE.
- xxiv. Technical Sanction:** - Technical sanction means sanction of Competent Authority to detailed estimates of the cost of work of construction or repairs & project or a scheme to be executed.
- xxv. Contract:-** Contract means any kind of Undertaking written or verbal, express or implied by a person not being CBSE employee or by a syndicate or firm for the construction, maintenance, repairs of one or more works for the supply of materials or for the performance of any service in connection with the Execution of work or the supply of materials.
- xxvi. Contractors:** - Contractors mean persons' syndicate or firm that has made a contract with the CBSE for execution of works or for supply of materials or for services in connection with the objects of CBSE.
- xxvii. Major Work:** - Major works mean work which adds value to the capital or new assets.
- xxviii. Minor Work:** - Minor Works means which do not add any capital value to existing assets or do not create new assets or existing life of assets.
- xxix. Repair/ Renovation work:** - Any work other than original to the existing structure required for replacement including its utility.
- xxx. GFR:** - General Financial Rules - 2017.
- xxxi. CGA(R&P Rules)** Central Government Account, Receipts and Payments Rules 1983.
- xxxii. Government e-Market place (GeM).**-DGS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use.

1.4 Organizational setup & Structure of the Board

The Board functions under the overall supervision of the Controlling Authority. The Board has various statutory committees which are advisory in nature. The Governing Body of the Board is constituted as per its rules and regulations. The recommendations of all the committees are placed for approval before the Governing Body of the Board.

The Chairperson is the Chief Executive of the Board and is assisted by various Heads of Departments such as Secretary, Controller of Examination, Director (Academic, Research, Training and Innovation), Director (IT), Director (Miscellaneous Examinations), Director (Edusat), Director (Vocational and Training), Regional Directors, Director (Registered Office) Ajmer.

The Secretary, CBSE is the Chief Administrative Officer and responsible for matters relating to Administration, Audit and Accounts, Public Relations, Legal and Affiliation.

The functions of Chief Vigilance Officer are broadly divided into vigilance, punitive vigilance and necessary surveillance and detection of improper practices in the work of CBSE organization.

The Controller of Examinations is responsible for all matters concerning examinations and administration of examinations, major areas being pre and post examination work, co-ordination with Regional Offices for conducting annual and compartmental Secondary and Senior Secondary School Certificate Examinations.

The Director (Academic, Research, Training and Innovation) is responsible for all matters concerning curriculum development for all the subjects at the Secondary and Senior Secondary levels, organizing teacher's training workshops, assessing training needs of the staff, development of new courses content and innovation, publishing text books for Secondary and Senior Secondary classes and monitoring the academic projects.

The Director (IT) is responsible for all matters concerning On-line registration of class IX and XI, pre and post examination activities of all regions, CTET, Publication Management System, Scholarship, Recruitment, Website-updation, maintenance and all new IT ventures and projects.

The Director (Professional Examinations) is responsible for all matters concerning conduct of Central Teachers Eligibility Test (CTET), Jawahar Navodaya Vidyalaya Selection Test (JNVST) and other miscellaneous tests.

The Director (Edusat) is responsible for all matters concerning Distance Education through Education Satellite launched by Indian Space Research Organization (I.S.R.O.).

The Director (Vocational Education and Training) is responsible for all matters concerning designing of curriculum for vocational subjects, and organizing Teacher's Training, Workshops, assessing training needs of the staff.

The Regional Directors are responsible for all matters concerning conduct of main and compartment Secondary and Senior Secondary certificate examinations.

The Director (Registered Office, Ajmer) is responsible for the activities of Registered Office, Ajmer.

The list of the Regional Offices, Center of excellence, and other Units along with their location, addresses, Telephone numbers, Mobile numbers and Email-addresses are listed below:-

1.4.1 LIST OF REGIONAL OFFICES:-

Sl.	Name and address of Regional Office	Contact details
1.	<u>REGIONAL DIRECTORATE & OFFICE, AJMER</u> Todermal Marg, Ajmer - 305030 (Rajasthan)	Phone:- 0145-2627460, 2629928, 2621228 Fax - 0145-2421543 E-mail - roajmer.cbse@nic.in
2.	<u>REGIONAL OFFICE, ALLAHABAD</u> 35-B, Civil Station, M.G. Marg, Civil Lines, Allahabad - 211001(U.P)	Phone:- 0532-2400119, 2407970, 2408971 Fax - 0532-2408977 E-mail:- roallahabad.cbse@nic.in
3.	<u>REGIONAL OFFICE, BHUBANESWAR</u> Plot No. 4(PT), Sailashree Vihar, Chandrasekharpur, District Khorda Bhubaneswar - 751021, (Odisha)	Phone:- 0674-2721312, E-mail - robhubaneswar.cbse@nic.in
4.	<u>REGIONAL OFFICE, CHENNAI</u> New No - 3, Old No. 1630 A, "J" Block, 16 th Main Road, Anna Nagar West, Chennai - 600040 (Tamil Nadu)	Phone:- 044-26162213, 26162214, 26161100, 26162264 Fax:- 044-26162212, E-mail - rochennai.cbse@nic.in
5.	<u>REGIONAL OFFICE, DEHRADUN</u> 99, Kaulagarh Road, Dehradun - 248001. Uttarakhand	Phone:- 0135-2757744, 2753250, Fax:- 0135-2757733 E-mail - roddn@cbse.gov.in
6.	<u>REGIONAL OFFICE, DELHI EAST</u> PS-1-2, Institutional Area, I.P. Extn. Patparganj, Delhi - 110092	Phone:- 011-22248885 Fax - 01122248990 E-mail:- rodelhi.cbse@nic.in
7.	<u>REGIONAL OFFICE, GUWAHATI</u> Shilpo gram Road (Near Sankar dev Kalakshetra), Panjabari, Guwahati - 781037, Assam	Phone:- 0361-2333333, 2331995, 2338995, Fax: 0361-2330992 E-mail: roguwahati.cbse@nic.in

8	<u>REGIONAL OFFICE, PANCHKULA</u> Sector - 5, Panchkula - 134152 (Haryana)	Phone:-0172-2585193,0712-2583547, Fax:0172-2585163, E-mail: ropanchkula.cbse@nic.in
9	<u>REGIONAL OFFICE, PATNA</u> Ambika Complex, Behind State Bank Colony, Near Brahmsthan, Sheikhpura, Raza Bazar, Bailey Road Patna - 800014 Bihar	Phone:- 0612-2295048, 2295080, Fax: 0612-2295008 E-mail: ropatna.cbse@nic.in
10	<u>REGIONAL OFFICE, THIRUVANANTHAPURAM</u> Block - B, 2 nd Floor, LIC Divisional Office Campus, Pattom, Thiruvananthapuram - 695004, Kerela	Phone:- 0471-2534496, 2534404, Fax: 0471-2534406, E-mail: rotrivandrum.cbse@nic.in
11 *	<u>REGIONAL OFFICE, BENGALURU</u> Degree College Building No. 57, Hesarghatta Main Road Near Sapthagiri Hospital Chimney Hills, Chikkabanavara Bengaluru - 560090	Phone no :-9188381977, 9650724763 E-mail: robengaluru.cbse@nic.in ,
12 *	<u>REGIONAL OFFICE, BHOPAL</u> Shree Bhavan's Bharati Public School, Plot NEmailo. 46/2, Kerwa Dam Road, Bhopal - 462044.	Phone no :- 07879386360, 9910670801 E-mail: robhopal.cbse@nic.in
13 *	<u>REGIONAL OFFICE, CHANDIGARH</u> <u>ADDRESS TO BE NOTIFIED</u>	Phone no :-9873339561 E-mail: rochandigarh.cbse@nic.in
14 *	<u>REGIONAL OFFICE, DELHI WEST</u> <u>ADDRESS TO BE NOTIFIED</u>	Phone no :- 9911332527 E-mail: rodw.cbse@nic.in
15 *	<u>REGIONAL OFFICE, NODIA</u> Father Agnel School, Plot 2 & 3, Sector - 62, Noida - 201307, Uttar Pradesh	Phone no:- 0120-2476551, 0120-2476555, 7827288099 Email : ronoida.cbse@nic.in
16 *	<u>REGIONAL OFFICE, PUNE</u> <u>Temporary office:</u> C Wing 316/A Shoppers Orbit Vishrantwadi PUNE-411015, Maharashtra	Phone : 9625624690 Email : ropune.cbse@gmail.com ropune.cbse@nic.in

* Created vide notification no CBSE/Rectt.Cell/RO Jurisdiction -2019/2836-2935 dated 24/29th January, 2019

1.4.2 LIST OF CENTRE OF EXCELLENCES

S. No.	Name and Address of COE	Contact Details
1	COE Ajmer Todarmal Marg Ajmer-305030	<ul style="list-style-type: none"> • Tel.: 0145-2627460 • Email: coejmer.cbse@nic.in
2	COE Allahabad 35 B, Civil Station, M G. Marg, Civil Lines, Allahabad - 211001	<ul style="list-style-type: none"> • Tel. 0532-2400119 • Email: coeallahabad.cbse@nic.in
3	COE Bhubaneswar Plot No. 4 (Pt.), ShailashreeVihar Chandrashekarapur, Bhubaneswar - 751021	<ul style="list-style-type: none"> • Tel. 0674-2720412 • Email: coebbsr.cbse@nic.in
4	COE Chennai New No. 3, Old No.1630A, J Block, 16 th Main Road, Anna Nagar West Chennai-600040	<ul style="list-style-type: none"> • Tel.:044-26162024 • Email: coechennai.cbse@nic.in
5	COE Dehradun 99, Kaulagarh Road Dehradun - 248001	<ul style="list-style-type: none"> • Tel. 0135-2750891 • Email: cbse.coedoon@nic.in
6	COE Delhi PS-1-2, Institutional Area, I.P. Extn. Patparganj Delhi - 110092	<ul style="list-style-type: none"> • Tel. 011-22233182 • Email: coedelhi.cbse@nic.in
7	COE Guwahati Shilpo Gram Road (Near Sankar Dev Kalakshetra), Panjabari, Guwahati -781037	<ul style="list-style-type: none"> • Tel. 0361-2332258 • Email: coeguwahati.cbse@nic.in
8	COE Kakinada Ramaraopeta, Behind Sivalayam IST. East Godavari Kakinada, Andhra Pradesh-533004	<ul style="list-style-type: none"> • Tel. 0884-2377666 • Fax: 0884-2377666 • Email: coekakinada.cbse@nic.in
9	COE Panchkula CBSE Regional Office, Panchkula Sector- 5, Panchkula - 134152 (Haryana)	<ul style="list-style-type: none"> • Tel: 0172-2565767 • Email: coepanchkula.cbse@nic.in
10	COE Patna Ambika Complex, Behind State Bank Colony, Near Brahmsthan, Sheikhpura, Raza Bazar, Bailey Road, Patna -800014	<ul style="list-style-type: none"> • Tel. 0612-2295048 • Email: coepatna.cbse@nic.in

11	COE Pune C Wing - 316/A Shoppers Orbit, Vishrantwadi Pune-411015, Maharashtra	<ul style="list-style-type: none"> • Tel: 020-46917171, 46917100 • Email: cbsecoe.pune@gmail.com coepune@cbse.gov.in
12	COE Rae Bareli Camp Office: Kendriya Vidyalaya Primary Wing, ITI Campus Rae Bareli, Uttar Pradesh -229010	<ul style="list-style-type: none"> • Tel: 0535-2702013, 2702012 • Fax: 0535-2702013 • Email: coetraebareli@gmail.com coeraebareli.cbse@nic.in
13	COE Thiruvananthapuram Block - B, 2 nd Floor LIC Divisional Office Campus Pattom Thiruvananthapuram - 695004	<ul style="list-style-type: none"> • Tel.: 0471-2530402 • Email: coetvm.cbse@nic.in
14	COE Bhopal	<ul style="list-style-type: none"> • Email: coebhopal.cbse@nic.in

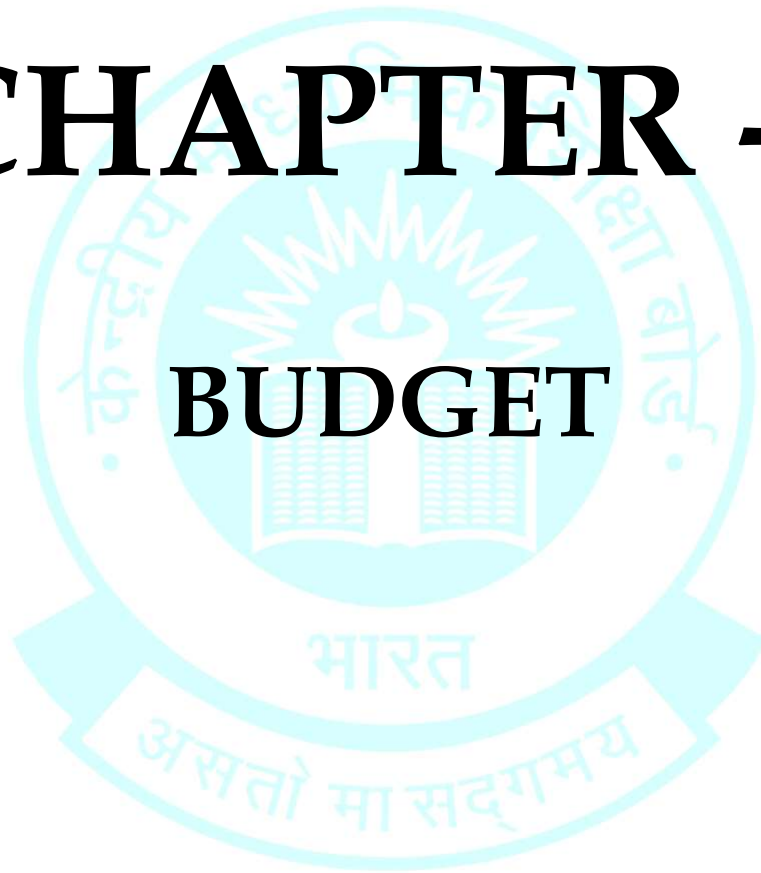
1.5 Name, designation & contact details of core officers of Accounts Branch

Sl.	Name & designation of the official	Contact Details
1.	Smt. Bharti Vikas Zade, Internal Auditor & Financial Advisor	Phone no. 011-22429602 E-mail Id: iafacbse@gmail.com iafa.cbse@nic.in
2.	Sri G N Srivastava, Additional Internal Auditor & Financial Advisor	Phone no. 011-22429604 E-mail Id: aiafa.cbse@nic.in
3	Sri Ashwani Kumar Bajpai, Accounts Officer, B&C section	Phone no. 011-22255484 E-mail Id: accounto.cbse@nic.in
4	Section Officer, Audit branch	Phone no. 011-22255484 E-mail Id: audit.cbse@nic.in
5	Section Officer, AC&B wing	Phone no. 011-22255484 E-mail Id: acbw.cbse@nic.in
6	Section Officer, Pension Cell	Phone no. 011-22058883 E-mail Id: pension.cbse@nic.in



CHAPTER -2

BUDGET





Preparation of Budget is an exercise of advance planning. It is a tool of scientific management of resources of an organization with a time perspective. To be more precise budget is a statement of estimated annual revenue and expenditure of an organization.

2.2 Budget of Government

In the Government of India, Budget has constitutional sanction under Article 112(1). The constitution defines budget as “Annual Financial Statement” which is estimated revenue and expenditures of the Government of India for the coming financial year and it is to be laid before both the houses of parliament. The annual budget contains following elements:

- (a) A review of the preceding year, including the actual revenue and expenditure in that year.
- (b) An estimate of the revenue and expenditure of the ensuing year; and
- (c) Proposals, if any for meeting the requirements of the ensuing year.

2.3 Budgeting in CBSE

In the month of September every year, a circular is being issued from the Finance Division, Head Quarters to all Units for submission of Revised Estimates of current year and Budget Estimates for ensuing year in the prescribed format.

2.4 Components of Budget

The main components of CBSE budget are given below.

2.4.1 Receipts:

- (a) Examination fee receipts of Xth & XIIth
- (b) Registration fee receipts of IXth & XIth
- (c) Receipts from re-checking of results
- (d) Sports fee receipt
- (e) Affiliation fee receipts
- (f) Training fee receipts
- (g) Sale of books and publications
- (h) Other receipts
- (i) Receipts from CTET exam

2.4.2 Payments:

- (a) Establishment expenses
- (b) Administrative expenses
- (c) Examination expenses
- (d) Affiliation expenses
- (e) Repairs and maintenance expenses
- (f) Transportation expenses
- (g) Training, Project & programme expenses
- (h) Capital expenses
- (i) Recruitment expenses

2.5 Broad guidelines for preparation of Budget Estimate

The ROs/Units/COEs in consultation with Headquarters will prepare budget in the prescribed Proforma and send it to Finance Division, HQs before the date mentioned in the letter.

Budget Estimates will be prepared Financial year wise taking into account all anticipatory receipts and the Estimated Expenditure on examination and committed expenditure on Salaries, maintenance of infrastructure and Other Administrative Expenses etc., during the period.

- i. What is expected to be paid, on account of existing ongoing programmes/Schemes and new items approved by the Competent Authority, for the ensuing financial year, including arrears of previous years, if any,
- ii. Economy instructions issued by the Government must be kept in view. While all inescapable and foreseeable expenditure should be provided for, care should be taken that the estimates are not influenced by under optimism. No lump sum provisions will be made in the Budget except where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project/ scheme which has been accepted in principle for being taken up in the financial year. Budget provision in such cases should be limited to the requirements of preliminary expenses and for some initial outlay.
- iii. The Estimate of establishment charges should be framed taking into account the trends over preceding three years and other relevant factors like changes in rates of pay, allowances, number of sanctioned posts, employees in position against sanctioned posts, vacancies as on date of commencement of financial year including the vacancies expected during the financial year and recruitment plan to be executed against such vacancies.
- iv. Expenditure estimates shall be prepared under complete Heads of Accounts i.e., by Major/Sub Major Head, Minor Head, Sub-Head and Detailed Head. The correctness of accounts classification must be ensured in each case. In case of any doubt, the clarification should be sought from the Associate Finance in case of Regional Center or as the case may be.
- v. While projecting the budget estimate under Major Head, the approved financial norms under the concerned scheme may be strictly followed.
- vi. While projecting budget estimate for Salary, Nominal Roll must be prepared in the prescribed format for each Major Head taking into account the employees due to retire during the financial year for which Nominal Roll are prepared.
- vii. Similarly, while projecting budget estimates, for Pension & Pensionary Benefits, full details of the existing Pensioners shall be prepared and the retirement due during the financial year shall be taken into account.
- viii. Budget Estimate for purchases of goods/stores of non-consumable nature, which are to be capitalized, may be prepared with due diligence so far as the

prevailing market rates are concerned and full details/justification of the items to be purchased may be prepared. Similarly, proposals for the purchase of store/assets in replacement of old/obsolete store/equipment, etc. under any Major Head may also be included.

- ix. While making a provision for the discharge of pending liabilities pertaining to the previous years, of the ROs/Units/COEs, it may be ensured that such proposals are supported with full details and justification.
- x. It should be kept in mind that in the last quarter of the financial year, expenditure in excess of 33% of the approved allocation is not permissible. Therefore, the expenditure during the financial year should be planned and monitored monthly/quarterly in such a way that situation for such eventuality may not arise.
- xi. The Quarterly Expenditure Plan will be prepared in order to monitor the expenditure so that unnecessary rush of expenditure towards the end of the Financial Year is avoided.

2.6 Broad guidelines for preparation of Revised Estimates

The Budget exercise in the government is of cyclical nature. The revision of various existing schemes/ programmes/ projects and addition of New Schemes/programmes/ Projects necessitates reviews of already approved budget allocations. Therefore, estimates are revised based on actual progress achieved/requirements. At this stage revised estimates for the current year and Budget Estimates for next year are prepared. An estimate of the probable receipts and expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipated for the remaining period of the current financial year in the light of the orders already issued or contemplated or any other relevant facts are taken into account.

Revised Estimates does not authorize any expenditure, nor does it supersede the Budgeted Estimates as the basis for regulation of the expenditure. If an excess is anticipated in the Revised Estimate under any particular head, it is necessary to apply separately in proper time for additional funds required, unless the excess can be met by re-appropriation of savings from other heads or has already been sanctioned by the Competent Authority. On the other hand, if the proposed expenditure taken for the Revised Estimate is less, it is the duty of the controlling officer to see that, as far as possible, the expenditure during the remaining part of the financial year is so restricted that the total expenditure for the year does not exceed the revised proposed budget allocation for the year. The savings may be due to one or more of the following reasons:

- (a) Actual postponement of expenditure
- (b) Real savings due to economy measures

- (c) Normal savings due to either over-estimating or administrative causes, e.g. casualties, etc. and
- (d) Compulsory saving notified by the CBSE/Government

Savings due to reasons mentioned above at (a) & (d) shall under no circumstances be utilized for re-appropriation to meet new items of expenditure without the prior sanction of Competent Authority. Unless savings due to the reason mentioned at (b) above have been made deliberately to provide for a foreseen emergency, they should not ordinarily be utilized in the course of the year for new items of the expenditure, as it is desirable that all such new items should be considered together at the time of the preparation of the budget for the next year. While savings due to reason mentioned at (c) above may be re-appropriated and utilized in the course of the year for new items.

2.7 Method for framing the Revised Estimate

The Revised Estimate is generally based on the actual receipts and expenditure of the first six months of the year (generally April - September). The following parameters are generally adopted for framing the Revised Estimates:

- i) Proportionate Revenue & Expenditure for the remaining six months for the financial year is calculated under each Head of Account. This anticipated revenue and expenditure is added to the actual receipts and actual expenditure under each Head of Account. This consolidated figure under each Head of Account becomes the revised budget for the current financial year under that head of account.
- ii) Proportionate Receipts and Expenditure under each Head of Account is worked out for six months of the financial year (October to March). Based on the actual receipts and actual expenditure for the 1st six months (April-September) anticipated increase in Receipts and Expenditure based on the decisions taken by Competent Authority, any amendment/norms approved by the Competent Authority which may result in the increase/decrease of the proportionate Receipt/Expenditure for the remaining six months of the financial year.
- iii) No expenditure on new scheme/project shall be included in the Revised Estimates except with the prior approval of the Competent Authority.
- iv) Proportionate Actual Expenditure for six months (October- March) of the previous year shall also be compared and variation, if any, shall be analysed and explained in the justification note while submitting the Revised Estimates to the Finance Division by the ROs/Units/COEs. In case the reason for the variation is on account of special factor, it may also be mentioned in justification note whether such factor is likely to continue throughout the year.

- v) The orders/judgment issued by statutory authorities/ court of law shall be taken into account, with the prior approval of Competent Authority, if such orders/ judgments have financial implication during the financial year
- vi) Savings under one major head may not be taken into account for meeting excess anticipated expenditure under any other Major Head/Scheme.

2.8 Budgetary and Expenditure Review

- (a) Finance Division at HQs and Associate Finance in the ROs/Units/COEs will review the trend of expenditure vis-a-vis approved budget allocation under each major head including sub-head/detailed head wise allocations. This exercise shall be carried out monthly after finalizing the accounts of the concerned month. The ROs/Units/COEs will submit a summary of results of such review in the form of statement along with the monthly account.
- (b) AC&B wing will compile information received from ROs/Units/COEs and DDO Head Quarters.

2.9 Consolidation/Finalization of Revised Estimates by the Finance Division of CBSE HQS:-

The Revised Estimates received from the ROs/Units/COEs duly approved by the head of the ROs/Units/COEs with the concurrence of concerned Associate Finance shall be scrutinized by the AC&B wing at CBSE/ HQs. The AC&B wing, while vetting/finalizing the proposals in the RE will exercise all prescribed checks in accordance with the provisions contained in the orders/instructions issued on the subject by Government of India/CBSE. In addition, the Finance Division may also undertake the following exercise

- i) The decision taken by the Governing Body having financial impact on the already approved budget shall be taken into account.
- ii) The liabilities/commitments which arise/given after the approval of the budget estimate for the current financial year which are to be met during the financial year shall be taken into account.
- iii) Provisions for meeting the committed expenditure on account of the events (unforeseen) which have taken place after finalization of BE of current financial year and its approval (for example casualties of employees, etc) shall be taken into account.
- iv) Revision of Rates on account of DA/DR, increase in Minimum Wages payable under wages contract, Amendment of Acts of Central/State Government and increase of Tariff by Government Agency like Property Tax, Service Tax, Electricity Charges, Water Charges etc., shall be taken into account.

2.10 Budgetary Control & Checks

Budgetary Control & Checks are important tools to ensure validity of financial sanction issued by the authorities vested with the financial powers under the "Delegation of Financial Powers" notified by the CBSE. This is very

important due to the fact that any financial sanction issued by the sanctioning authority is operated only if the funds are available under the relevant head of account out of approved budget allocation for the concerned financial year. Further, as per the directive of the Government of India/CBSE, the expenditure under a particular head of account/ scheme should not exceed, under any circumstances, the approved budget allocation.

2.11 Responsibility for control of expenditure against approved budget allocation

- i) The responsibility for control of expenditure against the sanctioned budget allocation for the concerned financial year lies with the concerned ROs/Units/COEs. Head of each RO/Unit/COE is responsible for the financial transaction under his/her jurisdiction (Revenue and Expenditure).
- ii) The officers who have been delegated financial powers under “Delegation of Financial Powers in CBSE” shall exercise the function to control the expenditure against the sanctioned budget allocations. While according sanction for expenditure under any head of account, the sanctioning authority has to ensure that:
 - a) The proposal for the expenditure invariably contains the information as to which major head of account/sub-head of account/detailed head of account the expenditure shall be debited.
 - b) How much fund has been allocated in the approved budget allocation in the concerned head of account, how much expenditure has been incurred excluding the expenditure involved in the proposal and how much fund is available in the concerned head to meet the proposed expenditure.
 - c) Whether the head of accounts to which the expenditure is proposed to be debited is correct vis-à-vis nature of expenditure.
 - d) While conveying the sanction to the concerned DDO, the officer will ensure whether financial concurrence of the audit, as the case may be, has been obtained and its reference has been incorporated in the sanction. Thereafter, he/she will ensure that the sanction issued/conveyed to the concerned DDO has been noted in the “Sanction Register”. The officer concerned will also attest the relevant entry in the sanction register.
 - e) Similarly, the sanctioning authority/officer nominated for conveying the financial sanction will ensure that the sanctioned amount has been entered in the Expenditure Control Register, progressive expenditure has been worked out and the balance fund available, out of sanctioned budget under the relevant head of account, has been mentioned under his/her attestation.
 - f) The sanctioned budget allocation for a particular financial year cannot be utilized after its expiry.

- g) No expenditure shall be incurred which may have the effect of exceeding the sanctioned budget allocation under the relevant head of account unless re-appropriation of funds to cover the expenditure has been made by the Competent Authority in advance or an assurance to this effect has been received in writing from the appropriate authority.
- h) Each DDO shall ensure effective control over the expenditure against approved Budget Allocation under their respective jurisdiction.
- i) Enter on each bill the complete accounts classifications from major head down to the object Head of Account. When a single bill includes charges falling under two or more object heads, the charges shall be distributed accurately over the respective heads.
- j) Enter on each bill the progressive total of expenditure up-to-date under the primary unit appropriate to which the bill relates, including the amount of the bill on which the entry is made.
- k) Maintain a separate expenditure register in Form CBSE/FAM-01 for allocation under each sub-head of accounts with which they are concerned.
- l) On third day of each month a copy of the entries made in the register CBSE/FAM-01 during the preceding month shall be sent to the Finance Division with a copy to the head of the ROs/Units/COEs. Even if there is no entry in the register in any month, a "Nil Statement" shall be sent.
- m) No DDO is authorized to make any payment in excess of the funds placed at his/her jurisdiction.
- n) If the DDO is called upon to honor a claim, which is certain to result in an excess of the approved budget allocation/funds at his disposal under the relevant head of account, he should take the orders of his controlling officer before making the payment of the claim in question. It would be the responsibility of the concerned controlling officer in such a case to provide funds either by re-appropriation within the powers delegated to him or arrange the funds by re-appropriation by the Competent Authority under intimation to the DDO concerned.

2.12 RE-APPROPRIATIONS

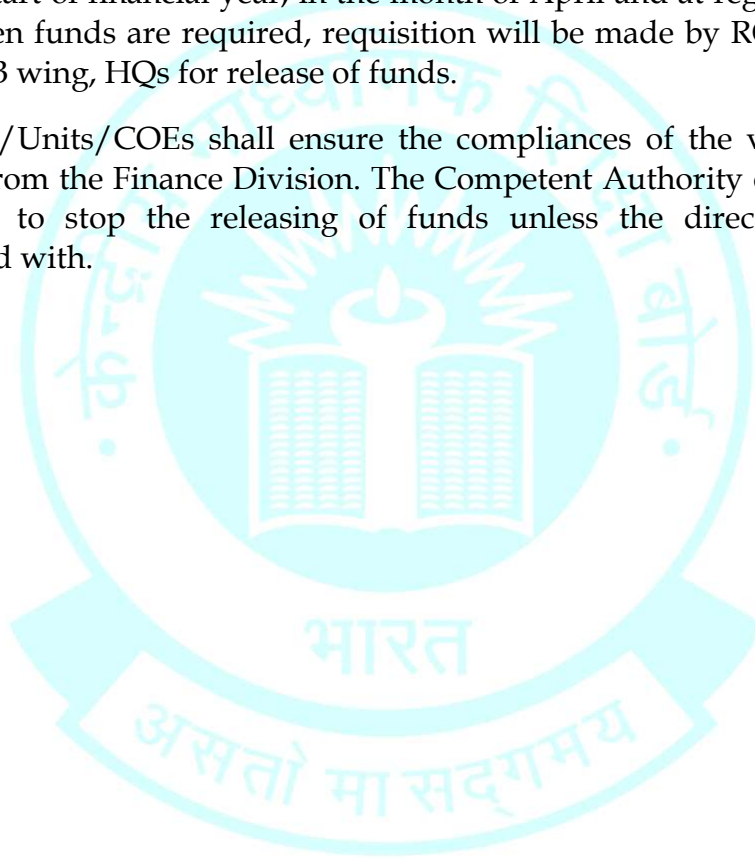
- (a) Re-appropriation of funds shall be made only when it is known or anticipated that the appropriation under a particular head of account from which funds are to be transferred, will not be utilized in full and savings are inevitable. In such cases, while preparing the proposals for Re-appropriation of such savings to another head of account under which excess expenditure is anticipated or has been done, the reason for saving and justification of re-appropriation must be recorded.
- (b) Funds shall not be re-appropriated from any head of accounts/sub-head of accounts/detailed head of account with the intention of restoring the diverted

appropriation to that unit when saving become available under other units later in the year.

- (c) A proposal of re-appropriation of funds should be supported by a statement in the Form CBSE/FAM-02 or any such form/statement, as may be prescribed by Competent Authority in CBSE showing how the excess is proposed to be met. In all orders, sanctioning re-appropriation of funds, the reason for saving and excess should invariably be stated and a copy of the sanction must be endorsed to the concerned DDO/Accounts Officer and the Finance Division of CBSE.

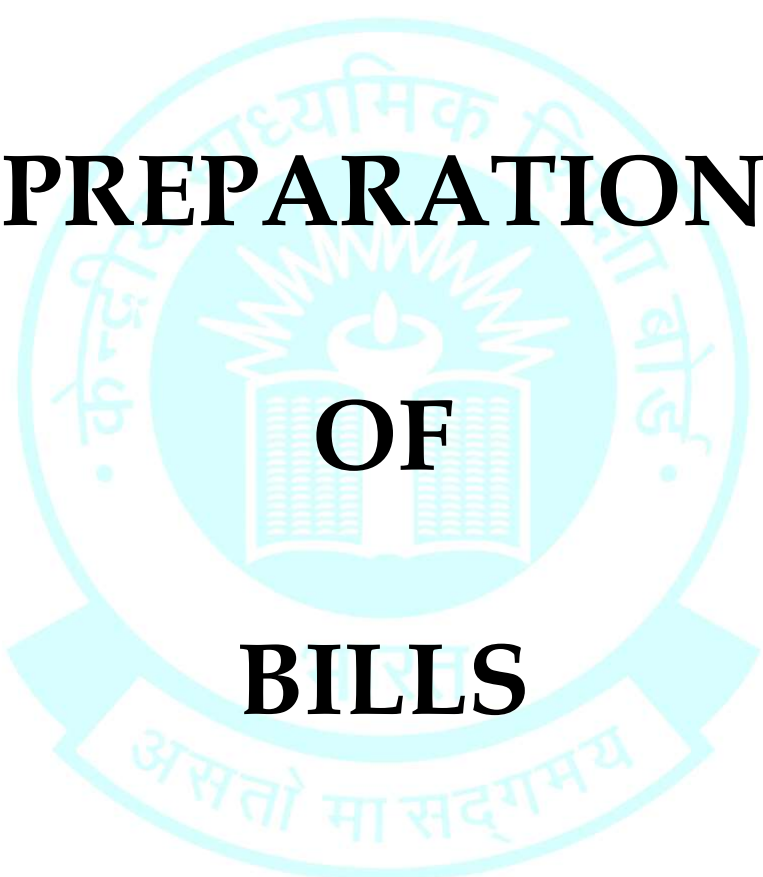
2.13 Release of Funds from Headquarters-

- (a) At the start of financial year, in the month of April and at regular intervals as and when funds are required, requisition will be made by ROs/Units/COEs to AC&B wing, HQs for release of funds.
- (b) All ROs/Units/COEs shall ensure the compliances of the various circulars issued from the Finance Division. The Competent Authority of the Board has directed to stop the releasing of funds unless the directions are being complied with.



CHAPTER - 3

PREPARATION OF BILLS





3.1 Mode of Withdrawal

- 3.1.1.** Before any money is withdrawn from Board account by means of cheques or any other modes of payment, a bill in the prescribed form is to be prepared. A bill is a statement of claims against the Board, containing specification of the nature and amount of the claims, either in gross or by items, and includes such a statement presented in the form of a simple receipt.
- 3.1.2.** The bill forms on which claims for pay, allowances, contingencies etc. are to be prepared and the detailed procedure to be observed in the preparation and presentation of such claims is to be regulated by the relevant provisions in the Central Government Account (Receipts and Payments) Rules. Some important points to be kept in view in preparing bills are enumerated in the ensuing paragraphs.

3.2 Accounts classification on bills

- 3.2.1** Charges relating to two or more major heads should not be included in one bill. The full accounts classification must be recorded on each bill by the drawing officer. The classification should also show whether the expenditure is being incurred against the budget provisions.
- 3.2.2** Corrections and alterations in the money columns and the total of a bill whether made in words or figures should be neatly made by scoring out the incorrect entry and making a fresh one. These corrections should be attested by the dated signatures of the drawing officer as many times as such corrections and alterations occur. Erasures and over-writings are prohibited.
- 3.2.3** All bills must be filled in and signed in ink, entries and signature with ball point pens are also permissible provided they are clear and legible.
- 3.2.4** The total amount of each bill should, as far as whole rupees are concerned, be written in words as well as in figures, care being taken to leave no space for interpolation. The total should also be expressed in red ink as being below a specified amount in whole rupees.
- 3.2.5** When bills are presented/drawn on account of charges incurred under any special orders, an attested copy of the sanction must be attached to the bill.
- 3.2.6** In the following cases, copies of sanction orders should also be attached to the bill in which the amount is drawn / claimed in pursuance of such sanctions.
- a) Orders relating to loans/advances granted to Board's employee in pursuance of the provisions of GFRs, Medical Attendance/HBA Rules.
 - (b) Orders relating to advances/withdrawals/final payments under GPF Rules.
 - (c) Orders relating to promotion/appointment of Board's Employee.
 - (d) Orders of pay fixation, E.B. crossing etc.

3.3 Essential Conditions governing expenditure from public funds

- 3.3.1** No Drawing Officer should incur any expenditure or enter into liability involving expenditure or transfer of money for investment or deposit from Board's account unless such expenditure or transfer, as the case may be, has been sanctioned by general or special orders of Competent Authority or by any authority to whom power has been duly delegated as per Delegation of Financial Powers.
- 3.3.2** All charges actually incurred must be paid and drawn at once, and under no circumstance be allowed to spill over to be paid from the budget of another year.
- 3.3.3** No money should be drawn from the Board's Accounts unless it is required for immediate disbursement. It is not permissible to draw money in anticipation of demands or to prevent lapse of budget grant.
- 3.3.4** The drawing officer entrusted with payment of money should obtain a voucher setting forth full and clear particulars of the claim, every voucher must have attached an acknowledgement of the payment signed by the person by whom or on whose behalf the claim is put forward.

3.4 Procedure for Budgetary control by DDO's

- 3.4.1** The drawing officer should ensure that no amount is drawn in excess of the budget allotment. In order to exercise an effective check in this regard, an Expenditure Control Register should be maintained showing the appropriation by sub-heads and units of appropriation. At the time of signing each bill, it should be ensured that the amount of the bill under signature is covered by the budget allotment. A Liability Register should also be maintained.
- 3.4.2** The rate of pay claimed should always be noted and when pay is drawn for a portion of a month, the actual period for which these payments are claimed should be stated against the name of the Board's employee in the body of the bill. The other instructions printed on the form of the bill should also be followed carefully.
- 3.4.3** Separate bills may be presented for pay and allowances or leave salary due for part of a month which may be paid before the end of the month in respect of cases mentioned.
- 3.4.4** A suitable register should be maintained by every disbursing officer for recording all amounts disallowed. Separate columns may be provided to show the name and office of the person from whom the recovery is to be affected, the nature and amount of the over-payment and the method by which it has been adjusted.
- 3.4.5** When the Competent Authority disallows a payment as unauthorized, the DDO is bound not only to recover the amount disallowed without heeding

any objection or protest, but to decline to pay it in future till the Competent Authority authorizes the resumption of the payment.

3.5 Instructions relating to affixing pay orders, & manner of cancellation of vouchers etc.

Every voucher must bear a pay order signed or initialed by the responsible disbursing officer, specifying the amount payable both in words and figures. All pay orders must be signed in ink.

All paid vouchers must be stamped 'paid' or so cancelled that they cannot be used second time. Stamps affixed on vouchers must also be cancelled so that they may not be used again.

3.6 Contingent Charges: - The term "contingent charges" or "contingencies" means and includes all incidental other expenses (including on stores) which are incurred for the management for maintenance of an office or for the working of technical establishment such as laboratory, workshop, industrial installation, store depot and the like but other than expenditure which has been specifically classified as falling under some other head of expenditure e.g. 'work', 'tools and plant'.

3.6.1 Types of Contingent charges: - The types of contingent charges are as follows: -

- (i) Contract Contingencies: -** Those for which a lump sum is placed annually at the disposal of Disbursing Officer for expenditure without further sanction of any kind. They generally consist of average annual charges but with reasonable accuracy.
- (ii) Special contingencies: -** This includes such contingent charges whether recurring or non-recurring but not without the previous sanction of superior authority.
- (iii) Countersigned contingencies: -** This includes such contingent charges that require the approval of some controlling authority in the form of countersignature after payment on detailed bill submitted to Accounts Officer.
- (iv) Fully Vouched Contingencies: -** This comprises contingent charges incurred by the Head of Office on his own authority and does not require approval of higher authorities.

3.6.2 Responsibility of the drawing officer for pending Contingent expenses: -

- a.** Every Government Officer shall exercise the same vigilance in respect of petty contingent expenses as a person of ordinary prudence may be expected to exercise in spending his own money.

- b. The drawing officer is responsible for seeing that the rules regarding the preparation of bills are observed, and that the money is either required for immediate disbursement or has already been paid from the permanent advance.
- c. The expenditure should be kept within the available appropriation and all steps taken to obtain additional appropriation if the original one has either been exceeded or is likely to be exceeded.
- d. In the case of contract contingencies, the proposed expenditure should not cause any excess over the contract grant.

3.6.3 General Limitation for payments out of contingent expenditure

- a. No pay of any kind and no additions to pay may be drawn on bills for contingent expenditure except in the case of hot weather establishment, mazdoors engaged on manual labour and paid daily or monthly wages, sweepers and other establishment mentioned
- b. Contingent bills for wages of mazdoors engaged on manual labour and paid at daily or monthly rates, rents, electricity and other connected charges incurred on the hire of private building, bills which include charges on account of purchase of goods on which sales tax has been charged, expenditure on light refreshment at formal meetings should be supported by certificates prescribed

3.6.4 Record of Contingent Expenditure: -

- a. A register of contingent expenditure should be maintained in each office and the initials of the head of office or of a G.O. to whom this duty has been delegated by him should be entered against the date of payment of each item.
[Rule 110 of CGA(R&P) Rules]
- b. As each payment is made, entries must be made in the contingent register on the date of payment, the name of payee and the number of sub-vouchers in the three columns to the left and the amount in the proper column.
[Rule 110(4) of CGA(R&P) Rules].
- c. A progressive total of all the columns must be made immediately after the monthly total so as to include all payments under each head to enable the DDO to watch the progress of expenditure.
[Rule 110(5) of CGA(R&P) Rules]

3.6.5 Bills for Contingent Charges: Where it is necessary to draw money for contingent expenses, or in any case at the end of each month, a red ink line should be drawn across the page of the register(s), the several columns added up and several totals posted in separate bills for each class of contingent expenditure. The head of the office or the officer to whom this duty has been

delegated should carefully scrutinize entries in the register(s) with the sub-vouchers, initial them and sign the bill which will then be dated and numbered and presented for payment to the Accounts Officer/Cheque Drawing DDO.

[Rule 111(1) of CGA (R&P) Rules]

3.6.6 Fully Vouched Contingent Charges: - Officers whose contingent bills do not require counter-signature and who do not embody in their bills, charges of any officer dealing separately with the AO need not submit monthly bills. They should draw money from the AO by bills in form CBSE/FAM-03 showing full details of the charges.

[Rule 114 of CGA(R&P) Rules].

3.6.7 Scales related charges & special contingencies: - Moneys required for meeting contingent charges should not be drawn in advance in Abstract bills except in the following cases and that too on the fulfillment of the conditions mentioned therein.

- (i) Charges regulated by scales and special contingencies which require the previous sanction of a superior authority before they can be incurred, should be drawn in the Abstract bill Form CBSE/FAM-04 but full description of the charges should be furnished in the Abstract bill. In the case of special contingencies, the orders of the sanctioning authority must also be quoted.

[Rule 115(1) & (2) and 117 of CGA(R&P) Rules]

- (ii) When expenditure for which a lump sum is granted under a single special sanction, is continued over more than one month, the second and subsequent month's bills should bear a note of how much has been spent up to date under the sanction.

[Rule 115(2) of CGA(R&P) Rules]

- (iii) A certificate should be attached to every abstract bill to the effect that the detailed contingent bills have been submitted to the controlling officer in respect of abstract contingent bills drawn during the month previous to that in which the bill in question is presented for payment. On no account may an abstract contingent bill be cashed without this certificate.

[Rule 118 of CGA(R&P) Rules]

3.6.8 Counter-signed Contingencies:- In the case of bills requiring counter-signature after payment, the contingent charges should be drawn in the abstract bill and the numbers assigned to the sub-vouchers pertaining to each entry in the abstract bill should be detailed against the entry concerned, the amount being given only in those cases where a sub-voucher is for more than Rs. 50. In other words abstract bills should be drawn only after the supporting sub-vouchers have been received, but only payment is yet to be made on them.

[Rule 117 & 118 of CGA(R&P) Rules]

3.6.9 The detailed bills in Form CBSE/FAM-05 should be presented to the controlling officer promptly for countersignature and transmission to the AO.

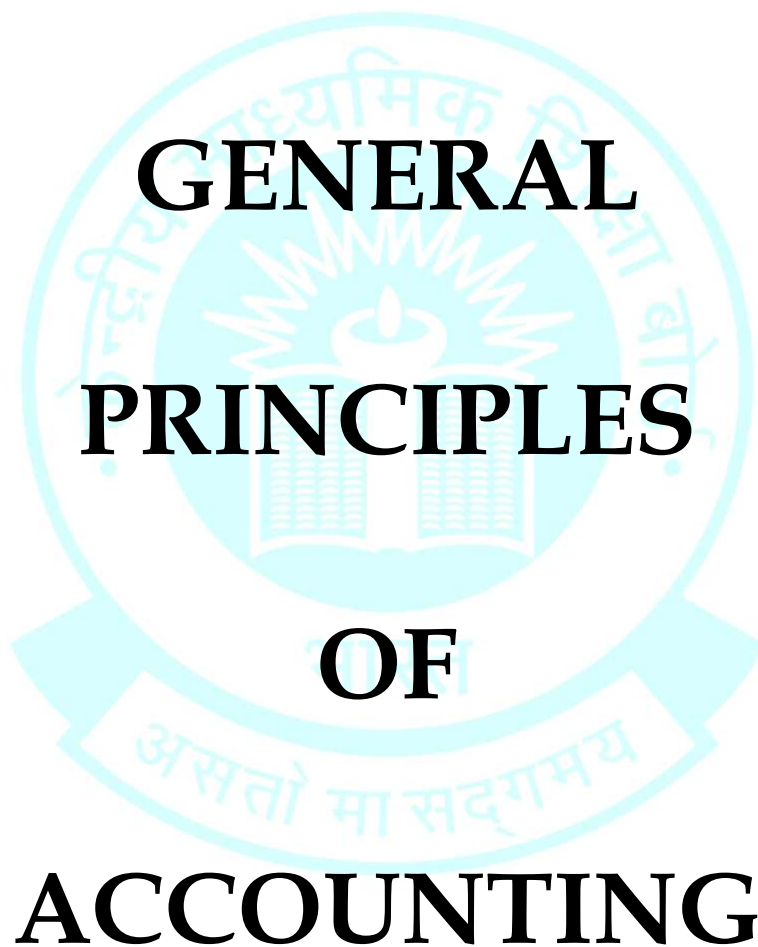
[Rule 119 of CGA(R&P) Rules]

3.7 . **Imprest:** An amount ranging from Rs.10,000 - Rs25,000 of imprest may be sanctioned by the Competent Authority to meet the day to day expenses for maintenance of various Regional Offices/COEs/ Units. As and when it is utilized same may be recouped by the designed officer on need to need basis.

Space for Notes



CHAPTER - 4





4.1 Fundamentals: - The books of accounts and financial records of the Board shall be maintained in the format as prescribed from time to time by Ministry of HRD by following established principles and procedures. Head of office, DDOs shall be accountable and responsible to maintain financial records properly and correctly and ensure that these records are up to date.

4.2 Without the approval of the Head of office, no addition/alterations/deletion shall be taken place in the register.

4.3 The HOD/DDO may, for administrative convenience, maintain such auxiliary registers. Such registers shall not be recognized as account books prescribed in the Financial Manual.

4.4 The books of accounts of CBSE and its offices shall be maintained on accrual basis separately for each financial year. All books of accounts and auxiliary registers shall be serially numbered and maintained in bi-lingual i.e. English/Hindi.

4.5 Collection of Revenue Receipts

- (i) Any receipts in the form of cash/cheque/draft/NEFT/RTGS or any other mode being received by the Board officials should be properly acknowledged and duly entered in cash book. Moreover, Officer receiving money on behalf of CBSE should scrupulously watch that the money acknowledged is duly entered in prescribed cash-book. The cash-book should be completely checked and closed on daily basis after counter signed by DDO concerned.
- (ii) The receipts from different sources to be deposited in to the bank within three days in which accounts of the respective office is maintained.
- (iii) All the receipts collected by the authorized officer shall be acknowledged with the receipt issued by DDO.

4.6 Receipt Books: - All the receipts books should be serially numbered and should be entered in to Stock register maintained by the respective unit. To keep receipt books in safe and secure mode following guidelines may be adhered:

- (a) The stock of receipt books shall be in the safe custody of the Head of office or the officer duly authorized by Head of office of the respective unit.
- (b) Serially numbered Receipts books from the stock shall be released from time to time as per requirement to the DDO who will be responsible to maintain stock of the issued receipts book.
- (c) Each receipt book shall be examined and certified by the concerned DDO on the last page of the book as regards to the total number of pages while taking on stock and kept in a lock and key.

- (d) Only in case of exigency/urgency or absence of DDO, receipt book may be issued to the staff to acknowledge the receipts. New receipt books shall not be released until the completed books are handed over.
- (e) At the end of financial year, the cashier/authorized official shall verify the unused receipt leaves and put his initials at the back of last used leaf.
- (f) Receipt books not exhausted completely at the end of financial year may be used in the next financial year with prior intimation to the IAFA.

4.7 Correction or Alteration in Accounts: - An erasure or over-writing of an entry once made in the account books is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The Drawing & Disbursing Officer should initial every such correction and invariably date his initials.

4.8 Receipt of Money: - Where money is received by Board's official in his official capacity, it shall be paid into Board's account within three working days. Such official, receiving money on behalf of the Board, shall give the payee a receipt in Form No. GAR-6 in duplicate. The receipt shall be affixed with revenue stamp. The receipt should be signed by a concerned official.

Income/revenue generated by CBSE not to be mixed up with grants etc. A Board employee who handles Board money should not except with the special sanction of the Competent Authority be allowed to handle also in his official capacity money which does not belong to the Board. Where under any special sanction, a Board officer deals with both Board and non-Board money in his official capacity, the Board money should be kept in cash box separate from the non-Board money and the transactions relating to the latter should be accounted for in a separate set of books and kept entirely out of the Board account.

4.9 Issue of Duplicate Receipt: - In no case, duplicate receipt shall be issued in case of loss of the original receipt. If any necessity arises, only a certificate of receipt may be given.

4.10 Presentation of Bills: - The bills preferred by the suppliers should be submitted in prescribed form for pre-audit with the necessary certificate recorded thereon by officer concerned to place orders.

A record of the payment should be kept by the officer concerned in the relevant register to guard against double payment. While preparing bills it shall be the duty of the DDO to ensure that all statutory liabilities viz Income Tax, Goods & Service Tax and other deductions viz the EPF/ NPS are deducted at source and these are deposited with the concerned authority and return files in time. Any liability remaining to be discharged should be reported upon in order to account for at the end of financial year.

4.11 Procedure for processing contingent bills

- (i) A record of contingent expenditure shall be kept in contingent register. Claims on account of contingent charges may be met if the charges are petty, out of imprest. For contingent expenditure which cannot be met out of imprest, a contingent bill shall be drawn and entered in the relevant column of the contingent register. The register and the bill should be submitted to the Drawing & Disbursing Officer for attestation and signatures. The bill should then be submitted for pre-audit along with the claim with instructions recorded thereon that the cheques should be drawn in favour of party or parties giving the name and amount payable to each party. Every time, a contingent bill is prepared and the progressive expenditure under each head should be worked out in contingent register and compared with the appropriation sanctioned there for. If appropriation is insufficient to meet the amount claimed in the bill, steps should be taken to regulate the same by obtaining additional funds by re-appropriation or otherwise.
- (ii) Printed forms of bills in English/Hindi shall be used.
- (iii) Where the amount of the bill is containing fractional value, it shall be written in whole value without using "only" as suffix. However, in case there is no fraction of a rupee, the word "only" should be inserted as suffix after the number of whole rupees. Care should be taken to leave no space for abbreviations.
- (iv) The payment voucher should be ink signed by authorized person. No money shall be paid on a voucher/pay order signed with a rubber or facsimile stamps. When the acquaintance is given by a mark of seal or thumb impression, it shall be attested by some persons known to the DDO.
- (v) When a bill is presented containing charges incurred under any special order, such order shall also be quoted in the bill. Copies of sanctions shall be duly certified by the DDO.
- (vi) Every bill or claim shall bear an acknowledgment by the person from whom or his behalf the claim is presented. In case, a voucher is lost, a certificate of payment prepared in manuscript duly signed by the DDO and endorsed by his Superior Officer, shall be placed. Full particulars of the claim shall invariably be set-forth therein.
- (vii) (a) Payee shall acknowledge the payment with Date. However, If due to any reason, it is not possible to note the date of payment by the payee, the date of actual payment shall be noted by the Disbursing Officer under his initial.
(b) In case of payment made by Remittance through post office, the Postal Money Order Receipt of the payee shall be kept with voucher.

4.12 Bill Register: - All bills shall be entered in the serially numbered Bill Register in Form No. CBSE/FAM-06. The register shall be maintained in the office of concerned DDOs. The claims received shall be scrutinized and after scrutiny, order shall be passed for payment to the extent admissible under the full and dated signature of the DDO concerned. When a claim is preferred on a

duplicate bill or a duplicate receipt is attached to any pay bill, the DDO shall certify thereon that the original bill has not been paid earlier or the original receipt has not been used in support to any other bills. Bill Register shall be reviewed monthly by the DDO not later than 10th of the following month.

4.13 Bank Reconciliation: - It shall be the responsibility of the DDO to prepare a Bank Reconciliation Statement every month for analyzing the difference between the closing balances as per the cash book and as shown by the Bank Pass Book. The bank Reconciliation statement shall be recorded in the cash book after the close of every month.

4.14 Banking Arrangements: - All money relating to CBSE shall be kept in the Bank account of the Board. The amounts received as well as paid into the bank shall be incorporated in the Cash Book.

4.15 Claims against CBSE: - All claims against CBSE may be classified into two categories-

- (a) Claims of the staff.
- (b) Claims of outside parties.

The bills in respect of claims of the staff shall be prepared by the respective Drawing and Disbursing Officer concerned. Bills in respect of claims of outside parties shall be prepared by the claimants themselves in the appropriate manner and shall forward them to concerned HOD/DDO.

4.16 Cash Book: - The Cash book will be closed daily. Before it is signed by the Drawing & Disbursing Officer, he will check the totals on either side and see that all entries made therein have duly been attested by him. He shall verify cash on the last working day of month or on the first working day of the following month in the following way:

"Certified that the cash Balance of Rs..... (In words.....) is physically verified and found to agree with the cash book balance".

Date

Signature

Name & Designation

At the close of each month, an abstract of unspent balance shall be drawn and the details of balance recorded in the cash book.

4.17 Register of Cheques / Demand Draft received: - The DDO shall maintain a register of Cheques / Demand Drafts received in Form GAR – 5 in which all receipts realized by means of Cheques / Demand Drafts shall be recorded in chronological order. Entry of Cheques or Demand Draft shall be taken in the Cash Book on the day of its receipt.

4.18 Mode of Payments: - All payment of claims against the CBSE shall be made preferably by NEFT/ RTGS/ Digital Mode.

4.19 Regulations regarding Cheques:

(A) Cheque Books

- (i) The DDO shall carefully examine that the cheque book is serially numbered and a certificate of count shall be recorded on the fly leaf with the dated signature of the DDO.
- (ii) The cheque books shall be kept under lock and key in the custody of the HOD/DDO as the case may be. Only one cheque book shall be brought into use at a time. The stock of cheque books shall be maintained in a simple register as devised by the HOD/DDO.
- (iii) After the cheque book is completely used, the DDO shall record a certificate on the fly leaf that all the counterfoils excluding cancelled cheques have been duly entered in the cash book.
- (iv) Used cheque books shall be carefully preserved by the Cashier/ Authorized Officer.

(B) Loss of Cheque:- If a cheque is lost, mutilated or destroyed, an intimation of the fact shall be given at once to the Bank and its payment shall be stopped. If a fresh cheque is issued, its number and date shall be quoted against the original entries in the Cash Book with the remark that the original cheque has been lost, mutilated or destroyed and a note shall be made against the original entry as follows:-

"Issued in lieu of cheque No.....dated.....lost/mutilated/destroyed."

(C) Procedure regarding accounting of cancelled cheques in Cash Book

- (i) If a Cheque is cancelled before the Cash Book is closed, the entries in the cash book and any other register in which the items included in the cheque may have been entered shall be struck off in red ink under the initials of the concerned officer. When the cheque is cancelled after a cash book is closed, it shall be adjusted by minus entries under the corresponding expenditure heads in the expenditure register and by reverse entry to the cash book, a note being made in the registers in which the transaction has been noted.
- (ii) If a cheque is cancelled after the accounts of a year are finally closed, the amount shall be taken as a "receipt" under the corresponding receipt head of account.

4.20 Custody of Money: - All cash should be kept in a strong iron safe provided with two locks having duplicate keys of each lock (where necessary even embedded in the wall). It should be purchased from a standard firm of repute. The safe should be kept strongly secured in a room and keys of the two locks shall be kept by different persons, say the Cashier, and the Drawing & Disbursing Officer so that the safe can be operated only when both are present.

4.21 Payments

- (i) A Bill Register in Form No. CBSE/FAM-06 should be maintained by all Heads of offices. The Register should be reviewed monthly by a responsible officer and the outcome should be recorded thereon.
- (ii) Payments to parties should be made preferably by NEFT/ RTGS / Digital Mode or by crossed Account payee Cheque.
- (iii) All payments made shall be entered in chronological order on the payment side of the cash book. As and when the cheque is signed, full particulars of the payment being recorded therein. Every payment entry shall be attested by the authorized official(s).
- (iv) Vouchers should be serially numbered in chronological manner in the cash book.
- (v) All paid vouchers invariably be stamped as *PAID AND CANCELLED*.
- (vi) The cash book shall be closed and balanced daily under the signature of DDO. Total receipts and payments shall be tallied on daily basis.
- (vii) Closing balance as per cash book shall be compared with the balances of bank statement. Bank Reconciliation statement shall be drawn up on the last working day of the month for analyzing the difference between the closing balances shown as per cash book and as per Bank Statement. A copy of Bank reconciliation statement shall be submitted to the IAFA.

4.22 Temporary Advances: - Account of Advances viz., Pay Advance, T.A. Advance, Temporary Advance, Contingent Advance etc., shall be maintained by the DDO. DDOs shall be held responsible for maintenance of detailed account recoveries effected/adjusted for the advances drawn by them. It shall be ensured by the DDOs that all the outstanding advances especially under contingencies are recouped before the close of the financial year in which the advances in question are drawn. The DDO shall initiate, in consultation with the HOD, action to recover the amount of the advance in question from the salary of the incumbent concerned in one lumpsum or in suitable installments, as prescribed in the relevant rules as detailed below:-

4.23 Advances for Contingent and Miscellaneous purpose: - The Head of the Office may sanction advances to a Government Servant for purchase of goods or services or any other special purpose needed for the management of the office, subject to the following conditions:-

- (i) The amount of expenditure being higher than the Permanent Advance available, cannot be met out of it.
- (ii) The purchase or other purpose cannot be managed under the normal procedures, envisaging post-procurement payment system.
- (iii) The amount of advance should not be more than the power delegated to the Head of the Office for the purpose.
- (iv) The Head of the Office shall be responsible for timely recovery or adjustment of the advance.

4.24 Time limit for Adjustment bills:- The adjustment bill, along with balance if any, shall be submitted by the Government servant within fifteen days of the drawl of advance, failing which the advance or balance shall be recovered from his next salary(ies).

4.25 Permanent Advance or Imprest: - The Chairperson of CBSE may sanction permanent advance to DDOs in order to enable him to make petty payments promptly subject to the following rules. The advance shall be recouped as and when necessary.

- (i) The amount of the advance should not normally exceed the monthly average of contingent expenditure to be defrayed out of the advance.
- (ii) Application for the grant or revision of a permanent advance must be submitted to the Chairperson through the Internal Audit and Financial Adviser who will sanction the appropriate amount of the advance.

Note :- Applications for permanent advances should be accompanied by a statement showing month by month-end for the preceding twelve months, the amounts of contingent bills cashed with classified details of items of expenditure.

- (iii) As these advances involve the permanent retention of money outside the CBSE Fund they must not be larger than are absolutely essential.
- (iv) These advances should not be multiplied unnecessarily. An Officer having sub ordinates who require petty sums, should spare a small portion of his own advances in the form of temporary advances for their use rather than apply for separate advances.
- (v) The advance is intended to provide on the responsibility of the officer entrusted with it, for emergent petty advances of all kinds , though it is seldom that they will be needed for other than contingent charges , However, an employee in the cadre of Peons, Drivers, Mazdoor , Attendants on regular establishment who is required to travel on duty by rail, road , sea at such a short notice that the drawl of traveling allowance advances is not practicable, he may be granted advance from this amounts. The permanent advance should be recouped immediately after encashment of travelling allowance bill or from the next salary of the employee concerned.
- (vi) The holder of a permanent advance is responsible for the safe custody of the money placed in his hands and he must at all times be ready to account for the total amount of the money.
- (vii) In the case of transfer of charges, both the relieving and relieved officer should send an acknowledgement to the DDO of the amount held in the permanent advance along with their charge report.
- (viii) An acknowledgment indicating the position as on 31st March should be sent by the Officers holding the permanent advance to the Internal Auditor and Financial Adviser by 5th April of the succeeding financial year.
- (ix) A Register of Permanent Advance shall be kept in Form No. CBSE CBSE/FAM-07 and maintained up- to-date by the officers holding the Permanent Advance.

4.26 Monthly Accounts: - The ROs/COEs/Units shall submit to the Internal Auditor and Financial Adviser the monthly accounts by 10th of succeeding month as stated below:

- a) Tally data file
- b) Bank statement page of last date
- c) Schedule of Conveyance Advance (If any)
- d) Schedule of Festival Advance (If any)
- e) Schedule of Computer Advance
- f) Schedule of Medical Advance
- g) Schedule of TA / DA Advance
- h) Schedule of Contingent Advance
- i) Schedule of Fixed Deposit Receipt
- j) Schedule of Earnest Money Deposit
- k) Schedule of Fixed Assets (Non-Consumable)
- l) Schedule of Current Liabilities (Payables)
- m) Schedule of Bank Balances (Total 3 Banks)
- n) Schedule of Stationery Store (Consumable)
- o) List of cheques issued to bank for NEFT.
- p) Schedule of HBA

4.27 Finalization of Annual Accounts

- (I) Monthly Accounts in the form of tally data and allied schedules from the ROs /COEs/Units will be properly checked and posted in the compilation registers/Computerized Accounting System for preparing the Annual Accounts of the CBSE as a whole.
- (II) The following Accounts/information/schedules must be enclosed along with the final copy of the Annual Accounts: -
 - 1) Annual tally data file
 - 2) Schedules of personal advances - festival advance, conveyance advance, computer advance, HBA, Medical Advance, TA/DA Advance.
 - 3) Schedule of FDR, answer books, EMD, books & Publication, contingent advances, library books etc.
 - 4) Schedule of Assets supported by a copy of physical verification and details i.e. name of item, quantity, date of purchase, amount etc.
 - 5) Bank Reconciliation Statement supported by a copy of Bank Statement and a certificate of closing balance of the Board
 - 6) Schedule of Receivables

4.28 Securities from the staff

- (1) The in-charge of cash, stores, and postage stamps shall be required to furnish security, within a period of 30 days, from the date of taking over charge to the DDO under whom the employee is working. The amount of security shall be as under:
 - (i) In-charge of stock and stores : Rs.10,000/-
 - (ii) In-charge of cash/postage stamps : Rs.10,000/-

(iii) Librarian : Rs.10,000/-

However, where the Chairperson considers that security should be taken at reduced rates from Board Employee, he/she may in consultation with the I.A.F.A., determine the amount of the security to be obtained.

- (2) No Employee shall ordinarily be allowed to hold at any time cash, stores of the value of an amount larger than for which he has furnished security. In order to enforce this provision, it becomes necessary to direct the employee to furnish the security for larger amount than that specified in sub-Rule (I). The Chairperson may in consultation with the I.A.F.A. increase it to the extent as deemed necessary.
- (3) If the security is not furnished by the concerned employee within the prescribed period shown above, the Chairperson may on the recommendation of the I.A.F.A. extend the period for further 30 days. If the security is not furnished by the concerned employee even within the extended period, the I.A.F.A. shall order the deduction of the amount of security in suitable installments from the salary of such employee.

Note: The persons appointed to officiate in leave vacancies or otherwise shall also be required to furnish security if the period of officiating is not less than 120 days.

4.29 Security Deposits:- Subject to any general or special instructions prescribed by Government on this behalf, every Government servant, who actually handles cash or stores shall be required to furnish security, for such amount and in such form as Competent Authority may prescribe according to circumstances and local conditions in each case, and to execute a security bond setting forth the conditions under which CBSE will hold the security and may ultimately refund or appropriate it.

1. The amount of security to be obtained from an employee shall be determined on the basis of actual cash handled which shall not include account payee cheques and drafts.
2. Security should be furnished in the form of a Fidelity Bond in CBSE/FAM-09, The security bond should be executed in Form CBSE/FAM-08. The Competent Authority shall see that he pays the premium necessary to keep the Bond alive, for which he shall submit premium receipt in time. If the employee fails to submit the premium receipt, he shall not be allowed to perform the duties of his post and he shall be dealt with in accordance with the terms of his appointment.
3. An employee who is officiating against the post of another cash or store handling by an employee shall be required to furnish the full amount of the security prescribed for the post. The Competent Authority may, however, exempt an employee officiating in such a short-terms vacancy from furnishing security if the circumstances warrant such exemption provided that -

- i. They are satisfied that there is no risk involved;
- ii. Such exemption is granted only in the case of a permanent employee; and
- iii. The period of officiating arrangement does not exceed four months.

Notwithstanding anything contained in para 4.28, security need not be furnished in cases of -

- a) A CBSE employee who is entrusted with the custody of stores, which in the opinion of the Competent Authority are not considerable.
 - b) A CBSE employee, who is entrusted with the custody of office furniture, stationery and other articles required for office management, if the Head of Office is satisfied about the safeguards against loss through pilferage.
 - c) Librarian and Library Staff.
 - d) Drivers of Government vehicles.
4. A security deposit taken from an employee shall be retained for at least six months from the date he vacates his post, but a security bond shall be retained permanently or until it is certain there is no further necessity for keeping it.

4.30 Claims of deceased employee

- (i) Pay & allowances or pension can be drawn for the day of CBSE Employee's death, the hour at which death takes place has no effect on the claim.
- (ii) Pay and allowance of all kinds of claims on behalf of a deceased employee of a CBSE may be paid upon as under:

Payment may be made under the orders of the Competent Authority, which will make such enquiries as he may deem sufficient.

Provided, that Competent Authority may make anticipatory payment of an amount with one surety and in any case of doubt, payment shall be made only to the person producing the legal authority.

However, payment may be ordered by him on execution of an indemnity bond for double of the gross amount of payment, with two sureties, if he is satisfied of the right and title of the claimant and considers that undue delay and hardship would be caused by insistence on the production of legal authority.

4.31 1. Arrear Claims: - The arrear claim of a deceased employee is preferred to be settled within two years from the date on which the claim is presented by the DDO after following due procedures.

2. Where the claim is made after two years, it should be investigated by the Head of the Department or by the authorized officer concerned, who will on being satisfied about the genuineness of the claim on the basis of the supporting documents and there are valid reasons for the delay in preferring

the claims, the claims should be paid by the DDO or Accounts Officer, as the case may be, after following due procedures.

3. **Procedure for dealing with time-barred claims: -** A time-barred claim of a CBSE employee may be considered by the concerned authority subject to satisfaction of the plea of the claimant of being prevented from submitting his claim within the prescribed time-limit on account of causes and circumstance beyond his control. Such claims shall be paid with the sanction of the Competent Authority with the previous concurrence of the Internal Auditor and Financial Adviser.
4. **Time-barred claims of persons not in Government service -** The provisions of Para (1) to (3) above shall apply mutatis mutandis to arrear claims by persons not in CBSE service.
5. **Retrospective sanctions -** No Retrospective effect shall be given by Competent Authority to sanctions relating to revision of pay or grant of concessions to any CBSE employee, except in extra-ordinary circumstances with the prior approval of the Chairperson.

Explanation: The period of one year shall be reckoned:

- a. In the case of TA claim - From the date of return to HQs or from the first date of the Month if the tour continues over that date.
- b. In the case of official pay - From the date of receipt of the order of promotion, if the officials pay is due for a past completed month or months, otherwise, from the following pay day.
- c. In the case of leave salary - From the date of the order sanctioning the leave
- d. In case of medical reimbursement - From the last date of completion of treatment as certified by the authorized Medical Attendant.
- e. In other cases - From the date on which a claim becomes due to the date of its presentation at the office.

Additional notes

- i. Where the claim is not presented within the financial year after the sanction, It shall require fresh sanction of Competent Authority.
- ii. The claims of T.A., Transfer T.A., conveyance allowance and medical reimbursement shall be forfeited or deemed to have been relinquished if it is not claimed within one year from the date on which it accrues.
- iii. The rule shall not apply to the following categories of claims: -
 - a) Claims on account of pensions,
 - b) Claims on account of refunds of revenue, and
 - c) Any other payments, which are governed by special rules or orders of Competent Authority of CBSE
- iv. No payments shall be made on account of increase in pay and allowance until the additional expenditure has been sanctioned and funds provided thereof.

4.32 Recoveries of Over payments

- (i) Recoveries of overpayments shall be recorded as reduction of expenditure under relevant Head irrespective of whether the recovery relates to over payment pertaining to the current year or any previous year.
- (ii) Challans vide which such amounts were credited in CBSE Fund should therefore, indicate the complete classification of original debit so as to classify the receipt as "Reduction of Expenditure under the appropriate head".

4.33 Misappropriation of CBSE money

- (i) Whenever a case of actual or suspected embezzlement, defalcation of losses or fraud is found; it shall be investigated preliminary by the DDO concerned and will send a report to IAFA, who shall forward the same to the Competent Authority with observation as may be necessary. If the report cannot be submitted within two days, an interim report shall be sent immediately. The Competent Authority may issue further directions in the matter and may issue appropriate orders. If a preliminary investigation discloses of leads to the suspicion of criminal offence (like forgery, theft and the like) it shall be immediately reported to the police authorities also.
- (ii) When the matter has been fully enquired into, the Chairperson may pass appropriate orders showing the total sum of money misappropriated or value of store or articles or things lost, the manner in which the misappropriation was effected and the steps taken to recover the money, to punish the offender and to prevent the recurrence of similar embezzlement in future.
- (iii) For the enforcement of responsibility for losses faced by CBSE through fraud, negligence of the employee the following principles shall be observed:
 1. Every CBSE Employee shall be personally responsible for any loss sustained by CBSE through fraud or negligence on his part. He will also be held personally responsible for any loss arising from fraud or negligence to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence. The cardinal principle governing the assessment of responsibility in such cases is that every Employee of CBSE should exert the same vigilance in respect of CBSE fund generally as a person of ordinary prudence would exercise in respect of the expenditure and the custody of his own money. While therefore, CBSE is prepared to condone an officer's honest errors of judgment involving financial loss, provided the officer can show that he has done his best up to the limits of his ability and experience, they are determined to penalize officers who are dishonest careless or negligent in the duties entrusted to them. The extent to which the

action of negligence of the officer was culpable must be ascertained by enquiry in each instance.

2. It is of greatest importance to avoid delay in the investigation of any loss due to fraud, negligence, financial irregularity etc., if the irregularity is detected by Internal Audit in the first instance, it will be the duty of the audit officer to report immediately to the administrative authority concerned. If the irregularity is detected by the administrative authority in the first instance, he will report the matter to the Competent Authority immediately. Every important case should be brought to the notice of superior authority as soon as possible. The administrative authority should report to his superior and to the Competent Authority. If the administrative authority is of the opinion that the investigation is complex and the assistance of an expert audit officer to unravel is necessary, he shall apply to the Competent Authority who may in consultation with the Internal Auditor and Financial Adviser, negotiate for the services of an investigating staff.
3. In any case in which it appears that recourse to judicial proceedings is likely to be involved, competent legal advice should be taken as soon as that possibility emerges. In the case of losses involving a reasonable suspicion of fraud or other criminal offence, a prosecution should be attempted unless the legal advisers consider that the evidence available is not such as will secure a conviction. The reasons for not attempting a prosecution should be placed on record in all such cases.
4. In cases where loss is due to delinquencies of subordinate officials and where it appears that this has been facilitated by laxity of supervision on the part of a superior officer, the latter should also be called strictly to account and his personal liability in the matter carefully assessed.
5. The question of enforcing pecuniary liability shall always be considered as well as the question of other forms of disciplinary action. In particular, if the loss has occurred through fraud, every endeavor should be made to recover the whole amount lost from the guilty persons and if culpable laxity of supervision has facilitated the fraud, the supervising officer at fault may properly be penalized.
6. The fact that officers who were guilty of frauds or irregularities have been retrenched or have retired and have thus escaped punishment, should not be made a justification for absolving those who are also guilty but who still remain in service.
7. The amount of losses to CBSE shall not be written off unless it is established that:-
 - (i) Nobody can be held responsible for the loss;
 - (ii) There is lacuna in the system or in the rules.

Space of Notes



CHAPTER - 5

INVESTMENT PROCEDURE





5.1 Basic guiding principles on Investment: - Clause 9 (xv) of “power and functions of the Board” of “Manual of rules and regulation of Central Board of Secondary Education” inter-alia includes “Invest the surplus funds of the Board in Government securities or in banks approved by the Controlling Authority.”

Further, Clause (5) of “function of officer under the Head Secretary” of “Manual of rules and regulation of Central Board of Secondary Education” inter-alia includes All fees and dues payable to the Board, and all sums received by the Secretary, shall be credited without delay into the account of the Board with any Nationalized and Scheduled Bank approved by the Board.

5.2 Investment Policy: - For the purpose of investment of surplus funds, there shall be an investment policy for investment of funds as well as for empanelment of banks.

- (a) The surplus money standing at the credit of current fund, Pension and Gratuity fund, GPF fund, Endowment fund & Benevolent fund of the Board which cannot immediately be applied for the specified purposes shall be deposited/invested in terms of investment policy of the Board;
- (b) All money received on account of Earnest Money Deposit;
- (c) All money received on account of Performance Guarantee;
- (d) All money received on account of Security Deposit;
- (f) Any other fund(s) which is/are specifically earmarked for investment in nationalized and scheduled banks.

Salient features of Investment policy: The salient features of Investment Policy for investment of surplus funds and empanelment of banks shall be as follows:

- a) The Bank should have its corporate and registered office in India i.e. the bank should be incorporated in India.
- b) The bank must be at least 5 years old so that only genuine banks may be empanelled.
- c) The net Worth of the banks should be at least Rs. 1,000 crores.
- d) The Capital Adequacy Ratio should be at least 10%.
- e) The banks should keep their rates open for at least 3 working days from the date of opening of quotation. Based on the above guidelines, approved by the CBSE, the banks shall be empanelled.

5.3 Investment Committee: -

- (i) With a view to keep a constant watch over the economic developments, investment environment, status of invested/investible funds, to monitor the investments and to review the investment policy at periodical intervals, the competent authority shall constitute an investment committee under the Chairpersonship of Secretary of the Board. The composition of the Investment committee shall have 3 members excluding the chairperson

- (ii) While constituting the Sub-Committee, it shall be the endeavour of the constituting authority to include the following members, if possible, in the Sub Committee; -
- (a) At least one member from accounts/finance;
 - (b) At least one member from Administration or any HOD.

Guiding Principles For Investment Committee: -

- (i) To ensure maximum safety of funds;
- (ii) To ensure least amount of speculation in investment;
- (iii) To ensure fair element of competition between banks for higher returns.
- (iv) To ensure diversified instruments of investment.

5.4 Process for the Empanelment of Banks: -

- (i) A list of public sector banks (nationalized) and scheduled Banks, shall be retrieved from internet from the web portal of the scheduled banks or any other reliable source. All these banks shall be requested through e-mail/fax/speed post to provide the requisite data relating to their: -
 - (a) Net worth,
 - (b) Capital Adequacy Ratio,
 - (c) Current rating of instruments;
 - (d) Total number of branches in India;
 - (e) Total number of branches in the particular city from where the funds are to be invested; and
 - (f) Nominated branch
- (ii) The financial details of these banks along with the rating of instruments as rated to them by CRISIL in its latest publication shall be considered by a Committee constituted by the Competent Authority.
- (iii) The Sub-Committee, after due deliberations and consideration shall short-list the banks which fulfill the parameters approved by the CBSE for the purpose of empanelment of banks for investments.

The limit of investment in each empanelled Bank:- Commensurate to the net worth, normative cap for deposit of funds with the banks shall be fixed as under:

Investments wise	Net worth of the bank		Maximum percentage of investment of total portfolio in one bank	
	Rs. 1000 crore – Rs. 5000 crore			15%
	Rs. 5001 crore – Rs. 12000 crore			25%
	Above Rs 12000 crore			50%

Note: While finalizing the investment proposal, the prevailing NPA (Non performing assets) must be considered.

- 5.5 Investment of Funds over and above the assigned cap:** -The Investment Sub-Committee shall have the powers to park 25% additional funds over and above the said capping limit in respect of banks, the capping limit of which has already been reached if the rates offered by such banks are higher. To facilitate this practice, the quotations shall be called from all the empanelled banks irrespective of the fact that the empanelled bank might have reached at its capping limit.
- 5.6 Investment proportionate to net worth:** - In case of the rates quoted by two or more banks being equal or not varying by more than 5 basis points, investible funds of the Board are to be apportioned between them in the ratio of their Net Worth.
- 5.7 Rating of Banks:-** In order to ensure adequate safety of funds to be invested, lowest of the rating of CRISIL & ICRA, which are the two most established rating agencies and the latest survey of different banks published by Business Today in their circulation immediately prior to the empanelment year as also the Capital Adequacy Ratio depicted therein shall be kept in view by the Committee while making the recommendations.
- 5.8 Parking of Surplus Funds:** - Once the banks are empanelled, the Investment Committee shall ascertain the heavy liabilities, inevitable liabilities and details of surplus funds to be invested in subsequent fortnight. These details shall be collected on 1st and 15th of every month. On the basis of these inputs, the amount of investible funds shall be arrived at and earmarked. All the empanelled Banks shall be invited to quote their interest rates for the periods mentioned below for that particular investible amount: -

Sr. No.	Period
1.	Less than 1 Month
2.	1 month and above but less than 3 months
3.	3 months and above but less than 6 months
4.	6 months and above but less than 1 year
5.	1 year and above but less than 3 years
6.	3 years and above but up to 5 years

The Bank quoting the highest rate of interest for the minimum period shall be selected for parking of funds subject to fulfillment of all the terms and conditions of empanelment and subject to capping. The committee shall evaluate all the quotations received and deliberate/consider the quotation(s) of the bank(s) to which the investible funds are to be parked and shall send its recommendations to the competent authority for approval. Upon receipt of approval of the competent authority, the DDO/Cashier shall arrange to electronically (through RTGS/ECS/ EFT/NEFT on any other electronic convenient and fastest mode of fund transfer) transfer the amount equivalent

to investible funds. It shall be ensured that all this process is completed at the earliest

Space for Notes



CHAPTER - 6

METHODOLOGY REGARDING PREPARATION OF ANNUAL ACCOUNTS

**(ACCRUAL BASED
ACCOUNTING SYSTEM/
DOUBLE ENTRY SYSTEM)**



6.1 Definition of Accounting: - Accounting is an art of recording, classifying, summarizing and reporting of transaction of an organization with the aim of showing its financial health. It may also be defined as a body of principle and conventions as well as an established general process for obtaining financial information related to an organization's resources and their use in achieving objectives of their organization.

6.2 Objectives of Accounting: - Accounting involves recording of economic activities with an objective of providing reliable information about changes in the financial position resulting from income producing efforts of an organizations. Briefly, the objectives of Accounting can be summarized as under :

- i) Maintaining Systematic Records of Financial Transaction.
- ii) Ascertaining profit or Loss/Surplus or Deficit.
- iii) Ascertaining Financial Position.
- iv) Assistance to the Management in taking decisions.
- v) Communicating Accounting information to users.

6.3 Branches of Accounting

- a) **Financial Accounting:** - It is mainly concerned with the historical, custodial and stewardship aspect of external reporting of accounting information. It is the recording and processing of the financial data affecting the organization, which relates to the past and is generally for one year. The end product of this Accounting is Profit and Loss Account/Income and Expenditure Account for the period ended and Balance Sheet as on the last day of the Account Period.
- b) **Cost Accounting:** - Cost Accounting aims to ascertain the cost of unit produced or sold or services rendered by the organization with a view to exercise control on these costs to access the profitability and efficacy of the organization. This depends on the data provided through Financial Statements.
- c) **Management Accounting:** - It relates to the planning, control and decision making which is useful to the management in discharge of its function. It generally includes Cost Accounting and Budgeting.

6.4 ACCOUNTING STANDARDS

6.4.1 Accounting Standards (AS) aim at standardizing diverse accounting policies and providing accounting policies, valuation norms and disclosure in conformity with requirements, the Generally accepted Accounting Principles, issued by the Institute of Chartered Accountant of India, which is the recognized apex accounting body and deals with measurement, treatment, presentation and disclosure of accounting transactions and events.

- 6.4.2 Among the total number of Accounting Standards issued by ICAI following Accounting Standards are applicable on Central Autonomous Bodies.

AS No.	Particulars
AS-1	Disclosure of Accounting policies
AS-2	Valuation of Inventories
AS-4	Contingencies and events occurring after balance sheet date
AS-5	Prior period items and changes in accounting policies
AS-6	Depreciation Accounting
AS-9	Revenue Recognition
AS-10	Accounting for fixed assets
AS-11	Effects of Changes in Foreign Exchange rates
AS-12	Accounting for Government grant
AS-13	Accounting for Investments
AS-15	Accounting for Retirement benefits in the Financial Statement of Employers
AS-26	Intangible Assets
AS-28	Impairment of Assets
AS-29	Provisions, Contingent liabilities and contingent assets

6.5 Origin of Transactions: Source Document and / Broad Preparation of Vouchers

6.5.1 A transaction originates as soon as goods are purchased/sold or services taken/rendered. In other words, any Asset is created by paying cash or on credit, services rendered for return in the form of Cash or credit. Similarly, when a liability is created by procurement of goods on credit or services obtained from any agency or individual for the objectives of the organization. The source of document for the transaction is like Invoice, Cash Memo, Receipt, Pay in Slip, Cheques, Debit Note, Credit Note, Cash Voucher, Credit Voucher, Debit Voucher, Transfer Voucher etc.

6.5.2 In CBSE, the position is slightly different so far as source documents are concerned. Here, source document is actually a Receipt Voucher or Payment Voucher or Transfer Entry. Receipt Voucher is prepared on the basis of Receipt issued against the cash/cheque/DD received in the prescribed format CBSE/FAM-10 (iv) copy of Bank Challan through which cash/cheque/DD is deposited in the bank (directly in the Bank Account of CBSE). Each Receipt (G.A.R.-6)/ Bank Challan is serially numbered. In Head Office the Receipt Books/Challan Books should be printed ONLY on the basis of direction issued by Finance Division and should be accounted for in this Division. The cash collected against Receipt/Challan must be deposited in the Bank Account of CBSE and not to be spent directly by the receiving authority. There are four copies of a Challan through which cash/cheque/DD is deposited in the Bank. First copy duly acknowledged by the Bank is given to the Depositor, Second Copy to the concerned Division, Third Copy is retained

by the Bank and Fourth Copy is sent directly to the Finance Division in the form of Receipt Scroll by the Bank.

6.5.3 In cases where CBSE dues are received directly in CBSE Account through RTGS/NEFT, the concerned division after due verification about deposit of dues from the Bank will intimate Finance Division about details thereof, including Head of Account within three days from date of receipt.

6.5.4 Similarly, a payment voucher is originated in the Cash Section of the concerned DDO. The basis of Payment Voucher is the claim form/sanction order received from the concerned branch/section duly supported by an order. Document like copy of claim, invoices, establishment expenses, claims submitted by service provider bills received against supply of goods etc., The Cash Section prepares a bill on the basis of Sanction received for payment. After a payment is released, such bills are called Paid vouchers. These Vouchers are arranged in serial order for each month for posting the transactions in the Account Book.

6.5.5 Another source is transfer entries. These entries are passed for correcting the existing entries and for adjusting the transaction already recorded while preparing the accounts for the month/financial year.

6.6 Recording Entries of the Transactions

6.6.1 All financial transactions taking place in an organization have to be recorded. Now the question arises where these are to be recorded? This aspect depends on whether the organization is following Cash Accounting System, the transactions are recorded only if actual receipt of cash or payment of cash is involved irrespective of period to which such transactions relates.

6.6.2 On the other hand, if the organization has Accrual System of Accounting all transactions pertaining to the year are recorded irrespective of the facts whether cash is received or not or cash is paid or not. In the Accrual System, if the transactions pertain to previous or subsequent year, they are also recorded but shown separately as in terms of Prior period receipt or expenditure of prior period. Similarly, where such transactions are related to subsequent year, such Income or Expenditure is also recorded distinctly. Such entries like "prior period Income", "Prior period Expenditure", "Income received in advance" or "Prepaid expenses" are recorded only in respect of revenue transactions and not Fixed Assets, Current Assets or Liabilities in the Balance Sheet.

6.6.3 Primary Books of Account: Journal/Cash Book/Bank Book: - All the transactions which take place in an organization have to be first recorded in the primary books of accounts which are also called "Books of Original Entry". The transactions are recorded mainly in two books of original entries which are called primary books of account. These are Journal and Cash Book/Bank Book.

6.7.1 Journal: - This is also known as a Book of Original Entries. The Journal is divided by vertical lines into five columns in which each financial transaction is recorded. Such recording of financial transaction in Journal is called "Journal Entry". A Journal Entry is an analysis of the effect of a transaction on the Accounts which is accompanied by a narration. Before recording a Journal Entry, it is necessary to decide for each transaction as to what are the accounts involved and which account is to be debited or credited. Format of a Journal having vertical columns for Date, Particulars, Ledger Folio, Amount (Debit), Amount (Credit) are given as under. In order to make the Journal Entries more clear following examples are given showing "simple Journal Entries" and "Compound Journal Entries":

- a. A simple Journal Entry contains only one debit entry and one credit entry, for example furniture item purchased for Cash amounting to Rs.40,000/-

Date	Particular	Ledger Folio	Amount (Rs.)	Amount (Rs.)
24/08/2015	Furniture A/c To cash** (Being furniture purchased for cash)	*	40,000/-	40,000/-

- b. A compound journal entry contains more than one debit entry or more than one credit entry. It is a combination of two or more simple Journal Entries, for example different Assets brought in for an aggregate amount of Rs.2,00,000/- (Rs.1,00,000 for Computer, Rs.80,000/- towards furniture and Rs.20,000/- as officer equipment.

Date	Particular	Ledger Folio	Amount (Rs.)	Amount (Rs.)
24/08/2015	Computer A/c Debit Furniture A/c Debit Office Equip. A/c Debit To Bank Account (Being Assets brought as Capital)	*	1,00,000/- 80,000/- 20,000/-	2,00,000

When these entries are recorded in the Ledger under concerned Accounts its ledger folio number is entered in the Journal for the purpose of reconciliation.
**When goods are purchased against Cash name of seller is not mentioned because it has no relevance. When such items are purchased on credit (Payment is yet to be made), the name of seller shall be mentioned because it will be the creditor of the organization till the payment is actually made.

6.7.2 In fact Journal is the first / primary books of accounts. Cash Book is part of Journal. In principle, all the entries are first recorded in the Journal. However, if the volume of transactions is very large like in CBSE it is not possible to record each and every transaction in the Journal. Therefore, the

transactions involving cash/bank are recorded in the Cash Book / Bank Book and only those not involving cash are recorded in Journal. For example, the furniture items costing Rs.80,000/- are ordered supplied and accepted in CBSE in the last week of March for which bill/invoice for payment has not been produced by the supplier. Since this transaction neither involves cash transaction nor Bank transaction but the Furniture (Assets) has been owned by CBSE its entry will be passed in the Journal and not in Cash /Bank Book. Although the Journal is a primary book of accounts yet it is not an adequate sole book of original entries when the transactions are numerous. The nature of operation and volume of transactions in an organization determine the number and type of Journal required.

6.8 Recording of Entries in Cash Book/ Bank Book

6.8.1 Cash is the most readily available asset to meet the current obligations of an organization. From accounting angle cash includes paper currency, coins, money orders, demand deposits, cheques, Bank Drafts etc., however, **post-dated cheques and dishonored cheques are not part of the cash.**

6.8.2 Cash Book is a subsidiary book of primary book of accounting i.e., Journal. Cash Book is of two types. Single Column Cash Book which records only Cash Transactions and Double Column Cash Book with Cash & Bank Columns for recording cash and bank transactions both. In CBSE Cash Book with Cash Column and Bank Column is used and all the original entries relating to Receipts and Payments are recorded in this primary book of accounting called "Double Column Cash Book". Therefore, the single book represents two separate accounts and the transactions are recorded accurately being either cash or bank transactions. The Bank Account maintained by the organization is a Personnel Account. Therefore, while recording the entries in Bank Column of the Cash Book, the Golden Rule of "Debit the Receiver and Credit the Giver is applied". For example: (a) When cash is deposited into a bank, the bank would be receiver and therefore would be debited in the bank column of the cash book. (b) When cash is withdrawn from the bank, the bank would be giver and therefore, would be credited in the Bank column of the cash book. In recording the correct entry in double column cash book, the following terms are to be kept in mind:

- **Cheque:** A Cheque is an unconditional order, drawn upon the specified banker, signed by the Account Holder or his authorized nominees, directing the banker to pay on demand a certain sum of money only on the order of a person or to the bearer of the instrument, as per Negotiable Instrument Act. However, a cross cheque is always paid by transfer of money in the account of the payee.
- **Bank Draft:** Bank Draft is, in fact Banker's Cheque. It is written order of a Bank to give a certain amount of money to a person or agency in whose favor

the draft has been issued. Bank Drafts are always issued when the payee is stationed out of the town from where the Bank Draft is issued. Where such an order is issued by the bank for the payment to a person / agency stationed in the same town it is called Pay Order.

- **Bank Overdraft:** Bank Overdraft is the drawing out money from the Bank Account of more than what has been deposited in it. Therefore, an overdraft is a credit balance in the books of the Organization and debit balance in the bank passbook. This is an important aspect to be kept in mind during Bank Reconciliation.
- **Contra Entry:** Contra Entry is an entry in “double entry account representation” relates to the reversal or cancellation of an entry of the other side. When both Debit and Credit Aspect of a transaction is recorded in the same account but in different column each entry, whether in the Debit side or in the Credit Side, shall be deemed to be the Contra Entry of the other.
 - a. **Cash deposited into the bank Rs.1,000/-**
Bank account is to be Debited and Cash Account is to be Credited. Debit aspect is to be recorded in the debit side (left side of the Cash Book) in Bank Column and Credit aspect is to be recorded on credit side of the Cash Book (Right side of the Cash Book).
 - b. **Cash withdrawn from Bank Rs.1,000/-**
Cash Account is to be debited and Bank Account is to be Credited. Debited aspect is to be recorded in the debit side of the Cash Book and credit aspect is to be recorded on the credit side of the Cash Book.

Cash Book (Double Column)

Debit				Credit			
Date	Particular	Cash Rs.	Bank Rs.	Date	Particular	Cash Rs.	Bank Rs.
21/08/2015	To Cash Account (C)		1,000	21/08/2015	By Bank Account (C)	1,000	

**Both the entries are Contra Entries.

c. Format of Ledger Account

The ledger account is divided in two sides, the left hand side represents the debit side and right hand side represents the credit side. Each side of the ledger has column of different sizes for (a) Date (b) Particular (c) Folio (d) Amount.

Name of the Account

(Account No.....)

Debit

Credit

Date	Particular	Ledger Folio	Amount	Date	Particular	Ledger Folio	Amount

Once Receipt Vouchers / Payment Vouchers and Journal Vouchers are prepared, and classified, a Data Input Slip is attached with the concerned voucher to facilitate its correct recording in the primary books of account under correct head of account. Specimen of Data Entry Input Slip is given as under:-

- **Cheque Received:** Cheque Received from M/s ABC. When deposited on the same date, Bank Account is debited directly and M/s ABC Account is credited. The amount is written in the Bank Column of the Debit Side of the Cash Book.
- **Cheque Received** from M/s ABC but deposited in the bank on a later date. In this case, the cheque is first recorded in the cash column of the cash book and on the date when cheque is deposited into the bank it will be recorded as if cash is deposited in the bank i.e., Bank Account is debited and Cash Account is credited”.
- Cash book is to be written and closed on every date of transaction. Each and every transaction is to be attested by the DDO/Controlling Officer with reference to the Receipt and Payment Vouchers. Detailed instructions in respect of maintenance of Cash Book are available in central Government Account (Receipts and Payments) Rules, 1983.

6.9 Ledger:- A ledger is a principal book of account wherein transactions relating to a particular person or thing are recorded. It contains summarized and classified record, a permanent record of all transactions related to a particular account at one place. It is not possible to ascertain from the Journal the total amount spent on purchase of furniture because such entries are scattered at different dates though in chronological order. Therefore, similar transactions should be sorted out and consolidated at one place to ascertain their net effect. This kind of processing is possible by maintaining different accounts in ledger. For example to ascertain the cash position of the organizations one is to refer to the cash account as one cannot know the cash position with the help of entries in Journal.

Thus, ledgers record all transactions relating to a particular account head, indicating the transactions that have taken place in respect of that account head, for instance, all transactions relating to furniture and fixture (when payment are made or when a outstanding liability is set off at the end of the year) would be debited simultaneously and reflected in ledger under Fixed Assets – Furniture and Fixture. Similarly, all transaction relating to

security charges would be debited simultaneously and reflected in the ledger under "Administrative Expenses, Security Charges".

- a) **Preparation of Ledgers:** - The most important task in the process of accounting is correct classification of transactions. This is taken care right at the time of recording a financial transaction in the primary books of account. Whether data entry of the transaction (recording in the books of account) is made manually or through any software in a computerized environment, the correct classification is the foundation of all further tasks so far as preparation of account is concerned.

Once Receipt Vouchers / Payment Vouchers and Journal Vouchers are prepared, and classified, a Data Input Slip is attached with the concerned voucher to facilitate its correct recording in the primary books of account under correct head of account.

- b) **Numbering of Ledger Account and Subsequence:** - Ledger Accounts are generally arranged in logical manner for example:
Fixed Assets (Land, Building, Plant and Machinery, Electrical Installation and Equipment, Sports Equipment, Scientific and Medical Equipments, Office Equipment, Computers and Peripherals, Computer Software, Audio Visual Equipment, Furniture Fixture and Fitting, Library Books and Periodicals, Capital work in Progress, Investment, Corpus Fund, Investment other Etc.)
Current Assets (Inventories, Building Material, Paper, Prize, Prize Publication, Sports Equipment consumable, Consumable Stores, Non-Consumable Store like locks utensils, linens, spare parts of plant and machinery, computer consumables, consumable audio visual equipment, Debtors, Cash and Bank Balances, Advances, Prepaid Expenses, Deposits, Income Accrued but not due, others claim receivables etc.). Thereafter, Capital Fund (Grant-in-Aid from Government), Revenues (Head Wise) and Expenses (Head Wise).

- c) **Posting of Ledgers Accounts:** - In fact, transferring of Debit and Credit from Journal/Cash Book/Bank Book to Ledger Account is called posting of ledger account. If an entry from Journal is posted the amount of such transaction entered in the Debit Column of the Journal is entered on the debit side/column of the concerned account in the ledger and similarly credit amount of each entry in the journal is entered in the credit side/column of the concerned account in the ledger. The Page No. of the Journal / Cash Book / Bank Book from where the entry has been taken is mentioned in the ledger against that entry in the column "Folio No." and simultaneously, where such entry has been entered in the ledger page number of the ledger is noted in the Journal / Cash Book / Bank Book for the reconciliation purpose. The following steps are generally adopted for Ledger Posting:

- i. The name of account at Sr. No. 1 in the Journal is located in ledger.

- ii. Enter on Debit side of the ledger in particular column the name of the account credited with a prefixed "To".
- iii. Enter the date of the transaction in date column.
- iv. Enter in the debit column of the ledger account, the amount of debit as shown in the general ledger / Cash Book / Bank Book.
- v. Enter in the folio column of the ledger, the page number of the Journal / Cash Book / Bank Book from where the entry is being posted.
- vi. Enter in the folio column of the Journal/ Cash Book / Bank Book the page number of the ledger in which the posting has been done.
- vii. Locate in the ledger the second account named in the Journal /Cash Book / Bank Book.
- viii. Enter in the credit side of the ledger in particulars column, the name of the account debited with a prefix "By".
- ix. Enter the date of transaction in the date column.
- x. Enter the credit column of the Ledger Account, the amount of credit as shown in the Journal.
- xi. Enter in the folio column of ledger, the page no. of Journal / Cash Book / Bank Book from where the entry is being posted.
- xii. Enter in the folio column of the Journal / Cash Book / Bank Book the page no. of the ledger on which posting has been done.

d) **Example:**

Furniture purchased for Rs.40,000/- on 24/08/2015.

Date	Particular	Ledger Folio	Amount Rs.	Amount Rs.
24/08/2015	Furniture A/c To Cash (Being furniture purchased for cash)	*	40,000/-	40,000/-

Furniture Account

Debit

Credit

Date	Particular	Ledger Folio	Amount	Date	Particular	Ledger Folio	Amount
24/08/2015	To Cash	*	40,000/-			*	

Cash Account

Debit

Credit

Date	Particular	Ledger Folio	Amount	Date	Particular	Ledger Folio	Amount
		*		24/08/2015	By Furniture	*	40,000/-

*When these entries are recorded in the Ledger under concerned Accounts its ledger folio number is entered in the Journal for the purpose of reconciliation.

- e) **Balancing of Ledger Account:** - Periodically, all the account in the ledger is balanced to ascertain the cumulative effect of entries on the accounts. The

balance is an accounting term which means the difference between the two sides of an account, is the total of debit side and total of credit side. In the computerized system, usually system itself will print a balance of the account after each transaction but in the manual system one has to calculate the balance. Where the debit side total is more than the total of the credit side, the account is set to have a debit balance. Similarly, where the credit side total is more than the total of debit side the account is set to have a credit balance.

In the process of balancing of ledger, if the account is having debit balance by say Rs.50,000/-, an entry on the credit side of the account in the ledger "By Balance C/d"
Rs.50,000/- is made to balance the ledger account.

Similarly, if the credit side total is more by say Rs.30,000/-, this difference of Rs.30,000/- is to be entered on debit side writing the word to particular column "To Balance c/d".

6.10 Trial Balance: - The final accounts are prepared on the basis of Ledger Balances worked out at the end of the accounting period. Before, using these balances the proof of equality is exercised by enlisting of debit and credit balances which is called a Trial Balance. A trial balance is a list of balances in all ledger account including cash and bank balances (as reflected in the cash and bank books). The net debit or credit balance in this account is recorded in the Trial Balance in the debit or credit column depending on whether the ledger balance is Debit balance or Credit Balance of a particular ledger account. Cash Balance is always a debit balance which shows cash in hand on the date on which trial balance is drawn. Bank Balance may debit or credit balance depending on whether as per books of account balances available in the bank account or whether an overdrawn has taken place, as on the last day of the accounting period. Assets heads and expenditure heads will have debit balances whereas liability heads and income heads will have credit balances.

6.10.1 Preparation of Trial Balance

- a) The latest format of trial balance is more informative. In this format the first column of the format shows the ledger heads written vertically in the same sequence as the ledger account in the ledger, there are six columns against each ledger account written vertically in the first column. Out of the six columns first two columns depict opening balance (Debit and Credit), then two column record for transactions during the year (Debit and Credit) and in the last column closing balance is shown (two column one debit and one credit). When the total is worked out, the debit balance total and credit balance total of the opening balances should agree. The total of debit balance and total of credit balance under transaction for the year should agree. Similarly, the debit balances and credit balances under the column closing balance should also agree. This format has an advantage to track the

differences whether it is in the opening balance or in the transaction during the year or in the closing balance.

- b) The trial balance facilitates drawing up the Annual Accounts (Balance Sheet, Income and Expenditure Account and the Schedule). The specification of the format is given as under:

Name of the Organization.....

Trial Balance as on 31st March.....

Particular	Opening Balance		Transaction in the year		Closing Balance	
	Debit	Credit	Debit	Credit	Debit	Credit
1. Capital Fund						
2. Corpus Fund						
3. Earmarked Funds						
4. Endowment Funds						
5. Current Liability						
A. Current Liability Deposits						
Statutory Liabilities						
Other Liabilities						
B. Provisions						
6. Fixed assets Plan Fixed Assets						
1. Land						
2. Site Development						
3. Buildings						
4. Roads & Bridges						
5. Tube wells & Water Supply						
6. Sewerage & Drainage						
7. Electrical Installation and Equipment						
8. Plant & Material						
9. Scientific & Laboratory						
10. Office Equipment						
11. Audio-Visual Equipment						
12. (a)Computers & Peripherals						
(b)Software						
13. Furniture, Fixtures & Fittings						
14. Vehicles						
15. (a)Lib, Books & Scientific Journals						
(b) e-Journal						
16. Capital Work-in-Progress						
7. Current Assets Cash in hand Bank A/c Term Deposits with banks Loans and Advances Prepaid Expenses Interest Accrued due/not due						
8. Income Grant-in-aid/Subsidies Academic receipts Interest earned Other Income						
9. Expenses Plan Expenses Establishment Expenses Academic Expenses						

Repairs and Maintenance						
Depreciation						
Prior Period Expenses						
Total						

6.10.2 Characteristic of Trial Balance

- a) It is the list of balances of all ledger account and cash book.
- b) It serves as an instrument for carrying out a job of checking and testing.
- c) Arithmetical accuracy of posting of entries from Journal to Ledger can be ensured.

6.10.3 Location of errors in Trial Balance and rectification: - Total of Debit column of the trial balance should agree with the total of credit column. If the totals of debit and credit column do not agree, it may be due to omission of an entry or posted twice, debits are posted wrongly as credit or vice versa, round totaling of subsidiary books, difference in amount between entries, error in computation of an account balance, omission of account balance etc. The errors can be located by following step wise procedure: -

1. Check the totals of Debit and Credit Columns by adding figure in each column in opposite direction from bottom to top.
2. If error is not deducted, the difference of the total of Debit Column and Credit Column should be worked out and divided by 9, if it is totally divisible by 9, there is either a transposition error or slide error. Transposition error is committed when a digit of amount is placed wrongly for example: If a balance of Rs.10,760/- has been wrongly written as Rs.10,670/- in the trial balance, the resulting error would be Rs.90/- which is totally divisible by 9. A slide error is an error when decimal point is placed incorrect. For example: Rs.9,250/- has been wrongly copied as Rs.92.50/- the resulting error of Rs.9157.50/- will be totally divisible by 9.
3. If the error is not located then divide the difference of debit and credit column by 2 and scan both the column for an identical amount. If any figure of debit column has been wrongly entered in credit column or vice versa, the result would be a difference which is twice of this amount.
4. If the error still persist check the ledger accounts which shows a balance equal to the difference of debit credit column of the trial balance.
5. Re-exam opening balances of all ledger account from the Balance Sheet of previous period.
6. If the errors still persist check the posting from Journal and Others Book of original entry to the ledger accounts and tick mark with a colored pencil in the Journal and in the ledgers. If any figure remains untick it may be noticed.

7. The error so deducted may be corrected by placing it in the correct column.

6.11 Suspense Account: - Some time it happens that the difference between the total of debit column and credit column is not located. In such a situation the difference is temporarily posted in Suspense Account in appropriate column matching both the sides of the Trial Balance. As soon as the error is detected, the suspense account is cleared by posting the figure at appropriate place.

6.12 Bank Reconciliation: - The Bankers is the trustee of the Customer. The Bank provides its customer a Bank Statement (Pass Book) at regular intervals, generally during first week of every month, summarizing all payments as well as deposits and other charges for the period. It is a copy of the customer account in Banks Ledgers. In case of CBSE, accounts are maintained in more than one bank. Each bank provides a bank statement of the month in the first week of subsequent month. CBSE (DDO/Finance Division) maintains separate cash book for each bank. The Bank balance shown in the bank statement should tally with the bank balance shown in the cash book. But these two figures normally do not tally because of the reasons explained hereunder. In order to reconcile the Bank Balance shown in the bank statement with that of the cash book, a statement is prepared which is called "Bank Reconciliation Statement" which in fact, is a statement containing a complete and satisfactory explanation of the differences in the Balances as per the Cash Book and Bank Statement.

6.12.1 Preparation of Bank Reconciliation Statement: -

The Bank Reconciliation is necessary not only to satisfy the balances shown in the two sets of documents available from different sources i.e., from bank statement and the cash book, but also, it's a tool to detect any fraud. It is, therefore, necessary that bank reconciliation should be done every month by a person other than the custodian of Cash and Cash Book. However, bank reconciliation statement duly authenticated by the person who prepared it and countersigned by the DDO/Account Officer concerned should be pasted in the cash book after closing the transactions of the month to which the Bank Reconciliation is relating to.

The Format of Bank Reconciliation Statement is as follow:

Bank Reconciliation Statement as on _____

Date	Particulars	Amount (Rs.)	Total Amount
	Debit Balance of bank in Cash Book		XXXX
	ADD		
	(i) Cheques issued or drawn but not yet presented for payment.	XXX	
	(ii) Interest allowed by bank but not recorded in Cash Book		

(iii) Amount directly deposited by the third party in Bank Account through Challan not entered in the Cash Book.	XXX	
(iv) Dividends collected by bank on behalf of CBSE.		
(v) Cheques deposited into bank but not entered in Cash Book.	XXX XXX	
(vi) Any wrong credit given by bank in the Bank Statement by mistake.	XXX	
LESS		
i. Cheques deposited in the bank but not yet cleared.		
ii. Cheques deposited into bank for collections but dishonored by the bank.	XXX	XXXX
iii. Amount paid by Bank on standing instructions given by CBSE to bank e.g. payment of insurance premium (not entered in the Cash Book)	XXX	
iv. Bank Charges debited by the bank (Not entered in the Cash Book)		
v. Cheques issued but omitted to be recorded in Cash Book by mistake.	XXX	
vi. Any wrong debit given by bank in the Bank Statement by mistake (Not entered in Cash Book)	XXX	
Credit balance as per Bank Statement	XXX	
		XXXX

6.13 Accounting Procedures for Preparation of Final Accounts: - After the preparation of trial balance, the next step in accounting is of preparation of Final Accounts. Since CBSE is an autonomous body under the Ministry of Human Resource Development, the following three key statements of accounts are prepared at the end of Financial Year:

1. Receipts and Payments Account.
2. Income and Expenditure Account.
3. Balance Sheet.

6.14 Receipts and Payments Account: A Receipt and Payment Account is a summary of cash book having cash and bank columns both. It is prepared to determine how the cash and bank balances have been added to the opening balance (All Receipts in the Organization – Revenue, Capital, Deposits and Loan etc.) and deducted (All Payments – whether Revenue, Capital, Deposits, Loan, and advances etc.). At the end of the financial year how much closing balances have been worked out. The Receipt and Payment Account is presented on one page in the horizontal format being replica of the cash books. All cash/bank receipts and payment transactions are grouped under few broad heads on either side. The cash in hand and bank balances as on 1st April of the year are shown as opening balances in the Receipt and Payment Accounts and must tally with corresponding figures shown in the schedule of Current Assets in the Balance Sheet of the previous year, and previous year's figure in the balance sheet of the current year. Similarly, the Closing Balances (Cash in Hand and Bank Balance) as on 31st March of the current year shown as closing balance in the receipt and payment account should tally with the

corresponding figure shown in the schedule of Current Assets in the Balance Sheet of the current year.

In fact, the Receipt and Payment Account starts with the Opening Cash and Bank Balances and ends with the Closing Balances (Cash and Bank). It includes all Cash and Bank receipts and payments whether they are related to current, past or future period.

6.15 Consolidation of Accounts: -

- (i) Accounts prepared by various-Units of CBSE, along with all information relating thereto, are submitted to Internal Auditor and Financial Adviser.
- (ii) On receipts of Accounts from the various-Units the Senior Accounts Officer will get them posted in the consolidated ledgers showing unit wise and head wise expenditure of all the units and will add the Accounts of the CBSE (H.Q.). These consolidated Accounts shall be the accounts of the CBSE as a whole.
- (iii) Based on this finally consolidated Accounts/information, the final accounts of CBSE shall be prepared along with all the prescribed Schedules and Sub-Schedules as approved by the Statutory Audit Authority.

6.16 Income and Expenditure Account: - It is a revenue account prepared at the end of the financial period for determining surplus or deficit of that period in non-profit organization. In the profit earning organization, Profit and Loss Account is prepared. The method and technique of preparation of both these accounts are similar. The Income and Expenditure Account is prepared by matching expenses against the revenues of the period concerned. All incomes are shown on right hand side (Income Side) and all expenditures are shown on left hand side (Expenditure Side). Both cash/bank transactions (like salary, purchase of goods, etc.,) and non-cash/bank transactions (like depreciation, write of losses etc.,) are taken into consideration but all Capital Expenditures and Incomes are excluded. Only current year Income and expenses are considered. The items which are not concerned to the period (month/year) are not taken into account for example Salaries prepaid, liability of previous year etc. All such items which do not pertain to the current period are directly transferred from Receipt and Payment Account to the Balance Sheet. If the right-hand side of the total (Income) of this account exceeds the left-hand side (Expenditure), the balance is shown as "Surplus" and is usually termed as "Excess of Income over Expenditure". On the other hand, if the left-hand side (Expenditure) exceed the right-hand side total (Income), the balance is shown as "Deficit" and is called "Excess of Expenditure over Income".

6.16.1 Preparation of Income and Expenditure Account: - In the course of preparation of Final Account trial balance is prepared from Cash Book and

Ledger. Thereafter, Receipt and Payment Account is prepared from the Trial Balance. This is first Financial Statement. The Second Financial Statement is "Income and Expenditure Account" which is prepared from the Receipt and Payment Account. In brief the following steps are taken in preparation of "Income and Expenditure Accounts".

6.16.2 Format of Income and Expenditure Account: - The format of Income and Expenditure Account will be as approved by the Statutory Audit Authority.

There are different kinds of Receipt / Income which are group-wise clubbed under "Grants/Subsidies", "Remittances received from Units/Centers", "Fees/Subscription", "Income on Investments" (Like Interest, Dividend), "Receipts from Stadia/Building", "Receipts from Donation", "Boarding Account Receipts", "Other Receipts", "Sale of Assets", "Other Remittances" all such group of Receipts are grouped from different entries in the Ledger Accounts and incorporated in the Income and Expenditure Account. Details under each group of Income are explained in the Schedules.

Similarly, on Expenditure Side of the Income and Expenditure Account, the Expenditure are grouped under different broad heads like "Establishment Expenses", "Administrative Expenses", "Expenditure on Other Scheme" "Expenditure on Capital Work in Progress", "Expenditure on Catering", "Expenditure on Grants/Subsidies", "Interest Payment", "Depreciation Etc. details of these expenditures under each broad head are prepared in the form of separate schedules.

6.17 Balance Sheet: - The Balance Sheet of the CBSE as one unit will be prepared by the IAFA of the CBSE in the form as approved by the Ministry of Human Resource Development.

6.18 Liabilities:

The liabilities can be classified as Fixed Liabilities, Current Liabilities and Contingent Liabilities:

1. Fixed Liabilities:

These are long term liability which is generally redeemed after a long period of time. For Example: Long term Loans, etc. Such liabilities are not applicable in CBSE.

2. Current Liability:

These are those liabilities which fall due for payments within one year from the date of Balance Sheet. Such as, Outstanding Salaries, Outstanding Rent, Caution Money, Earnest Money Deposits etc., When Current Liabilities are created, it increases the resources of an organization in the form of Current Assets.

3. Contingent Liability:

These are condition-based, for example: Possibility of Penalty from any Statutory Authority, penalties expected from Income Tax Authority. Since such liabilities cannot be quantified in terms of money, these are not recorded in the books of account.

4. Capital:

In Accounting terms, capital is the money contributed by the owner to an organization to enable it to function. It is measured by the excess of assets over Liabilities. In CBSE this is a fact that CBSE has its owner being Government of India, Ministry of Human Resource Development as it was established by a Resolution by the then Ministry of Education.

In addition, the Expenditure on assets created out of Corpus funds, Earmarked Fund and Sponsored projects where the ownership vests in the organization, such assets are merged with the Fixed Assets and are shown in the Balance Sheet. Similarly, Gifted Assets which are received free are also merged with the Capital Fund.

“Corpus Fund / Capital Reserve” which are set up for specific purposes are also part of Capital Fund. The excess Income over Expenditure or Excess Expenditure over Income, are added or deducted from the Capital Funds, as the case may be. When advance is released for the creation of an assets, the advance amount, to the extent utilize, is Capitalized and added to the Capital Fund as soon as such assets is created, handed over to the organization and accounted for as an asset.

A consolidated figure appears against each broad head in the Balance Sheet for current and previous year. The details are mentioned in the schedules forming part of Balance Sheet in respect of each such broad head. The schedules forming Balance Sheet are explained as under:-

(A) Capital Fund: This is first broad head on the liabilities side of a balance sheet and it shows the owners fund in the organizations. CBSE was set up by the Government of India by a resolution. The funds utilized for capital expenditure are accounted for under “Capital fund” in the Balance Sheet.

In addition to the Capital expenditure met out of grants, the other additions to the Capital Fund are expenditure on assets created out of Corpus fund, earmarked Fund and Sponsored project fund (Where the ownership on the assets created has not been retained by the sponsors) and the value of gifted assets.

(B) Corpus Fund: A corpus fund is treated as a specific fund and shown as a separate and distinct head in balance sheet.

A corpus fund is created with the approval of the Governing Body of CBSE. It is desirable to have a separate bank account for corpus Fund. Additions to the Corpus fund every year will include interest on investments (on accrual basis) and interest on savings. The permitted expenditure (Revenue and Capital) is debited to the Fund and balance at the end of the year is carried forward. In CBSE Corpus Fund is being maintained and is governed by a separate set of rules called "CBSE, Corpus Fund Rules". Only returns on investment of Corpus Fund, presently the interest earned, is utilized for maintenance and creation of CBSE. When Capital Expenditure is incurred from the Corpus Fund, the Assets created are owned by the Organization. As the expenditure has already been debited to the funds, assets account has to be set up in the main accounts, and merged and shown in the Balance Sheet along with the other assets. This is done by passing a Parallel Journal entry debiting asset account and crediting capital fund. Depreciation should be provided in the normal course on the assets created. The accounting policy of the organization should disclose the items of receipts which are treated as additions to the Corpus Funds and items of expenditure.

(C) Other Current Liabilities:- This schedule-1 (C) shows Regional Offices wise, including CBSE (HO) the opening balance of funds with each of the Regional Offices/Institutes/Units of CBSE as on 1st day of the current financial year, adjustment to Capital Fund, Bank Interest Accrued, Bank Interest Received, Fund Received, Fund Released during the year to the Units/Centres and Closing Balance as on 31st March, of the Financial Year.

(D) Earmarked / Endowment Funds: Earmarked fund and endowment funds are characteristically similar. These funds are received from external sources or funds are created by the organization itself with a specific objects\defined activity and hence these funds are accounted for separately in the account of the organization. Saving bank account for each such funds is required to be opened and maintained. Normally these are long term funds and represented by corresponding investments shown separately on the assets side under the head "Investment from Earmarked\Endowment Funds". The interest earned on such investment flows back to the fund. Revenue and capital expenditure incurred for achieving the objects of the fund are debited to the concerned fund and at the end of financial year closing balances are shown on the assets side of cash and bank balances and carried out to the subsequent year.

This may be noted that, capital expenditure incurred out of these funds is subject to depreciations only if the organizations own

them. In other words, if the assets created become property of the organization then only the assets created are merged\added with\to the assets of the organization by setting up Assets Account (Debit) with corresponding to capital funds (Credit). However, endowment funds are particularly maintained in the education institutes of higher education and normally, revenue expenditure is allowed out of such funds.

6.19 Current Liability and Provision: - Current liabilities are such liabilities which fall due for discharge\payments within short period normally, not exceeding twelve months. This is a broad head\major head in the Balance Sheet which includes a number of items of similar nature like Security, Caution Money, EMD, Accrued Liabilities, which are supported by Schedules containing details of each of such groups of items.

In fact, current liabilities are divided into three groups namely (a) Security Deposits received from Staff, students, supplier and contractors (b) Statutory Liabilities (Overdue and Others) and (c) Other Current Liability. The Statutory Liabilities include liability in terms of Central State Laws under which the Autonomous organization functions. This includes unpaid liability of taxes deducted at source under Income Tax Act, Statutory Bonus under payment of Bonus Act, Sales Tax, Custom Duty due and other statutory levies. It may be made clear that "Overdue liabilities" comprise of undisputed amount which are due and remain unpaid beyond the normal due date indicating that such liabilities are in default. Other "Statutory Liabilities" represent the statutory liabilities which are due but due dates have not expired. For example: GPF, NPS, TDS, recovery made in the month of March, which are to be remitted in April. In the Balance Sheet as on 31st March all such liabilities are shown against "Other Statutory Liabilities".

6.20 Other Current Liabilities: - Other current liabilities comprise of accrued liabilities on account of supplies\services received before 31st March but payments not released during the financial year. Unspent balances of sponsored project, unutilized grant, other funds, outstanding liabilities for expenses accrued on account of services received\supplies received (bills have been received) but not paid as on 31st March. For example, unpaid bills on account of telephone, electricity, water, newspaper and periodicals, TA\LTC\Medical Re-imburement, Security Services and Bills of Supplier\Contractor against which goods have received but payment not released as on 31st March. Amount of deductions made from the salary bills which are to be remitted to the concerned agencies like LIC, Cooperative Societies, etc., but could not be remitted as on 31st March and other current liabilities.

6.21 Provisions: In Central Autonomous Organization provisions are made for "Retirement Benefits" and Provisions for Unknown Liabilities for which exact amount cannot be determined.

6.22 Assets and their classification with reference to the Accounts of CBSE:-

Assets are resources from which probable future benefits are obtained whether, in terms of goods or services and the right to which have been acquired by the organization as a result of past transactions or events. Assets must be valuable, measurable money cost and owned by the organization. Broadly, these are categorized as under :-

1. **Fixed Assets: -** These assets are tangible in nature relatively long-lived resources of an organization and are used for service\activities of the organization for relatively long period. Such Assets are for the use in the organization and not for sale in the ordinary course of business. For example, Land & Building, Plant and Machinery, Furniture and Fixture etc., are Fixed Assets.

It is the first broad head on the Assets side of the Balance Sheet. Under this head value of Net Block of Fixed Assets are shown. The figure of Net Block is determined by deducting depreciation from the Book value of the Assets (Book Value or Gross Value minus Depreciation = Net Value). These figures of Net Value against each group of Fixed Assets are supported by a "Schedule of Fixed Assets" forming part of the Balance Sheet.

2. **Gross Block and Net Block of Fixed Assets:-** Gross Block is the book value of the Assets. Book Value means the cost of acquisition of the assets which includes cost of the equipment, transportation cost, installation cost, and other acquisition cost. The total of all these components forms the acquisition cost of an assets. This is also called Gross Block. When depreciation is deducted from this Gross Block, the Net Block\Net Value of the Assets is determined.

3. **Condemnation\Disposal of Assets and its Accounting: -** As and when an Assets is declared condemned\obsolete and sent for disposal its Net Value\Net Block at end of the previous year is removed through the following Journal Entries.

- i. Residual Value of the Assets written off Debit
To Assets Account
(Being book value\Assets condemned and written off)
- ii Income and Expenditure Account Debit
To Residual value of the Assets written off
(Being closing the balance in the later account to Income and Expenditure Account as an expenditure)

Normally, when the Assets is declared as scrap it loses its identity because all such scrap is sold as a lot and accounted for as

miscellaneous income. However, when a specific Assets is condemned and sold, the corresponding value of that Assets which is included in the Net Block as at the end of the previous year get reduced through an entry in the Cash Book to record the sale proceed. If the sale proceed is higher than the book value, the entry on the receipt side on the cash is be made as under;

“To Assets Account (With Book Value)

To Income on sale of assets (Difference between book value and actual sale proceed)”

The profit on sale of Assets will be closed on the Income and Expenditure Account as Income. If the sale proceed is lower than the book value, the entry on the Receipt side of the Cash Book is made as under:

“To Assets Account (Value of Actual Sale Proceed)”

Simultaneously, a Journal Entry is Passed:

Loss on Sale of Asserts Debit (Difference between Book Value and Actual Sale Proceed)

To Assets Account (Being the loss on Sale of Fixed Assets)

The net effect of the above entries in the cash book and the Journal is to remove book value of the assets from the net block because the asset is no longer with the organization. Since in the Schedule of Fixed Assets such an Asset which has been condemned and disposed off has also been shown along with the depreciation charged till its disposal, such entries are also required to be deleted from the Schedule to show the actual and fair picture. It may be noted that, normally accounting policy specify that no depreciation for the year is charged on an asset which is condemned\disposed off during the year.

6.23 Capital Works-in-Progress:- It is depicted in the prescribed Schedule. While opening balance, addition during the year, deduction and closing balance are shown against each Unit of CBSE.

When any work in progress up to the end of the previous financial year is completed during current financial period, the cost of that work is shifted from the heads “Work in Progress” to the concerned Assets heads (For example if the construction of the building, it will go with the Building Account, if it is plant and machinery, it will go with concerned account) such shifting of figures\expenditure is called capitalization of the Assets\Creation of Assets. This is done by passing Journal entry as under:-

Assets Heads (Relevant Head of Account) Debit
 To Capital work in Progress
 (Being transferring the work in progress completed during the year to the Assets heads)

Simultaneously, entries in column no.-2 of Gross Block (addition during the year) against the relevant Assets head, and column no.-3 of Gross Block (deductions) against Capital Work in Progress should be made. While accounting for the total deduction during the year contra entry with the assets and "Capital Work in Progress" should be taken into account.

6.24 Interest Earned: Depiction and Entries in the Accounts

The interest earned on investments of surplus fund in the Fixed Deposits with the Bank and Interest earned on Saving Bank Account is shown in the Income and Expenditure Account. Interest Accrued but not due on Surplus Fund in Fixed Deposit with the bank and interest-bearing advances paid to the employees is also shown in the Income and Expenditure Account. If, any interest as accrued and become due but not credited by the bank, should also be included in the aforesaid. The exceptions are the interest earned on the Bank Account of Corpus Fund, Earmarked\Endowment Funds which are directly added to the respective fund account in the Balance Sheet. Where revolving fund for the Payment of Loan and Advances to the Staff is maintained, the interest earned on such interest-bearing advances is credited to the revolving fund (As on date no such revolving fund is maintained in CBSE). While depicting the details in the Schedule, the details of interest earned on termed deposits, on Saving Bank Account, on loan and advances and others should be shown separately. The Income Tax deducted at source is to be mentioned in the schedule and disclosed as a Note below the Schedule because the Gross Amount of Interest Earned is shown in the Schedule. However, the entry on the Receipt side of the Bank Book will be for the Net Amount of interest actually received after deducting TDS. In the Journal following entries are to be made;

- (i) If the organization does not have tax exemption, the entry in the Bank Book will be made for the Net Amount but the entry in the Journal in respect of TDS is made as under:-

Income tax on Interest Income	Debit
To Interest Earned Account	
(Being TDS on interest earned)	

- (ii) If the organization is exempt from paying TDS, the entry in the Bank Book will be same but, in the Journal, following entry is to be passed:

Claims Receivable-TDS	Debit
To Interest Earned Account	

(Being the TDS recovered from interest income)

While filing Tax Return for the Financial Year to the tax authorities the tax already paid through TDS should be deducted and Net Tax Payable will be due to be paid. If, the organization is not exempted from Income Tax, while filing the Income Tax Return, a claim for refund of this amount should be lodged inclusive therewith the TDS Certificate (Form 16A). It may be noted that in the standard format interest income earned should be shown at Gross Figure and TDS is to be mentioned separately.

6.25 Current Assets, Loans and Advances:

6.25.1 Current Assets: - Normally, this broad head is shown as last head on the Assets of the Balance Sheet. The details are depicted in the Schedule supporting the figures mentioned against each in this head. This schedule has two parts viz., Part-A-“Current Assets” accommodating Inventories, Sundry Debtors (These are not applicable to CBSE) and Cash Balances. Part-B-“Loan and Advances” accommodating Advances to staff, advances on Capital Account to Supplier, Contractors and Others (For Example Advances to Construction Agency), Prepaid Expenses, Income\Interest Accrued on investment of Earmarked\Endowment Fund, Income\Interest accrued on other Investment, Income\Interest accrued on Loan and Advances, Income\Interest accrued on others and Claims recoverable. There should be separate total for Part-A and Part-B and thereafter both the total should be clubbed for Grand Total, in the schedule matching the figure shown in the Balance Sheet.

6.25.1.1 Imprest Balances:- Imprest is sanctioned to meet petty expenditure in day to day functioning. It is permanent advance sanctioned in favor of an officer. The imprest holder is required to maintain a petty Cash Book. At the end of the financial year 31st March, the unspent balance out of imprest sanctioned is required to be intimated to the DDO concerned. All the unspent balances of the imprest amount sanctioned to various officer\units are clubbed together and shown against the sub head “Imprest Balances”. The bills out of Interest Amount which are not recouped up to 31st March should be entered in the Journal as on 31st March, debited the relevant expenditure heads with the expenditure incurred and crediting the Imprest Accounts. This will shown in the ledger head “Imprest” the actual balance with the holder of the Imprest which will tally with the balance shown in the Balance Sheet.

6.25.1.2 Franking Machine Balances\Postage in Hand: - Postage Stamp are purchased\equivalent amount is loaded in the Franking Machine. The amount spent on this is not treated as expenditure unless the postage stamp is used, PHYSICALLY or through Franking Machine.

The Actual amount of postage stamp used during the Financial Year is debited to the concerned expenditure head in the "Income and Expenditure Account". Where postal stamps are purchased and kept in physical stock of stamps, the amount of actual stamp held up to 31st March is treated as Expenditure and amount of unutilized postal stamps are shown in the Balance Sheet. Simultaneously, a Journal Entry is passed debiting Postage Stamp in hand as on 31st March and crediting the Expenditure head "Postage and Telegrams". Thus, Postage in Hand appears under Current Assets.

Similarly, in the offices where the Franking Machines are used, Meter reading in the Machines at the end of working hours on 31st March is taken and a certificate is submitted to the Accounts Department about the Balance postage available in the Machine. Based on this certificate Journal Entry is Passed as in case of Postage Stamp.

6.25.1.3 Bank Balances

- (i) **Bank Balances:-** Bank Balances from the Bank Statement received from different Bank Accounts are noted down, reconciled and then summed up. These figures are taken under relevant head "Bank Balances" under Current Assets. It is important for the DDOs to verify the Cash and Bank Balances at the end of the Financial Year and, after bank reconciliation, record a certificate in the Cash Book\Bank Book incorporating the cash and Bank Balances both in figures and words. It would be desirable that a certificate with regard to the Bank Balance available in the concerned Bank Account is taken from the Bank Managers as on 31st March.
- (ii) **Deposit Account:-** All fixed\termed deposit receipt, bonds, Government Securities etc., should be kept in safe custody of the DDO concerned and physically verified. At the end of the Financial year, Head of the Departments\Head of Office, as the case may be, should either himself or through an office nominated by him get all such investments instruments\documents physically verified with reference to ledger account concerned and identify differences, if any.
- (iii) **Margin Money:-** Whenever the bank issues Bank Guarantee or Open letter of Credit for payments to the suppliers\contractors located abroad, the bank, on behalf of the organization becomes legally liable to make the payment to the beneficiaries on behalf of the organizations, even if the Banks cannot get reimbursement from the organization on whose behalf they issued Bank Guarantee or opened letter of Credit. The banks, as safeguards to protect their interest, kept Margin

Money in the form of Fixed Deposits so that the organization may ensure that adequate balance are available in its account with the bank to meet the eventuality if a Bank Guarantee is invoked or debits received against the letter of credit. This is also a sort of monitoring mechanism in respect of Letter of Credit and Bank Guarantees.

- (iv) **Other Welfare Fund:** - Details with regards to the Opening Balance in the Saving Bank Accounts, Investments and Interest Accrued thereon and Closing Balances of the Employees Welfare Fund in respect of previous year and current year are depicted in this Schedule.

6.25.2 **Loan and Advances to Staff**

6.25.2.1 **Non-Interest bearing Advances:-** Certain Advances like Festival Advance, LTC Advance, TA Advance and Medical Advance etc., paid to the employees are non-interest bearing advances. There is one ledger account in respect of each employee for each category of advance. All debits and credit are accounted for in this Ledger Account in the Financial Year. At the end of the Financial Year these ledger accounts are balanced. There will be debit balance at the end of the Financial Year which shows the amount of that particular advance of the employee concerned. These should tally with the figures shown in the Control Account balances. The outstanding balances of these advances are included under broad head "Loan and Advances".

6.25.2.2 **Interest bearing advances:-** In CBSE, long term interest bearing advances like House Building Advance, Motor Car Advance, Scooter\Motor-cycle Advance, and Computer Advance are given to its employees on same terms and conditions as applicable to the Central Government Employees. These are called Interest bearing advance. However, the recovery of the interest is started after full repayment of the principal amount of the advance concerned. Employees wise and advance wise subsidiary account are posted up to date during the financial year and total of individual balances as on 31st March as per these subsidiary ledger accounts are reconciled with balances shown in the Control Account. The Balances as per control accounts should be included under the broad head "Loan and Advances" in the Balance Sheet.

In some of the organizations, a "Revolving Fund" for the payment of such advances is maintained. It is categorized under "Earmarked Fund". The Installment recoveries are added to the respective fund and fresh advances in the year are treated as expenditure out of the fund concerned. In such case, the outstanding balances does not figure separately as they are merged in the concerned fund account. Only a note is required to be given in the Schedule of "Earmarked Fund"

depicting the outstanding balances under House Building Advance, Motor Car Advance and Computer Advance as on 31st March. However, Subsidiary Ledgers Accounts are maintained.

6.26 Interest Accrued but not Due: - Under the accrued system of Accounting agreement of outstanding balances as per control accounts with that of subsidiary ledger account is a must because the interest income accrued on such advances for the year has to be calculated and treated as income of the year, although a recovery of interest will actually start after full repayment of the principal amount of the advance paid. The interest is calculated on the monthly diminishing balance and treated as income of the year by debiting the interest accrued to the "Interest Accrued but not due on the Advance Concerned" (Interest Accrued but not due on HBA, MCA, Computer Advance etc., should be shown separately), the total of the which are shown under broad head "Loan and Advance" as separate items.

6.27 Recovery of Interest

When the recovery of interest starts after full repayment of principal amount of advance concerned, such recoveries are credited to the head "Interest Accrued but not Due" and should not be treated as Income in the year in which the recovery of interest takes place. This is because the interest accrued in each of the previous year has already been treated as income in the respective year by debiting the head "Interest Accrued but not due".

6.28 Advances Recoverable

"Advances and other amounts recoverable in Cash or in Kind or for Value to be received" is a part of main broad head "Loans and Advances". These include the following:

- (i) Advances on Capital Account to construction agency.
- (ii) Advances on Capital Account to Contractor\Supplier of Equipment.
- (iii) Advances to the Contractors\Maintenance Agencies of Infrastructures.
- (iv) Advances to other Suppliers.
- (v) Advances to employees for specific purposes like local purchases etc.

In respect of all the above advances separate subsidiary ledger account are maintained and balances tallied with the balances as per Control Account. Moreover, an advance settlement copy/receipt may be given to the individuals through mail to inform about the clearance of their advance. Also DDO, shall display the latest closure report of advances on his notice board on monthly basis.

6.29 Prepaid Expenses: - Under this category expenditure on Annual Maintenance Contract, Insurance Premium, etc., are kept. The portion of such expenditure which does not pertain to the current financial year rather spills over\covers the next Financial Year comes under this sub-heads "Prepaid Expenses" When a bill from the agency concerned having both these component is

presented like Insurance Premium (for the period covering a portion of current financial and a portion of subsequent financial year, for example say 1st October 2015 to 30th September 2016) is presented for payment, after payment, the classification on the Voucher should be recorded "Insurance on Vehicle", with the amount pertaining to the Current Financial Year (1st October 2015 to 31st March, 2016) and "Prepaid Expenses-Insurance on Vehicles" (1st April, 2015 to 30th September, 2016) pertaining to the subsequent Financial year. Both the amount should be accounted for under the relevant heads of accounts.

6.30 Security Deposits:- While taking connections from public utilities authorities like telephone connections, water connection, Electricity Connections etc., prescribed amount is deposited with the concerned department as Security Deposits. These are Current Assets of the organization. Mostly these are interest free.

6.31 Income Accrued but not Due:- Under this sub-head the following type of transaction are accommodated:

- (i) Interest\Income Accrued on Investments as on 31st March from Corpus Fund\Earmarked Fund\Endowment Fund which flows back to the respective fund by crediting the same.
- (ii) Interest\Income Accrued as on 31st March on Other Investment on Surplus Funds of the Organizations which is treated as income of the organization.
- (iii) Income\Interest accrued but not due as on 31st March, on interest bearing advances paid to the employees where interest is treated income of the organization. (If no revolving funds are maintained for the purpose) and it flows back to the concerned Revolving Funds (If revolving fund are maintained).

In all the above cases interest accrued is calculated for the year upto 31st March in respect of each investments for the period for which interest is not due. This amount is debited to the head "Interest Accrued but not due" for each category. The credit will be afforded as mentioned above in each category.

When the interest is actually received, "Current Assets" - "Interest Accrued but not Due" are credited in all the above categories.

6.32 Other Receivables from Government\Other Agency:- Under this head the Debit balances in the individual ledger account like Grant from Government, Sponsored Project Account\Expenditure Incurred on behalf of any other Government Department\Refund Claims due from Government Department are accommodated.

6.33 Significant Accounting Policies, Disclosures through Notes forming part of Accounts for the year:- As already mentioned in the beginning every organization is required to disclose its significant accounting policies in compliance of which accounts of the organization have been prepared. Similarly, Contingent Liabilities, Capital Commitments, Current Assets, Loans and Advances, are to be clearly disclosed through notes to be appended to the Accounts in order to present a fair financial health of the organization.

In order to comply with the above requirements "Significant Accounting Policies" and "Contingent Liability" and "Other Requisite Disclosures" are required to be prepared and enclosed with the accounts of the organization either in the form of separate Schedules or Annexure to the Accounts.

Name of the Organization _____

Period of Accounts _____

"Significant Accounting Policies"

1. Basis of preparation of Accounts

The accounts are prepared under the Historical Cost Convention unless otherwise stated and generally on Accrual Method of Accounting.

2. Revenue Recognition

All incomes and Expenditure (Plan and Non-Plan) are accounted for on accrual basis as they have earned or incurred, however, if there is any dispute regarding recovery of income at the end of financial year, it is treated as income only when realized. Fees from students, sale of publication, and interest on Saving Bank Account etc., are accounted for on Cash Basis.

Income from Land, Building and other property and Interest on Investments are accounted on Accrual Basis.

Interest Bearing Advances to Staff is accounted on Accrual basis every year, however, the actual recovery of interest starts after the full repayment of the principal amount.

3. Fixed Assets

- *Fixed Assets are stated at cost of acquisition inclusive of Inward Freight, duties and taxes and incidental and direct expenses incidental to the acquisition. The Fixed Assets received free of cost are to be valued at Rs.1/- per item. Procurement of fixed assets during the year is shown under the concerned head of fixed assets. Up to the financial year 2004-2005, capital work in progress was shown as advances for construction work but from the financial year 2005-2006, fixed assets in the course of construction have been shown against the head Capital Work in Progress in the Schedule of Fixed Assets.*

- *Expenditure on acquisition of software has been separated from computers and peripherals, as apart from being intangible assets, the rate of obsolescence in respect of these is very high. Depreciation in respect of software, Computer and Peripherals has been provided at the rate prescribed under Income Tax Act, 1961 as amended time to time.*
- *Fixed Assets are valued at the cost less accumulated depreciation. The Depreciation is charged on the basis of Written down Value as provided under Income Tax Act, 1961 in respect of Fixed Assets added\deleted during the year, depreciation is provided on Pro-Rata Basis. Depreciation charged on the Fixed Assets has been shown in the Income and Expenditure Account as per the uniform format prescribed for Central Autonomous Bodies issued by Ministry of Finance and the value of Depreciation has been deducted from the fixed assets shown in Balance Sheet.*
- *Where an asset is fully depreciated, it will be carried at a residual value of Rs.1/- in the Balance Sheet and will not be further depreciated. Thereafter, depreciation is calculated on the additions of each year separately.*
- *Assets created out of Earmarked Funds and funds of Sponsored Projects, where the ownership of such assets vests in the CBSE, are setup by credit to Capital Fund and merged with the Fixed Assets of the CBSE. Depreciation is charged at the rates applicable to the respective assets.*

4. Stocks

Expenditure on purchase of Stationery, Chemicals, glassware, publications, building materials, and other stores is accounted as revenue expenditure. Closing Stocks at the end of financial year are ascertained and physically verified, however, Inventories Account have not been set up.

5. Retirement Benefits

- *Retirement benefits i.e., Pension, gratuity, and leave encashment are provided on the basis of actuarial valuation, at the end of each financial year. Pension contribution received in respect of employees on deputation is credited to the provision for Pension Account.*
- *Other Retirement Benefits, contribution to New Pension Scheme, Medical reimbursement to retired employees and Travel to Home Town on retirement are accounted on accrual basis (actual payments plus outstanding bills at the end of the year).*

6. Corpus Fund

Income from investment of Corpus Fund established in CBSE is utilized for both Revenue and capital expenditure based on "Corpus Fund Rule". The assets created out of Corpus Fund are merged with the assets of CBSE by crediting an equal amount of the Capital Fund.

7. **Investment**

To the extent not immediately required for the expenditure, the amount available is invested by depositing for fixed term with the banks. The interest received, interest accrued and due and interest accrued but not due on such investments are shown in the Income and Expenditure Account.

8. **Annual Accounts of GSLIS: -** Accounts of Group Salary Linked Insurance Scheme is prepared on Cash Basis and Shown separately.

9. **Contingent Liabilities**

- Accrued Liabilities pertaining to Earmarked\Endowment Fund\Sponsored Scheme\Other Scheme of Ministry of Youth Affairs and Sports have not been shown in the Accounts.
- Accrued Liabilities on account of contraction\capital works\work in progress have not been shown in the accounts. Letter of Credit opened by the Bank on behalf of the CBSE and outstanding as on 31st March, (Previous Year Rs.____).

10. **Current Assets, Loan and Advances**

- In the opinion of CBSE, the Current Assets, Loan and Advances have a value on the realization in the ordinary post, equal at least to the aggregated amount shown in the Balance Sheet.
- The details of Balances in Saving Bank Account, Current Account and Fixed Deposits Account with the Banks are enclosed separately as Annexure_____.
- As the provident Fund account and the New Pension Scheme Account are owned by members of those fund and not by CBSE, accounts were separated from the main account and are appended herewith.

6.34 Certificates to be Appended with the Annual Accounts by Various Units of CBSE

1. CBSE has adopted uniform format of account as prescribed by the Statutory Audit Authority.
2. The Accounts have been prepared on Accrual basis.
3. The Accounts includes figures of the accounts of all units under their respective jurisdiction.
4. All taxes including Income Tax, Service Tax, Professional Tax etc, as due, have been recovered from the concerned staff\parties in accordance with the relevant Acts\Rules.
5. All deductions passed on to the other departments have been accounted for during the year.

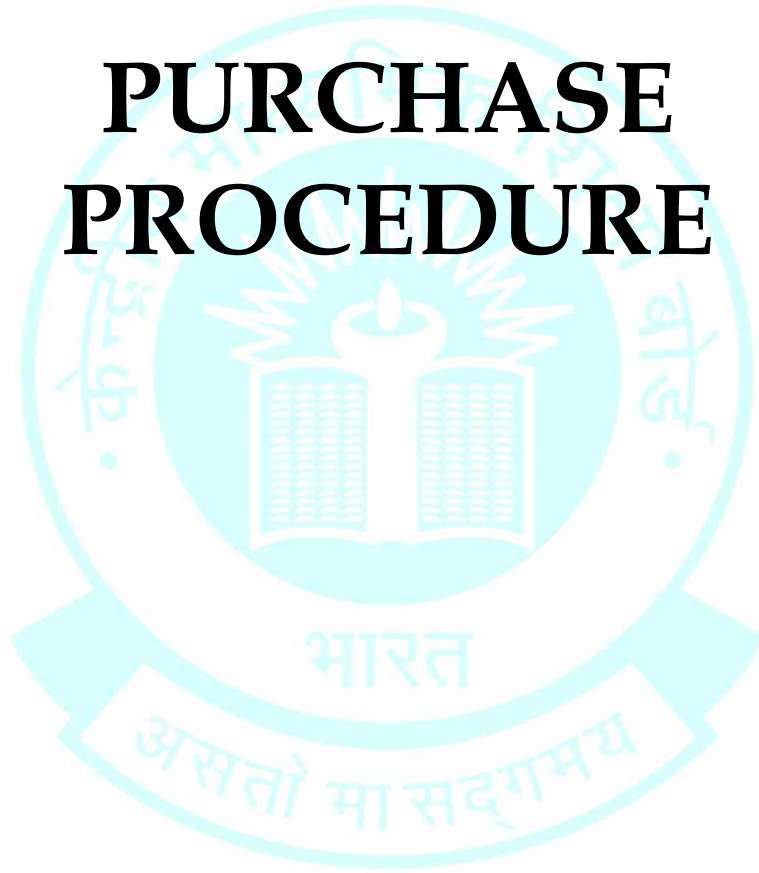
6. Deposits made with the Construction Agency have not been capitalized for want of completion certificate.
7. All investment made have been shown in the Balance Sheet.
8. Liabilities (Fund received minus Expenditure incurred) on account of interest received on Endowment Fund (Corpus Fund) has been shown separately in the Balance Sheet under the head "Other Contingent Liabilities".
9. Provision for Retirement Benefits to the employee viz., Gratuity, Pension and Leave Encashment has been shown in the Balance Sheet.
10. The accounts of the GPF and GSLIS have been segregated from the main accounts and the same have been enclosed separately with these consolidated accounts.
11. The demand on account of Property Tax received from Municipal Corporations in respect of CBSE(H.Q.)'s Buildings and all other buildings of various units is being reconciled and shall be shown in the Accounts, if applicable.
12. The liabilities figures on accounts of Service Charges is under reconciliation with the concerned agency. THESE WILL BE SHOWN IN THE Accounts after reconciliation.
13. CBSE has no Deferred Revenue Expenditure.
14. Transactions denominated in foreign currency are accounted at exchange rate prevailing at the date of the transaction.
15. Current assets foreign currency loans and current liabilities are converted at the exchange rate prevailing as at the year end and the resultant gain\loss is adjusted to cost of fixed assets, if the foreign currency liabilities relate to fixed assets and in other cases is considered to revenue.
16. Liability towards gratuity payable on death\retirement of employees is accrued on actuarial valuation.
17. Provision for accumulated leave encashment benefit to the employees is accrued and computed on the assumption that employees are entitled to the benefit at the each year end.
18. Account of GSLIS has been prepared on cash basis.
19. Accrued liabilities pertaining to Earmarked \ Endowment Fund\ Sponsored\ Other Schemes of CBSE has been shown in the Accounts.
20. Accrued Liabilities pertaining to Earmarked \ Endowment Fund\ Sponsored \ Other Scheme of CBSE has not been shown in the Accounts.
21. Accrued Income of License fees\Rent from rental received by the Units/CBSE (H.Q.)'s. Building has been shown in the Income and Expenditure Accounts.

Space for Notes



CHAPTER - 7

PURCHASE PROCEDURE





7. Purchase Procedure
7.1 Procedure for Purchase of Goods/Stores and Services

Purchase procedure is framed generally on the basis of Rules prescribed in General Financial Rules 2017; the policies & Procedures notified by the Ministry of Finance, Department of Expenditure, Government of India and also having in mind the special circumstances and requirements of Central Board of Secondary Education (C.B.S.E.), New Delhi.

7.2 Objective :-

The guidelines intend to regulate/streamline the purchase and hiring processes of stores, consumables and services and bring in uniformity in these regards in C.B.S.E. Head Office and all Regional Offices, Centers etc.

7.3 Definitions :-

The term "Goods/Stores" used in this chapter includes all articles, material, commodities, furniture, fixtures, machinery, equipment, etc. purchased or otherwise acquired for the use of C.B.S.E. but excludes books, publications, periodicals etc. for a library (GFR - 143).

7.4 Fundamental Principles of Public Buying :-

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment to suppliers and promotion of competition in public procurement, must conform to the following yardsticks:

- (i) The description of the subject matter of procurement to the extent practicable should-
 - (a) Be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics;
 - (b) Not indicate a requirement for a particular trade mark, trade name or brand.
- (ii) The specifications in terms of quality, type etc., as also quantity of goods to be procured should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure.
- (iii) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist.

Provided that a procuring entity, may for reasons to be recorded in writing adopt any other technical specification.

- (iv) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.
- (v) Offers should be invited following a fair, transparent and reasonable procedure.
- (vi) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.
- (vii) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.
- (viii) At each stage of procurement, the concerned procuring authority must place on record in precise terms, the considerations which weighed with it while taking the procurement decision.
- (ix) A complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued.
- (x) All Department of CBSE shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.

(GFR - 144)

7.5 **Transparency, Competition, fairness and elimination of arbitrariness in the procurement process**

All the purchases should be made in a transparent, competitive and fair manner, to secure best value for money. The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information which needs for sending responsive bid should be clearly spelt out in simple language.

7.6 **Purchase Procedure for Procurement of Goods**

Rate Contract/Registration of suppliers :-

DGS&D shall conclude rate contracts with the registered suppliers for such goods, which are not available on GeM, and are identified as common use items and are needed on recurring basis by various CBSE units. DGS&D will furnish and update all the relevant details of the rate contracts on its website which may be followed to the maximum extent possible.

(GFR 148)

Government e-Market place (GeM) :- DGS&D or any other agency authorized by the Government will host an online Government e-Marketplace (GeM) for common use Goods and Services. DGS&D will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by CBSE will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&D. The procuring authorities will certify the reasonability of rates.

The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under :-

- (i) Up to Rs. 25,000 through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.
- (ii) Above Rs. 25,000 and up to Rs. 5,00,000 through the GeM Seller having lowest price amongst the available sellers (excluding automobiles), of at least three different manufactures on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer if decided by the Competent Authority.
- (iii) Above Rs. 5,00,000 through the supplier having lowest price meeting the requisite quality specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding automobiles).
- (iv) The invitation for the online e-bidding /reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product /service category, as per terms and conditions of GeM.
- (v) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.
- (vi) The CBSE shall work out their procurement requirement of Goods and Services on either "OPEX" model or "CAPEX" model as per their requirement / suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual procurement plan of Goods and Services on GeM portal within 30 days of Budget approval.
- (vii) The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Prices on GeM, Departments own Last Purchase Price etc.
- (viii) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying/ bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

(GFR -149)

Registration of Suppliers :

- (i) For goods and services not available on GeM, Head Office, all Regional Offices and COEs of CBSE may also register suppliers of good and services which are specifically required by that Department or Office, periodically. Registration of the supplier should be done following a fair, transparent and reasonable procedure and after giving due publicity. Such registered

suppliers should be boarded on GeM as and when the item or service gets listed on GeM.

- (ii) Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background etc. of the suppliers(s) should be carefully verified before registration.
- (iii) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods, At the end of this period the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfil all the required conditions.
- (iv) Performance and conduct of every registered supplier are to be watched by the concerned CBSE unit. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration on fail to supply the goods on time or supply substandard goods or make any false declaration to any Government agency or for any ground which in the opinion of the Government is not in public interest.
- (v) The list of registered suppliers for the subject matter of procurement be exhibited on the Central Public Procurement Portal and websites of the procuring Entity/ e-Procurement / portals.

(GFR-150)

7.7 **Reserved Items**

The Central Government, through administrative instruction, has reserved all items of handspun and hand-woven textiles (khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items of handloom textiles for exclusive purchase from KVIC and/or the notified handloom units ACASH (Association of Corporations and Apex Societies of Handlooms) C.B.S.E. will make their purchases for such reserved goods and items from such units as per the instructions issued by the Central Government in this regard.

(GFR - 153)

7.8 **Purchase of Goods without Quotations :-**

Purchase of goods up to the value of Rs. 25,000 (Rupees Twenty five thousand only) on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format:

“I....., am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price”.

(GFR - 154)

7.9 Purchase of Goods by Purchase Committee :-

In case a certain item is not available on the GeM portal, Purchase of goods costing above Rs.25000 (Rupees Twenty five thousand only) and up to Rs. 2,50,000(Rupees Two Lakhs and Fifty Thousand) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The Committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:

“Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/Department concerned.”

(GFR - 155)

7.10 Local purchase of stationery and other articles from Kendriya Bhandar, NCCF and other Multi-state Co-operative Societies having majority shareholding by the Central Government

Departments are permitted to make purchases at their discretion of all items required for office consumption up to Rs. 1 Lakh on each occasion directly from Kendriya Bhandar/NCCF without calling for quotations. The responsibility for ensuring the reasonableness of rates, quality, specifications, etc. will be equally that of the Purchasing Department and KB/NCCF.

For procurements of all items of office consumption beyond Rs. 1 Lakh to Rs 25 Lakh, where limited tenders are to be invited as per Rule of GFRs KB and NCCF among others shall also to be invited to participate in such limited tenders. Supply orders up to Rs. 25 Lakh, in respect of office equipments covered under DGS&D rate contract may also be procured from KB/NCCF provided KB/NCCF offer the items at DGS&D rate contracted prices as also fulfill all the contractual obligations which the manufacturers/suppliers or such products are required to meet under the DGS&D rate contract. The Departments shall make their own arrangements for inspection and testing of such goods where required. (GOI. Dept. of Per.& Trg. OM F. No. 14/12/94 - Welfare (Vol. II), dated the 5th June 2007.)

7.11 Splitting up of Demand :-

A demand for goods should not be divided into small quantities to make piece meal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

(GFR - 157)

7.12 Purchase of goods by obtaining bids :-

Except in cases covered under Rules 154, 155 and 156(1) of G.F.R. C.B.S.E. shall procure goods under the powers referred to in Rule 140 above by following the standard method of obtaining bids in :-

- (i) Advertised Tender Enquiry.
- (ii) Limited Tender Enquiry.
- (iii) Two-Stage Bidding.
- (iv) Single Tender Enquiry.
- (v) Electronic Reverse Auctions.

(GFR - 158)

7.13 E - Publishing :-

- (i) It is mandatory for the C.B.S.E./Department to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal(CPPP). However, these instructions would not apply to procurement made in terms of provisions of Rules 154(Purchase of goods without quotations) or 155(Purchase of goods by purchase Committee) of General Financial Rules.
- (ii) Individual cases where confidentiality is required for reasons of secrecy, would be exempted from the mandatory e-publishing requirement. In the case of autonomous bodies and Statutory bodies, approval of the Chairman of CBSE (Head of the body) with the concurrence of the IAFA (Head of the Finance) should be obtained in each case.
- (iii) The above instructions apply to all Tender Enquiries, Requests for Proposals, requests for Expressions of Interest Notice for pre-Qualification/ Registration or any other notice inviting bids on proposals in any form whether they are advertised, issued to limited number of parties or to a single party.
- (iv) In the case of procurements made through DGS&D Rate Contracts or through any other Central Procurement Organizations (CPOs), only award details need to be published.
- (v) These instructions would not apply to procurements made in terms of provisions of rules 154 (Purchase of goods without quotations) or 155 (Purchase of goods by purchase committee) of General Financial Rules.

(GFR - 159)

7.14 E - Procurement :-

- (i) It is mandatory for C.B.S.E. to receive all bids through e-procurement portals in respect of all procurements.
- (ii) These instructions will not apply to procurements made by Department through DGS&D rate contracts.
- (iii) In individual case where national security and strategic considerations demands confidentiality Ministries/ Departments may exempt such cases from e-procurement after seeking approval of concerned Secretary and with concurrence of Financial Advisers.

(GFR - 160)

7.15 Advertised Tender Enquiry :-

- (i) Subject to exceptions incorporated under Rules 154, 155, and 162 of G.F.R. invitation to tenders of advertisement should be used for procurement of goods of estimated value of Rs. 25 lakhs (Rupees Twenty-Five Lakh) and above. Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organization having its own website should also publish all its advertised tender enquiries on the website.
- (ii) The organization should also post the complete bidding document on its website and CPPP to enable prospective bidders to make use of the document downloading from the website.
- (iii) In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders.
- (iv) Where C.B.S.E. feels that the goods of the required quality, specifications, etc. may not be available in the country and it is necessary to look for suitable competitive offers from abroad, the Department may send copies of the tender notice to the Indian Embassies as well as to the foreign embassies in India.
- (v) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

(GFR - 161)

7.16 Limited Tender Enquiry:-

- (i) This method may be adopted when estimated value of the goods to be procured is up to Rupees twenty-five Lakhs. Copies of the bidding document should be sent directly by speed post/registered post/courier/e-mail to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 of G.F.R. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. Further an organization should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159 of G.F.R. Apart from CPPP; the organization should publish the tender enquiries on Department's website.
- (ii) The unsolicited bids should not be accepted.
- (iii) Purchase through limited Tender Enquiry may be adopted even where the estimated value is more than Rupees Twenty-Five lakhs, in the following circumstances :-

- (a) The competent authority certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. Nature of urgency should be put on record.
- (b) There are sufficient reasons to be recorded in writing by the competent authority indicating that it will not be in public interest to procure the goods through advertisement tender enquiry. Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

(GFR - 162)

7.17 Two bid system(simultaneous receipt of separate technical and financial bids) :-

For purchasing high value plant, machinery etc. of a complex and technical nature, bids may be obtained in two parts as under :-

- (i) Technical bid consisting of all technical details along with commercial terms and conditions; and
- (ii) Financial bid indicating item-wise price for the items mentioned in the technical bid.

(GFR - 163)

The technical bid and the financial bid should be sealed by the bidder in separate covers duly super-scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed. The technical bids are to be opened by the Department at first instance and evaluated by a competent committee or authority. At the second stage, financial bids of only those technically acceptable offers should be opened after intimating them the date and time of opening the financial bid for further evaluation and ranking before awarding the contract.

7.18 Late bids :-

In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

(GFR - 165)

7.19 Single Tender Enquiry :-

Procurement from a single source may be resorted in the following circumstances: -

- (i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.
- (ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- (iii) For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.

NOTE:- Proprietary Article Certificate in the following form is to be provided by the Ministry /Department before procuring the goods from a single source under the provision of sub- Rule 166 (i) and 166 (ii) as applicable.

- (i) The indented goods are manufactured by M/s.....
- (ii) No other make or model is acceptable for the following reasons:
.....
- (iii) Concurrence of finance wing to the proposal vide
- (vi) Approval of the competent authority vide

(Signature with date and designation
of the indenting officer)

(GFR - 166)

7.20 Electronic Reverse Auction :-

- (i) Electronic Reverse Auction means online real-time purchasing technique utilized by the procuring entity to select the successful bid, which involves presentation by bidders of successively favorable bids during a scheduled period of time and automatic evaluation of bids.
- (ii) A procuring entity may choose to procure a subject matter of procurement by the electronic reverse auction method if:-
 - (a) It is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement.
 - (b) There is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective competitions is ensured.
 - (c) The criteria to be used by the procuring entity in determining the successful bid are quantifiable and can be expressed in monetary terms.
- (iii) The procedure for electronic reverse auction shall include the following namely:-
 - (a) The procuring entity shall solicit bids through an invitation to the electronic reverse auction to be published or communicated in accordance with the provisions similar to e-procurement and
 - (b) The invitation shall, in addition to the information as specified in e-procurement include details relating to access to and registration for the auction, opening and closing of the auction and Norms for conduct of the auction.

(GFR - 167)

7.21 Contents of Bidding Document :-

All the terms, Conditions, stipulations and information to be incorporated in the bidding are shown in appropriate chapters as below :-

Chapter - 1 - Instructions to Bidders.

Chapter - 2 - Conditions of Contract.

Chapter - 3 - Schedule of Requirements.

Chapter - 4 - Specifications and allied Technical Details.

Chapter - 5 - Price Schedule (to be utilized by the bidders for quoting their Prices)

Chapter - 6 - Contract Form.

Chapter - 7 - Other Standard Forms, if any, to be utilized by the purchaser and the bidders.

(GFR - 168)

7.22 Maintenance Contract: - Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) for suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are specially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods at the contract terms may provide and the paid maintenance should commence only thereafter.

(GFR - 169)

7.23 Bid Security :-

- (i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except Micro, Small and Medium Enterprises (MSMEs) as defined in MSME Procurement Policy issued by the Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organization or the concerned department. Amount of bid security ordinarily range between two to five percent of the estimated value of the goods to be procured. Bid Security is normally to remain valid for a period of forty-five days beyond the final bid validity period.
- (ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract.
- (iii) In place of a Bid security the CBSE may require Bidders to sign a Bid securing declaration accepting that if they are awarded the contract and they fail to sign the contract or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

(GFR - 170)

7.24 Performance Security :-

- (i) Performance Security should be for an amount of five to ten percent of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of A/C Payee Demand Draft, FDR, Bank Guarantee from commercial bank or online payment.
- (ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

(GFR - 171)

7.25 (A) Advance payment to supplier :-

Ordinarily, payments for services rendered or supplies made should be released only after the services are rendered or supplies made.

Part payment to suppliers:-

Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

(GFR- 172)

7.25 (B) Quantum of Advance Payment to Supplier :-

Such advance payments should not exceed the following limits:-

- (i) Thirty percent of the contract value to private firms.
- (ii) Forty percent of the contract value to a State or Central Government Agency or a Public Sector Undertaking; or
- (iii) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

(GFR -172)

7.26 Transparency, competition, fairness and elimination of arbitrariness in the procurement process:-

All Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:-

- i. The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality and technical specifications and making suitable provisions in the bidding document. The bidding document should contain, inter alia;

- a) Description and Specifications of goods including the nature, quantity, time and place or places of delivery;
 - b) The criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position, etc. or limitation for participation of the bidders, if any;
 - c) Eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods, etc. which may require to be met by the successful bidder.
 - d) The procedure as well as date, time and place for sending the bids;
 - e) Date, time and place of opening of the bid;
 - f) Criteria for evaluation of bids
 - g) Special terms affecting performance, if any;
 - h) Essential terms of the procurement contract;
 - i) Bidding Documents should include a clause that "if a firm quotes NIL charge/consideration, the bid shall be treated as unresponsive and will not be considered";
- ii. Any other information which the procuring entity considers necessary for the bidders to submit their bids.
- iii. Modification to bidding document;
- a) In case any modification is made to the bidding document or any clarification is issued which materially affects the terms contained in the bidding document, the procuring entity shall publish or communicate such modification or clarification in the same manner as the publication or communication of the initial bidding document was made.
 - b) In case a clarification or modification is issued to the bidding document, the procuring entity shall, before the last date for submission of bids, extend such time-limit, if, in its opinion more time is required by bidders to take into account the clarification or modification, as the case may be, while submitting their bids.
 - c) Any bidder who has submitted his bid in response to the original invitation shall have the opportunity to modify or re-submit it, as the case may be, or withdraw such bid in case the modification to bidding document materially affect the essential terms of the procurement, within the period initially allotted or such extended time as may be allowed for submission of bids, after the modifications are made to the bidding document by the procuring entity:-

Provided that the bid last submitted or the bid as modified by the bidder shall be considered for evaluation.
- iv. Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/or rejection of its bid. The reasons for rejecting a tender or non-issuing a tender document to a prospective bidder must be disclosed where enquiries are made by the bidder.
- v. Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- vi. The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.

- vii. The bidders should be given reasonable time to prepare and send their bids.
- viii. The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.
- ix. The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible.
- x. Pre-bid conference:
In case of turnkey contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment or wherever felt necessary, a suitable provision is to be kept in the bidding documents for one or more rounds of pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery, etc. projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date. The records of such conference shall be intimated to all bidders and where applicable, shall also be exhibited on the website(s) where tender was published.
- xi. Criteria for determining responsiveness are to be taken into account for evaluating the bids such as:
- a. Time of delivery;
 - b. Performance/efficiency/environmental characteristics;
 - c. The terms of payment and of guarantees in respect of the subject matter of procurement;
 - d. Price;
 - e. Cost of operating, maintaining and repairing, etc.
- xii. Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; no new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- xiii. Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- xiv. Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiation against an ad hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.
- xv. In the Rate Contract system, where a number of firms are brought on Rate Contract for the same item, negotiation as well as counter offering of rates are permitted to the bidders and for this purpose special permission has been given to the Directorate General of Supplies and Disposals (DGS&D).
- xvi. Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding

bidding document. However, where the lowest acceptable bidder against ad hoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.

xvii Procurement of Energy Efficient Electrical Appliances:

While procuring electrical appliances notified by Department of Expenditure Government of India it shall be ensured that they carry the notified threshold or higher Star Rating of Bureau of Energy Efficiency (BEE).

xviii The name of the successful bidder awarded the contract should be mentioned in the CPPP, website of C.B.S.E. and notice board or bulletin.

xix Rejection of all Bids is justified when-

- a. Effective competition is lacking.
- b. All Bids and Proposals are not substantially responsive to the requirements of the Procurement Documents.
- c. The Bids'/Proposals' prices are substantially higher than the updated cost estimate or available budget; or
- d. None of the technical Proposals meets the minimum technical qualifying score.

xx Lack of competition in Rule-173 (xix) shall not be determined solely on the basis of the number of Bidders. Even when only one Bid is submitted, the process may be considered valid provided following conditions are satisfied:-

- a. The procurement was satisfactorily advertised and sufficient time as given for submission of bids.
- b. The qualification criteria were not unduly restrictive; and
- c. Prices are reasonable in comparison to market values.

xxi When a limited or open tender results in only one effective offer, it shall be treated as a single tender contract.

xxii In case purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of procurement exceeds Rs.25lakhs.

(GFR -173)

7.27 Efficiency, Economy and Accountability in Public Procurement :-

Public Procurement procedure should ensure efficiency, economy and accountability in the system:

- (i) To reduce delay;
- (ii) To minimize the time needed for decision making and placement of contract;
- (iii) The CBSE should ensure placement of contract within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.
- (iv) The Central Purchase Organization (e.g. DGS&D) should ensure that the Rate Contracts are available without any break.

(GFR - 174)

7.27 (I) Code of Integrity:-

No official of a procuring entity or a bidder shall act in contravention of the codes which includes :-

- (i) Prohibition of :-
 - (a) Making offer, solicitation or acceptance of bribe reward or gift or any material benefit either directly or indirectly in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process;
 - (b) any collusion bid rigging or anti- competitive behavior that may impair the transparency, fairness and the progress of the procurement process.
 - (c) Any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.
 - (d) Improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain;
 - (e) Any financial or business transactions between the bidder and any official of the procuring entity related to tender or execution process of contract which can affect the decision of the procuring entity directly or indirectly.
 - (f) Any coercion or any investigation or auditing of a procurement process.
 - (g) Obstruction of any investigation or auditing of a procurement process.
 - (h) Making false declaration or providing false information for participation in a tender process or to secure a contract;
 - (ii) Disclosure of conflict of interest
 - (iii) Disclosure by the bidder of any previous transgressions made in respect of the provisions of sub- clause (i) with any entity in any country during the last three years or of being debarred by any other procuring entity.
- (II) The procuring entity, after giving a reasonable opportunity of being heard comes to the conclusion that a bidder or prospective bidder as the case may be has contravened the code of integrity may take appropriate measures.

(GFR -175)

7.28 Buy-Back Offer :-

When it is decided with the approval of the competent authority to replace existing old items with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidder formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

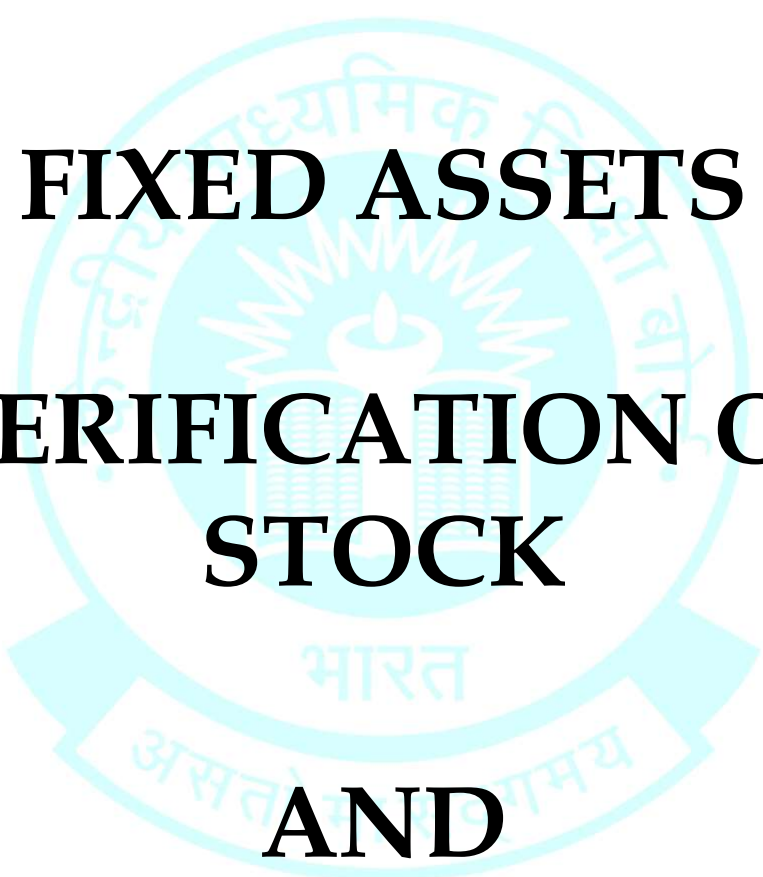
(GFR - 176)

7.29 Important Checklists:-

- (i) All purchases are properly sanctioned by the competent authority and are made in the most economical manner in accordance with the definite requirements in the public service and the purchases are not split up to avoid the necessity for obtaining the sanction of the higher authority with reference to the total amount of the order.
- (ii) Whether the purchases have been effected by single tender. If so, sanction of the competent authority has been obtained and reasons recorded for resorting to this method of purchase.
- (iii) All tenders were opened on the due date and numbered and initialed with date by the officers opening them.
- (iv) The comparative statement duly signed is kept on record and has been checked with original tenders. A test check of some of the entries of comparative statement with the original tenders should be conducted.
- (v) The lowest offer has been accepted and if not, the reasons recorded for rejecting the lowest offer are adequate.
- (vi) The successful tenderer has not indirectly derived an advantage over the other tenderers by insertion of special conditions, which have the affect of raising the rates quoted by him.
- (vii) No stores of defective and inferior nature are accepted and certified to be satisfactory in quality.
- (viii) The specifications indicated in the quotation agree with those shown in the inviting tender.

Space for Notes

CHAPTER - 8



FIXED ASSETS VERIFICATION OF STOCK AND DEPRECIATION



8.1 Store keeping, recording and analysis-

- a. Store keeping function starts with the receipt of materials.
- b. It then engages itself in providing the storage and handling facilities during the period material remains in the store.
- c. Material from the store moves out as and when they are drawn by the users.
- d. The functions involved in receipts, storage and issue of materials require documentation at various stages and hence the correct record keeping in respect of materials is also a function of the stores.
- e. The storekeeper is to take physical inventory of all the materials lying with it at periodic intervals or at the end of a year as the case may be.
- f. It is also entrusted with a responsibility to analyze its inventory and send out such returns in connection with the stores transactions so that the materials control could be achieved by related departments from the various analysis and returns so made by the stores.
- g. While issuing the fixtures/fittings to the indenter, a proper identification mark will be given & a record thereof to be maintained by the issuing unit;
- h. The user units will maintain internal stock register duly entering the identification mark against each entry of the fixtures/fittings.
- i. At the time of condemnation of the items, the identification marks will be tallied with the items to be disposed off.

8.2 The Objective of the store keeping are-: (i) To furnish timely and complete information required for effective materials planning and accounting. (ii) To generate data for analysis of materials stored to ensure that

- a. Non-moving items are disposed off
- b. Point-out at proper time to avoid over/under stocking.

8.3 Format of Fixed Asset Register:-

Date of acquisition	Particulars of assets	Particulars of supplier		Cost of the asset	Location of the asset	Remarks
		Name and address	Bill no & date			

8.4 Separate Accounts shall be kept for -

- a. Fixed asset such as plant, machinery, equipment, furniture, fixtures etc. in the Form CBSE/FAM-11(B).
- b. Consumable such as office stationery, chemicals, maintenance spare parts etc. in the Form CBSE/FAM-11(C).
- c. Library Books in the Form CBSE/FAM-11(A).
- d. Assets of historical/ artistic value held by museum/Government departments in the Form CBSE/FAM-11(D).
- e. **Note** - These Forms can be supplemented with additional details where required. (Rule 211 of GFR-2017).

8.5 Procedure for maintenance of Fixed Asset Register:-

- a. Separate page for each type of asset should be maintained.
- b. Entries relating to Building should be entered in a separate register.
- c. All the Assets received from HQ should be entered in the Fixed Asset register in form CBSE/FAM-11(B) Items wise.
- d. Revenue nature items like stationery, register, internet charges, magazine periodicals etc should not be entered in the Fixed Asset Register.
- e. Location of assets should also be indicated. Cost of assets and summary of assets should be prepared and mentioned in the end of the Fixed Asset Register so that the total amount of the assets available can be matched with the total amount capitalized in the balance sheet and the financial accounts. Another register in the form of CBSE/FAM-11(B) is to be maintained which indicates the name of the asset, type of asset and the total amount of each purchase made at one time should be mentioned.
- f. Accession number should be mentioned on the assets purchased by the Center/ HQ and these accession numbers should be mentioned in the Fixed Asset Register also.
- g. While opening new Fixed Asset Register, the entries /balances of the Gross Block of old Fixed Asset Register should be carried forward in new register and a cross reference of page number should be given in both registers.
- h. Location of the Assets and all other entries etc., in the Fixed Asset Register should be written by pen and not in pencil. The entries in Fixed assets register should be signed by the Dealing Assistant/Purchase Dept. Assistant, and then counter signed by the Purchase Officer.
- i. These assets should be physically verified by the Committee and reconciled with the Fixed Asset Register, Shortfall/Excess if any listed should be listed separately and intimated to the competent authority immediately by the Purchase Officer.
- j. A statement of surplus/obsolete items/Un-repairable assets should be prepared every year and placed before the nominated committee for declaring these assets as surplus/obsolete items/un-repairable and action should be taken for disposing it off on time as per GFR.
- k. Annual physical verification of all the assets including Fixed Assets, consumable stores should be done as per GFR. For this purpose, Finance/Accounts dept. should provide a copy of the schedule VI of the Balance Sheet with details of the payment vouchers/Journal vouchers with a view to reconcile the total amount as per schedule and the assets physically available at the centre.
- l. Renovation and major repairs which increases the value of the assets and building should be entered in the Assets Register at the appropriate page (below the same item which is renovated and linked with the assets itself)
- m. Freight charges, Transportation charges, Customs duty, Labour charges paid to the labourers, for lifting the machines, Sales duty, Sales Tax, VAT, etc., of the assets equipments should be included in the cost of the asset

and entered as such in the Fixed Assets Register as per Accounting Standard-10.

- n. For the assets purchased by Head Office and supplied/transferred to centers should also be entered in the same Fixed Asset Register under the respective category/nomenclature of the assets.
- o. Debit Note No. etc., through which the assets were transferred to the centers, should also be indicated along with other usual details of Bill Nos. etc., as per GFR.
- p. When the value of the asset becomes 5% or as decided under Income Tax Rule, no further depreciation should be charged.
- q. If any asset has already been received in STC etc., but not taken in the Fixed Asset schedule due to non-receipt of Debit Note/Vouchers, details etc. the same should be intimated to Center and the necessary details should be taken.

8.6 Objective of Stock Verification

The objective of the stock verification by the Stock Verification Committee is to ensure that the Said material accord with the description and specification and the balances appearing in the books and excess or deficiency, if any, noticed on such verification are properly investigated and accounted for. It is to ensure that book balance and ground balance tallies and they are properly maintained. During the verification of any unit, Stock Verification Committee has to ensure that:

- a. Every item is verified after proper counting, weighing, and measurement in presence of the Officer responsible for the custody of the inventory being verified.
- b. No items entered in books are left without verification.
- c. No unaccounted stocks are lying at store. In case unaccounted stock is found, reason has been recorded by the stock holder.
- d. Weighing machine used for weighing, is checked before verification.
- e. Proper arrangement exists for the safe custody of materials.
- f. Suitable measures exist against loss due to pilferage, fire and deterioration.
- g. The godown floors are cemented and, in cases where such floorings do not exist, the stacking is not done on the ground but on platforms made of planks.
- h. The stacking of heavy materials is done in racks and lines.
- i. Tools and petty items of consumable stores are kept in lock and key.
- j. Materials of everyday use such as soap, matches, towels, dusters etc. are kept under lock and key.
- k. A proper locking arrangement exists for the store.
- l. Fire extinguishers and other fire protection arrangements are handy in the store.
- m. Inflammable stores such as petrol and oil lubricants (POL) are not kept in close proximity to consumable items such as waste cotton, wooden fittings etc.
- n. Whether material is being issued strictly on "First in First out basis" or not.

8.7 PROCEDURE FOR VERIFICATION

While verification of store, following steps are to be followed:

- a. Ensure that items for which verification is to be done, is presented in full quantity under certification by the custodian with nothing left to be produced.
- b. Complete verification of ground balance and get it certified by witnessing official before analysis of book balances is undertaken.
- c. Check up the scale to ensure that it is in proper working condition.
- d. Ensure that stores are kept under proper bins and racks with duly marking on them to facilitate easy identification of stores in stock.
- e. Have a complete survey of the ward to ensure that the stores taken out of the bins/racks and disturbed stacks are put back in their proper places.
- f. Ensure that a stores representative is available to witness the stock verification.
- g. Ensure that all the receipt and issues postings are up to date on the date of verification.
- h. A certificate of verification along with the findings shall be recorded in the stock register.
- i. Discrepancies, including shortages, damages and unserviceable goods, if any identified during verification shall immediately brought to the notice of the Head of Department/Center for taking appropriate action in accordance with provision given in Rules 33 to 38 of General Financial Rules 2017.

8.8 Verification of Library Books

- a. Complete physical verification of books every year in case of library having not more than twenty thousand volumes;
- b. For more than twenty thousand volumes and up to fifty thousand volumes, verification should be done at least once in three years.
- c. Sample physical verification at intervals of not more than three years should be done in case of libraries having more than fifty thousand volumes.
- d. In case such verification reveals unusual or unreasonable shortages, complete verification shall be done.
- e. Loss of five volumes per one thousand volumes of books issued/consulted in a year may be taken as reasonable, provided such losses are not attributable to dishonesty or negligence.
- f. However, loss of a book of a value exceeding Rs 1000(Rupees one thousand only) and rare books irrespective of value shall invariably be investigated and appropriate action taken. (Rule 215 (ii) of GFR-2017)

8.9 Basis of Verification:

The verification of stores should invariably be conducted with reference to the annual programme approved by the Head of Department/Center. The verification of units not contemplated in the annual programme and also special verification of stores with the custodian at the request of the

controlling officer may also be carried out with the prior approval of Head of Department/Center provided the regular annual programme is not affected.

8.10 Reviews/Overhauling of Accounts:- The most important role of Stock Verification Committee is controlling of inventory and review of overhauling of accounts. It has to ensure:

- a. Check of issues as per annual consumptions in relation with demand and stocking.
- b. Reasons for over stocking if any.
- c. Reasons for an item becoming non- moving.
- d. A detailed check of idling assets.
- e. Review of surplus stores and prepare a statement in CBSE/FAM-12.
- f. Review of item being purchased regularly on non stock basis.
- g. It has to see the issues as first in first out (FIFO) system to avoid any deterioration of store.
- h. It should also have a proper check on system of proper storing of items of common use and fire prone.

8.11 Main Reasons for Difference between Ground and Book Balance

- a. Calculation/arithmetic error
- b. Omission of postings
- c. Posting twice in the same bin card/ ledger/ tally book/account
- d. Error in counting, weighing, at the time of certification of receipts and issues
- e. Omission in presenting a lot, wrongly kept elsewhere, for verification.
- f. Presenting an item already issued and debited but not dispatched to the party for verification
- g. Pilferage or fraud
- h. Defective weighing machines incorrect weighment
- i. Wrong issue of one material for another similar in appearance, which causes shortage of the item actually issued and excess of item wrongly shown as issued in the books.
- j. Not posting an issue already made, due to Said issue not being posted or being rejected by computer leading to "shortage". Similarly, not posting a minus issue or a receipt will show an excess.
- k. Loss of materials in the store for any reason including over lifting will show shortage.
- l. Actually issuing quantity less than shown on an issue note will show an excess.
- m. Items difficult to issue in precise quantities like frequent issues on weight or very large numbers or items issued in running lengths can result in excess or shortage ground balances.



CHAPTER - 9

MANAGEMENT OF GOODS AND SERVICE TAX (GST)





9.1 MEANING OF GOODS AND SERVICES TAX (GST)

Goods and Services Tax (GST) is a comprehensive indirect tax levied at the prescribed rate on every supply, i.e., sale of goods and/or services except on Petroleum and alcohol for human consumption. Supply of goods means sale of goods whereas supply of services means rendering of services.

9.2 CHARACTERISTICS OF GOODS AND SERVICES TAX (GST)

1. GST is a Comprehensive Indirect Tax:
2. GST is a Value Added Tax:
3. GST Paid is not Cost:
4. Uniform GST Rate on Goods and Services Across all States:

9.3 OBJECTIVES OF GOODS AND SERVICES TAX (GST)

1. Developing Common National Market:
2. Ease of Doing Business:
3. No Cascading Effect of GST:
4. To Simplify Indirect Tax Regime by having one Tax and Fewer Rates of Taxes:
5. Better Tax Management:
6. Goods becoming cheaper:
7. Attracting Foreign Investors:
8. Uplifting GDP:

9.4 APPLICATION OF GST IN CBSE:-

- a. The input services on conducting **pre-school education and education up to higher secondary school or equivalent** are exempt. Hence, Vide circular no AC&BW/ACCOUNTS/2016-17/Circular/411 dated 28.09.2017, all the Units/ROs/COEs of the Board were informed regarding exemption in leviability of GST on Input services as under:

“Services provided-

- (a) By an educational institution to its students, faculty and staff;
- (b) **To an educational institution, by way of,-**
 - (i) Transportation of students, faculty and staff;
 - (ii) Catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;
 - (iii) Security or cleaning or house-keeping services performed in such educational institution;
 - (iv) **Services relating to admission to, or conduct of examination by, such institution; up to higher secondary**

Provided that nothing contained in entry (b) shall apply to an educational institution other than an institution providing services

by way of pre-school education and education up to higher secondary school or equivalent.

CBSE, being an educational institution, is not required to pay GST on input services which are exempt under GST regime like input service received for transportation of staff, catering, security or cleaning or housekeeping services. However CBSE is required to pay applicable GST on input services other than exempted services, for which input tax credit can be availed and can be set off against output tax liability.

- b. As per GST rules, in case of any procurement of material/service after 30.06.2017 from any unregistered vendor/service provider, GST have to be borne by the procurer (i.e. CBSE) under Reverse Service Mechanism, which will be very complicated and will increase Board's expenses. Hence, all ROs/Units/COEs Vide circular no CBSE/AC&BW/ACCOUNTS/2016-17/Circular/320 dated 18.09.2017, were instructed to procure any services/goods only from that vendor/service provider/contractor who is registered with GST.

9.5 REVERSE CHARGE MECHANISM (RCM)

9.5.1 About RCM

Generally, the supplier of the goods/services is liable to pay GST. However, in specified cases like imports and any other notified supplies, the liability may be cast on the recipient under the Reverse Charge Mechanism. Reverse Charge means the liability to pay tax is on the recipient of supply of goods/services instead of the supplier of such goods/services in respect of notified category of services.

Vide notification no 13/2017 - Central Tax dated 28.06.2017 with Section 9 (3) of CGST/SGST (UTGST) Act, 2017 & Section 5 (3) of IGST Act, 2017, following are the services notified under Reverse Charge Mechanism & relevant for the Board:

Description of supply of service	Supplier of service
GTA services	Goods Transport Agency (not public transport)
Legal Services by advocate	An individual advocate, including a senior advocate or a firm of advocates
Services supplied by the Central Government, Union Territory or local authority to a business entity excluding: <ol style="list-style-type: none"> 1. Renting of immovable property 2. Services specified below: <ol style="list-style-type: none"> a. Services by way of Department of posts by way of speed post, express parcel post, life insurance and agency services provided to a person other than Central Government, State Government or Union Territory or local authority b. Service in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport c. Transport of passenger or goods 	Central Government, State Government, Union Territory or local authority

Accordingly, if the payments are covered under any of the service stated above, GST shall be deposited directly to Government instead of paying to the supplier.

9.5.2 Taxation event of RCM

Taxable event shall rise as per rules of “time of supply”. The time of supply is the point when the supply is liable to GST. In case of services, time of supply is the earliest of:

- i. Date of payment as per books of account or date of debit in bank account, whichever is earlier.
- ii. The date immediately following sixty days from the date of issue of invoice or similar other document.

9.5.3 Invoicing rule of GST RCM

Section 31 of CGST Act, 2017 states that every tax invoice has to mention whether the tax in respect of supply in the invoice is payable on reverse charge. In view of this, unit must ensure that relevant provision may be complied with.

9.5.4 Rates of GST on applicable RCM

The rates of GST for the specified services are as under:

Payment for legal services by advocate	18%
Payment to Goods Transport Agency (without claiming input tax credit)	5%

9.6 INSTRUCTIONS FOR SUPPLY OF DATA

All the ROs/Units/COEs vide Circular Number CBSE/ AC&BW/ Accounts/302/2018/Circular 1449/1455 dated 27/03/2018 to provide the RCM Data for monthly basis latest by 10th of the following month :-

1. For Reverse Charge Mechanism (for services specified in circular dated 09.02.2018):

Firm/supplier /Advocate name	Bill no	Bill date	Bill amount	Date of payment	Remarks

2. For forward Charge (Scrap sale)

Name of the party	Bill no	Bill date	Bill amount	Date of payment	Remarks

9.7 Filing of GST return

The responsibility of filing of GST returns has been fixed with concerned Regional Office (Headquarter in case of Board’s office in Delhi). Other offices functional in the state (if any) have also been instructed to provide the necessary data within stipulated time frame as per GST rules.

9.8 GST registration no(s)

The Unit wise GST Registration and date of Registration is tabulated below:-

Sl.	State	GST no.	Offices covered
1.	Delhi	07AAAAC8859Q1ZY	Headquarters, ART & I wing, RO Delhi, CTET Unit, it & Misc. Exam Unit
2.	UP	09AAAAC8859Q1ZU	RO Allahabad, COE Raebareilly, COE Allahabad
3.	BIHAR	10AAAAC8859Q1ZB	RO Patna, COE Patna
4.	UTTARAKHAND	05AAAAC8859Q1Z2	RO Dehradun, COE Dehradun
5.	RAJASTHAN	08AAAAC8859Q2ZV	RO Ajmer, COE Ajmer
6.	HARYANA	06AAAAC8859Q1Z0	RO Panchkula, COE Panchkula
7.	TAMIL NADU	33AAAAC8859Q1Z3	RO Chennai, COE Chennai
8.	ASSAM	18AAAAC8859Q1ZV	RO Guwahati, COE Guwahati
9.	ODISHA	21AAAAC8859Q1Z8	RO Bhubaneswar, COE Bhubaneswar
10.	KERELA	32AAAAC8859Q1Z5	RO Trivandrum, COE Trivandrum

Space for Notes

CHAPTER - 10

PROCEDURE

FOR

FINANCIAL

CONCURRENCE



10.1 Points to Be Checked In Finance/Accounts Section:- In the Board, Account functionaries like Jr Accountants, Accountants, Sr. Accountants, Junior Accounts Officers, Accounts Officers discharges the function of associated Finance Officers to the respective RO/COE/Units, etc. in addition to handling accounts related issues. Where there is no associated Finance Official, the concerned DDO will discharge the functions of associated Finance Officer. Therefore, proposals having financial implications are to be scrutinized by the associate Finance Officers in terms of rules & orders on the subject matter. Following is the list of important points to be seen by Finance/Accounts section while scrutinizing different type of proposals and estimates.

10.2 Abstract Estimate

- i. Detailed justification is provided by the Center Incharge/Head of Office.
- ii. Mention of completion period.
- iii. The cost of purchase
- iv. Competency of sanction
- v. For out-of-turn purchase, reasons for urgency have to be placed on file.
- vi. Certification of quantities is based on realistic field requirement of the work as per Plan.
- vii. Rates taken are based on last, lowest, latest accepted rate for the similar items.
- viii. The competent authority has signed the estimate sheet and top sheet.
- ix. Reference of administrative approval by the competent authority has been linked.
- x. Clear fund certificate towards availability of funds during the year is obtained.
- xi. The estimate is arithmetically accurate.
- xii. All the provisions in the estimate are as per Board's circulars issued from time to time.

10.3 Scrutiny of Justification.

- i. Whether as a result of mechanization any reduction in Manpower is possible or not?
- ii. If equipments, machinery, plants, etc. are being procured on the basis of guidelines of CBSE or
- iii. Instructions of higher authorities, the copies of such guidelines and instructions should be enclosed.
- iv. It should be seen that guidelines are issued with the approval of Competent Authority.
- v. Allocation of the expenditure has been clearly shown.
- vi. Whether the equipments, machinery, plants, etc. proposed on replacement account, if so, complete details of condemnation of previous one enclosed.
- vii. The rates have been taken as per prevailing market rates.
- viii. Whether the procurement or replacement is likely to affect expenditure on items i.e., manpower and maintenance.
- ix. Introduction of a machine for the first time should be scrutinized thoroughly. The source should be sound having proved utility.

10.4 PURCHASE OF GOODS WITHOUT QUOTATION :-

- i. Whether cost of goods to be purchased on each occasion without quotation is within the limits specified in Rule 154 of GFR 2017.
- ii. Whether certificate in the format as prescribed in Rule 154 of GFR 2017 has been recorded by the competent authority
- iii. Purchase proposal under this provision are not being split up.

10.5 PURCHASE OF GOODS BY PURCHASE COMMITTEE :-

- i. Purchase of goods on each occasion is within the limits specified in Rule 155 of GFR 2017.
- ii. Requirement of goods is not split up to bring it within the powers of lower authority.
- iii. Local Purchase Committee is constituted under approval of competent authority in terms of Rule 155 of GFR- 2017.
- iv. A certificate in prescribed format duly signed by all the members of the Purchase Committee is there.
- v. Recommendations of Purchase Committee are approved by the competent authority

10.6 QUOTATION PROPOSALS: - Quotations are exceptions to the tendering rule; therefore, need to be resorted to sparingly Following points need consideration while examining quotations:

- i. Reasons for dispensing with calling of tender
- ii. Justification for calling of Quotation
- iii. Whether the quotation has been invited as per provisions of GFR
- iv. Reference to the enquiry letter.
- v. Approval of the competent authority for inviting quotations.
- vi. Number of offers received (minimum three offers).
- vii. Whether the quotations have been opened properly and on due date.
- viii. Reference to the comparative sheet.
- ix. Net cost of the work.
- x. Certificate of suitability, reasonableness, technical suitability and rate reasonability is submitted for the valid lowest offer.
- xi. Repair is not for condemned items.
- xii. Competency of the sanction in terms of delegation of Financial Powers as notified in CBSE.
- xiii. Availability of funds.
- xiv. Adherence to annual ceiling limit of sanctioning authority in the financial year.

10.7 REPAIR PROPOSAL

- i. Date/cost of procurement, installation/commissioning.
- ii. The repair proposal is not for items which have been condemned.
- iii. The nature of the work done by equipment/machine and life of the machine.
- iv. The life of asset and work done by the asset.
- v. Whether the machine is covered under period of warranty.
- vi. Instances of earlier repairs, amount spent on its repair/maintenance till date, last similar repair, agency and mode of tender.
- vii. Comparison between cost of machine and repair cost.
- viii. Date of breakdown of the machines and how the work is managed after the breakdown.
- ix. Justification for the work and mode of tendering system i.e. open, limited or single; is given. Possibility to get most competitive rates/conditions must be explored.
- x. Administrative approval of the competent Authority exists.
- xi. Cost benefit analysis indicating repairs cost and enhanced life of the machine. It should be worth spending on repairs so that life & performance of the asset increases considerably.
- xii. Reasonability of rates to be certified and should match with the last accepted rates or actual expenditure.
- xiii. Warranty for satisfactory working after its repair.
- xiv. Competency of sanction and arithmetic accuracy.
- xv. Availability of fund.

10.8 Hiring Of Vehicles

- i. Justification for hiring of vehicles exists.
- ii. Whether spare vehicles are available with the department from where the requirement can be met?
- iii. Condemnation certificate is available if the hiring of vehicle is proposed on that ground.
- iv. How the work is presently being managed?
- v. How the cost of hiring has been worked out?
- vi. Whether the budgetary provisions exist?

10.9 AMC Proposals

- i. When were the machine /equipment procured and original cost of machine/equipment?
- ii. Whether the machine is under warranty period, if so, the details thereof.
- iii. Administrative approval is obtained from competent authority.
- iv. Whether AMC is comprehensive or Non-comprehensive?
- v. Whether AMC is to be done with Original Equipment Manufacturer (OEM) or local dealer?
- vi. If from Local Dealers, cost benefit analysis vis-à-vis technical parameters for preferring dealer other than OEM
- vii. Why it cannot be maintained departmentally?
- viii. What is the duration of the AMC?

10.10 Cash Imprest Proposals

Following points are to be checked while scrutinizing the proposal for cash imprest or extension or enhancement:

- i. Proper justification is given.
- ii. Imprest is an amount where pre-check is not carried out. Therefore, the provision should be barest minimum.
- iii. Whether the proposed imprest is bare minimum to meet emergent requirements of the office?
- iv. The monthly/seasonal fluctuation in need of imprest is observed.
- v. Actual amount of payment made during the past six months, if enhancement of cash imprest proposed.
- vi. Proposals on the plea of delays in recoupments should not be entertained; action should be taken to expedite recoupments.
- vii. Competency of sanction for the imprest.
- viii. In case of new cash imprest, the proposal should be initially for a temporary period subject to review after a period of six months or so.

10.11 MISC. PROPOSALS

- i. Scrutiny of financial justification is carried out with reference to provisions in General Financial Rules 2017 connected rules, orders and instructions issued from time to time by GOI, CBSE Head Office.
- ii. Rates reasonability, quantity justification and funds availability should be seen simultaneously.

10.12 Brief Scrutiny Notes–Tender Proposals: - Following factors are to be kept under consideration while undertaking brief note scrutiny:-

- i. Tender Number.
- ii. Name of work.
- iii. Reference to sanctioned Estimate with copy on record.
- iv. Copy of the Notice Inviting Tender (NIT) along with newspapers cutting in which advertisement appeared showing date of publication, date of uploading the tender enquiry in website etc.
- v. Original copy of receipt to purchase Tender documents.
- vi. Number of tender forms sold /received.
- vii. Validity date of offers.
- viii. Number of Non-scheduled (NS) items included and whether the document(s) in support of the rate of such NS items is there.
- ix. Requisite amount of Earnest Money (EM).
- x. Whether E.M. is in valid and acceptable form
- xi. No over writings and corrections and whether these are correctly examined and signed if found.
- xii. Description of eligibility criteria & reference of the case file.
- xiii. Technical Evaluation Committee evaluated the offers as per laid down eligibility criteria in the tender documents;
- xiv. Comparative statement has been prepared and signed by all the members of Technical Evaluation Committee;

- xv. Technical qualified offers have been approved by the competent authority;
- xvi. Price Bid Evaluation Committee (PBEC) has evaluated the responsive tenders as per terms & conditions stipulated in the tender documents;
- xvii. Comparative statement containing financial offers of all responsive tenderers has been prepared & signed by all the members of PBEC.
- xviii. Administrative remarks on special conditions submitted by the Party & evaluation of special conditions.
- xix. Specific recommendations of PBEC for Lowest Tender (LI) with reference to reasonableness of rates exist.
- xx. Last accepted rate of the similar work in the same or contiguous area.
- xxi. Last, lowest, latest LAR is given.
- xxii. Any special reason or unusual factor with respect to acceptance of last rates.
- xxiii. Comparative position with the last, lowest, latest accepted rate
- xxiv. Any error in the tender document and Comparative statement.
- xxv. Percentage variation between sanctioned Estimate and lowest offer received and reason thereof.
- xxvi. Basis of rates for items in Tender Schedule.
- xxvii. Deviation statement between sanctioned estimate and the tender schedule in terms of No. of items, quantity and rates.
- xxviii. Reasons for variation between NIT Cost and the lowest offer received.
- xxix. Any other reasons.
- xxx. Legal vetting of Joint Venture documents or any deed etc. having legal implication.

10.13 Vetting of Contract Agreements: -

After the acceptance of the tender, the contract agreement is received for vetting. The following checks are required: -

- i. The rates, terms & conditions in the agreement are as accepted by the competent authority as per delegated powers
- ii. The competent authority along with the contractor has signed the contract agreement.
- iii. If all above requirements are met, the cover page of the agreement is to be vetted and signed.

10.14 Vetting Of Indents/ Requisitions:- The following checks are required for vetting the indents:-

- i. It should be ascertained whether requisition has been processed on the indent form prescribed & notified by CBSE
- ii. It should be ascertained whether requisition has also been processed for the same item in the recent past, if so, a reference thereof with justification
- iii. The requisition should be accompanied with a top sheet and all the requisite details should be duly filled in.
- iv. If the requisition is for items, which are being regularly procured every year, the consumption of last three years should be furnished in the top sheet.

- v. If the requisition is being processed for a new item for the first time, detailed justification, as to the background for procuring the item is required.
- vi. If any of the above details is not fulfilled, the indent will be returned with specific remarks duly taking the approval of In charge of the Center.
- vii. If all the above requirements are met, the requisition is vetted & details thereof are entered in the vetting register and put up for signature of In-charge of the Center.

10.15 Tender Opening Procedure

- i. Tender should be opened by nominated Officer/Committee at the prescribed time, date and place in the presence of accounts representative and authorized representative of the tenderers.
- ii. First, the cover containing technical bids/qualification criteria only is to be opened.
- iii. The second cover i.e. financial bid of only those found qualified in the first cover will be opened.
- iv. Initial (with date) the cover containing the tender. All the tenders should be counted and marked 1/n.2/n.....N/n (n=total numbers of tender forms received against NIT). Immediately after opening the tender, each page of tender form should be numbered and signed by the nominated Officer/Committee.
- v. The names of the tenderers and the rates quoted by each tenderer should be read out, wherever practicable, to the tenderers or the representative who may be present at the time of opening of the tenders.
- vi. The rate quoted in figures and words should be circled in such a manner as to not leave any space after starting or ending digit.
- vii. Clearly indicate on each page of the schedule attached to the tender, any ambiguities in rates quoted by the tenderer in words or figures.
- viii. Specifically record whether samples submitted or not along with the tender.
- ix. While opening the tenders, no opportunity should be given to any tenderer to repudiate, amend or explain the rate and or any condition quoted in the tender.
- x. Delayed & Late tenders should not be considered.
- xi. If the rates are not quoted in words, it should be recorded on the same page.
- xii. Regarding Earnest Money, it should be seen whether requisite EM is submitted in the prescribed form or not. Otherwise suitable remarks may be offered in the tender document. On front page of tender form an endorsement that "Tender forms contains pages from 001 to" Should be made and initialed by authorized officer/committee.
- xiii. Tenderer's authorized representative's initials should invariably, be obtained in tender register.

10.16 Tender documents (Notice Inviting Tender)

- i. Administrative Approval for scope of work for which tenders are to be invited has been obtained from the competent authority i.e. the authority as per delegated powers.
- ii. The mode of tendering has been proposed in terms of provisions of GFR & the orders issued in this regard from time to time.
- iii. The tender documents have been prepared on standard terms & conditions duly approved & circulated by CBSE, Head Office.
- iv. Special terms & conditions, if any, stipulated in the tender documents have clearance both from Associate Finance and Legal Section
- v. Initial (with date) all corrections in the schedule of quantities, schedule of materials to be issued and specification and other essential parts of the contract document.
- vi. Mark and initial all over writings in red ink.
- vii. The corrections, overwriting and omissions should be serially numbered and the total number of such corrections etc. should be clearly mentioned at the end of each page of the schedule attached to the tender and attested with date.
- viii. All the information of each tenderer, viz. rate, special conditions, credentials, validity of offer, EM details etc. should be recorded in the tender NIT wise.
- ix. It should be ensured that all the terms & conditions considered necessary for smooth execution of the contract between the two parties are stipulated in the tender documents;
- x. Before placing tender documents to the tender approving authority, it should be ensured that tender documents are prepared in such a way that there remains no room of any addition, alternation, etc. in the documents after approval.
- xi. The tender documents after approval may be properly sealed and put in the cover, stating the total pages of the NIT.

10.17 Check List for Tender Schedule

- i. Whether approval of competent authority has been obtained for inviting tenders
- ii. Whether estimate is sanctioned & whether provision exists for carrying out proposed purchase
- iii. Whether a comparative statement for items in Tender Schedule vis-à-vis item in sanctioned estimate has been prepared and proper justification for the variation\change in item, if any, have been recorded.
- iv. Whether clear site is available for work and whether approach to site is available.
- v. Whether "Special conditions" proposed to be incorporated in the tenders especially conditions involving financial implications have been critically examined.
- vi. Whether the proposed completion period of the supply has been assessed on a realistic basis.

- vii. Whether all requisite items have been included in tender schedule as per details given in the indents
- viii. Whether items included in tender schedule are as per latest instructions and specifications.
- ix. Whether quantities of items are realistic.
- x. Whether rate analysis for Non-Schedule items are realistic and as per prevailing market rates.
- xi. Whether tender documents contain proper Technical specifications.
- xii. Whether tender schedule has been technically examined

NOTE: - The check list should be prepared in every case before calling of tender and placed in respective file.



Various Check Lists

Checklist regarding selection of Agency for procurement of Goods, Services and Works/Extension of the Contract with the earlier Agency/ Payment of bills				
Sl. No.	<i>A. Selection of Agency</i>			Remarks
1	Requirement has been assessed by the concerned section			
2	Detail regarding Budget:			
	A. Sanctioned Budget (Rs._____)	B. Utilized Budget (Rs._____)	C. Remaining Budget (Rs._____)	
3	Estimated cost of work			
4	Admin Approval of the Competent Authority/to be obtained			
5	The procedure under Rule 142 to Rule 206 laid down in GFR 2017 has been followed			
6	Purchase procedure followed: Direct Purchase, through committee, open or Limited. Tender Procedure			
7	Whether EMD has been deposited by all the bidders qualified in Technical Bid. If no whether exemption certificate has been submitted by bidders.			
8	Whether all bids received through E-portal in r/o all procurement			
9	Date of publishing of tender			
10	Closing date of tender			
11	Tender Document, Financial Bids and Technical Bids			
12	Technical Comparative Statement			
13	Financial Comparative Statement			
14	Committee report duly recommending the agency to be selected			
15	Estimated time schedule to procure the goods/commence the work			
16	Rate reasonability as per the Methodology defined in manual of procurement of goods 2017 by Ministry of Finance, Department of Expenditure.			
17	Competent Authority as per Delegation of Financial Powers			

Sl. No	<i>B. Extension of Contract</i>			
1	Detail regarding Budget:			
	A. Sanctioned Budget (Rs._____)	B. Utilized Budget (Rs._____)	C. Remaining Budget (Rs._____)	
2	Date of expiry of the earlier contract			
3	Whether Extension clause permit to extend contract period			
4	Whether Satisfactory report has been attached by the concerned sections regarding goods/services as per relevant clause of agreement.			
5	Whether proposal for extension is on same rates, Terms and Conditions			
6	Rate reasonability as per the Methodology defined in manual of procurement of goods 2017 by Ministry of Finance, Department of Expenditure.			
7	Whether due procedure as per GFR 2017 has been followed while selection of agency proposed for extension			
8	Proposal for fresh bank guarantee/performance security along with validity period of the same.			
9	Competent Authority as per Delegation of Financial Powers			

SIN	<i>C. Payment to the agency</i>			
	Detail regarding Budget:			
	A. Sanctioned Budget (Rs._____)	B. Utilized Budget (Rs._____)	C. Remaining Budget (Rs._____)	
1	Date of submission of bill to unit proposing the payment			
2	Period for which payment has been claimed			
3	Approval of the Competent Authority			
4	Copy of tender document			
5	Copy of work order			
6	Copy of agreement			
7	Whether satisfactory report has been received from the concerned officials or not			
8	Any discrepancy has been found in the service/goods and penalty has been imposed			
9	Performance security/ Bank Guarantee with validity period			
10	Invoice should be authenticated by the Responsible Officer			
11	Whether procured Goods have been entered in stock register			
12	Whether payment has been proposed in compliance to Tender, Agreement and Work order clause.			
13	Certification by concerned unit to ensure deposit of statutory dues paid by CBSE to the agency (like GST, ESI, EPF, Bonus etc.)			
14	In case Service involves manpower, Whether payment has been proposed considering the attendance of outsourced/contractual manpower.			
15	Competent Authority as per Delegation of Financial Powers			

SIN	<i>D. Payment to Printing Press</i>			Remarks
	Detail regarding Budget:			
	A. Sanctioned Budget (Rs._____)	B. Utilised Budget (Rs._____)	C. Remaining Budget (Rs._____)	
1	Copy of approval of Competent Authority for commencement of work and selection of printer from empanelled agencies			
2	Work order issued to the agency			
3	Agreement entered with the agency			
4	Performance security			
5	Late Delivery of the Material (If any) as per delivery challan			
6	Penalty in case of late delivery			
7	Whether invoices have been authenticated by the responsible officer			
8	Whether material has been entered into stock register			
9	Whether satisfactory report has been received from the concerned officials			
10	Competent Authority as per Delegation of Financial Powers			

Sl. No.	<i>E. Reimbursement of medical expenditure</i>			Remarks
	Detail regarding Budget:			
	A. Sanctioned Budget (Rs._____)	B. Utilized Budget (Rs._____)	C. Remaining Budget (Rs._____)	
2	Claim is for indoor or outdoor treatment			
3	Proposal for reimbursement/ expenditure is for empanelled hospital on CGHS Rate			
4	The claim of the employee is as per CBSE medical rules			
5	Whether Claim has been made under any special circumstances			
6	Required communication has been done in case of emergency hospitalization			
7	Any earlier medical advance outstanding against the same employee			
8	Competent Authority as per Delegation of Financial Powers			

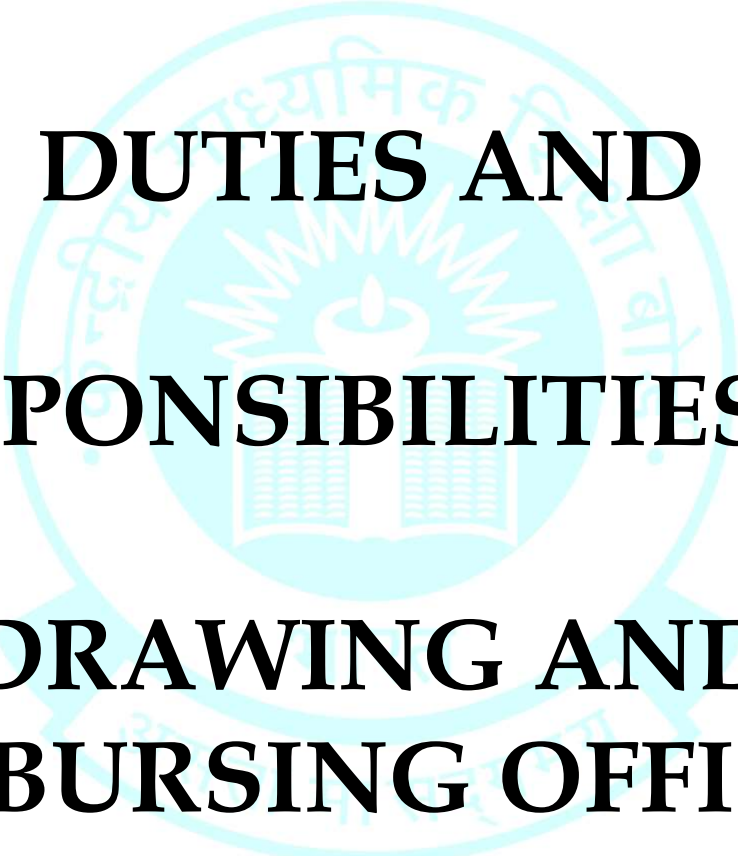
Sl. No.	<i>F. Payment of Secrecy work/ Examinations</i>			Remarks
1	Detail regarding Budget:			
	A. Sanctioned Budget (Rs._____)	B. Utilized Budget (Rs._____)	C. Remaining Budget (Rs._____)	
2	Administration approval of Competent Authority			
3	Rate list approved by Competent Authority			
4	Bills are verified by Responsible Officer			
5	Whether Payment made for the same work in previous occasions			
6	Copy of the minutes of FC/GB in which rate have been approved			
7	In case of payment to confidential printer, undertaking regarding deposit of tax			
8	Competent Authority as per Delegation of Financial Powers			

Sl No.	<i>G. Works contract</i>			Remarks
1	Whether proposed work take is covered under Yearly Plan or not. If yes attach copy of yearly plan approved by Competent Authority			
2	Specific budget provision for specific work			
3	Whether proposed work having financial implication of Rs 10 lakhs and above. If yes whether Building and Works committee has been constituted.			
4	In case of repair and maintenance of building, please mention the year of earlier Repair and Maintenance in respect of proposed work.			
5	Whether GFR 130 to 141 has been complied.			
6	Measurement Book/Deviation Schedule is attached with proposal in report of work contract			
	<i>(i) Selection of Agency under Works Contract</i>			
(a)	Whether selection of agency relates to construction of office building/ staff quarters or for repair and maintenance of building			
(b)	Requirement has been assessed by the concerned section			
(c)	Detail regarding Budget:			
	A. Sanctioned Budget (Rs._____)	B. Utilized Budget (Rs._____)	C. Remaining Budget (Rs._____)	
(d)	Estimated cost of work			
(e)	Approval has been obtained from the Competent Authority			
(f)	The procedure under Rule 142 to Rule 206 laid down in GFR 2017 has been followed			
(g)	Whether EMD has been deposited by all the bidders qualified in Technical Bid. If no whether exemption certificate has been submitted by bidders.			
(h)	Whether all bids received through E-portal in r/o all procurement			
(i)	Date of publishing of tender			
(j)	Closing date of tender			
(k)	Technical Comparative Statement			
(m)	Financial Comparative Statement			
(n)	Committee report duly recommending the agency to be selected			
(o)	Estimated time schedule to commencement and completion the work			
(p)	Rate reasonability as per the Methodology defined in procurement manual 2017			
(q)	Competent Authority as per Delegation of Financial Powers			
	<i>(ii) Payment of agencies under Works Contract</i>			
(a)	Date of submission of bill to unit proposing the payment			
(b)	Period for which payment has been claimed			

(c)	Approval of the Competent Authority	
(d)	Copy of tender document	
(e)	Copy of work order	
(f)	Copy of agreement	
(g)	Whether satisfactory report has been received from the concerned officials or not	
(h)	Whether any discrepancy has been found in the work contract including delay in work completion beyond stipulate time. If yes whether any penalty has been imposed.	
(i)	Performance security/ Bank Guarantee with validity period	
(j)	Invoice should be authenticated by the Responsible Officer	
(k)	Whether works has been entered in Measurement Book/Stock Register	
(l)	Whether payment has been proposed in compliance to Tender Agreement and Work order clause.	
(m)	Certification by concerned unit to ensure deposit of statutory dues paid by CBSE to the agency (like GST, ESI,EPF, Bonus etc.)	
(n)	Competent Authority as per Delegation of Financial Powers	



CHAPTER - 11



DUTIES AND RESPONSIBILITIES OF DRAWING AND DISBURSING OFFICER (DDO)



The duties and responsibilities of Drawing & Disbursing Officer have been defined in the Receipt and Payment Rules, General Financial Rules and also Swami's Manual for DDOs Part-I & Part-II.

The officer who is assigned the function of Drawing & Disbursing Officer is expected to follow the rules/orders contained therein. However, some of the duties and responsibilities of the Drawing & Disbursing Officer are indicated below:

Preliminary checks:

1. The Drawing & Disbursing Officer shall exercise the same vigilance as a person of ordinary prudence may be expected to exercise in spending his own money. He is responsible for ensuring that rules regarding the preparation of bills are observed and that the money is required for immediate disbursement and that the expenditure is within the available appropriation and that all steps have been taken to obtain additional appropriation where necessary.
 - a. It may be ensured by each DDO that before making any payment, administrative and financial sanction has been obtained from the Competent Authority as per the Delegation of Power.
 - b. In order to avoid the duplicate payment, each DDO shall ensure that original vouchers should be crossed with indication "Paid & Cancel". In no case, the payment shall be released on the photocopy of the voucher except the specific approval from the Competent Authority.
 - c. It may be ensured by each DDO, in case of purchase of asset/furniture/inventory/stock, the Stock entry should be done before releasing of the payment.
 - d. It may be ensured by each DDO that in case of payment is related to services, the satisfactory report may be obtained before releasing of the payment.
 - e. It may be ensured by each DDO that suitable TDS may be deducted and deposited in the Appropriate Govt. Account wherever the TDS is applicable.
 - f. It may be insured by each DDO that the TDS return may be filed within the specific time.
 - g. It may be ensured by each DDO that month wise bank reconciliation shall be done so that the effective control may be done over the expenditure.
2. **Preparation of Bills**
 - a. All bills will be prepared and processed by the staff working under the Drawing & Disbursing Officer in the forms prescribed for the payment of salary, T.A., contingencies, advances etc., and the bill duly signed by the Drawing & Disbursing Officer and accompanied by necessary certificates/schedules and countersigned by the Controlling Officer where necessary, will be transmitted to Internal Audit section for pre-audit and payment.
 - b. DDO shall prepare the separate bills head wise e.g. Pay Bills, OTA Bills etc. will be prepared separately even if these relate to the same employee, record the full classification on each bill, enclose the original copy of the sanction or attested photocopy if original is not possible and record the up to date expenditure and the balance available under a particular head.

- c. In case of arrears bill (s) a detailed statement showing the amount admissible, already paid and the difference month wise, should also be enclosed.
 - d. In case the amount is payable to more than one party it should be fully explained/incorporated in the orders.
 - e. Any amount previously drawn and lying un-disbursed should be refunded through those bills, if no longer required for payments and should in no case be kept for more than three months. Full particulars of the amount refunded should be given in the relevant portion or remarks column of the bills. Any amount refundable on account of TA advance should be recovered in cash or from the next T.A. bill or if necessary, from the pay bill if it is not otherwise recovered before the close of financial year. Any advance drawn but no longer required should be refunded forthwith in cash and deposited into the Bank account under intimation to Finance & Accounts Officer.
- 3. Contingent Register & Bills** A record of contingent expenditure shall be kept in contingent register. Claims on account of contingent charges may be met if the charges are petty, out of imprest. For contingent expenditure which cannot be met out of imprest, a contingent bill shall be drawn and entered in the relevant column of the contingent register. The register and the bill should be submitted to the Drawing & Disbursing Officer for attestation and signatures. The bill should then be submitted for pre-audit along with the claim with instructions recorded thereon that the cheques should be drawn in favour of party or parties giving the name and amount payable to each party. Every time, a contingent bill is prepared and the progressive expenditure under each head should be worked out in contingent register and compared with the appropriation sanctioned there for. If appropriation is insufficient to meet the amount claimed in the bill, steps should be taken to regulate the same by obtaining additional funds by re-appropriation or otherwise.
- 4. Suppliers Bill** The bills preferred by the suppliers should be submitted in prescribed form for pre-audit with the necessary certificate recorded thereon by officer concerned to place orders.

A record of the payment should be kept by the officer concerned in the relevant register to guard against double payment.

While preparing bills it shall be the duty of the DDO to ensure that all statutory liabilities viz Income Tax, Service Tax and other deductions viz the EPF/ NPS are deducted at source and these are deposited with the concerned authority and return files in time. Any liability remaining to be discharged should be reported upon in order to account for at the end of financial year.

5. Cash Book

- a. The Drawing & Disbursing Officer is responsible for the money drawn on bill, signed by him or otherwise received in cash or by money order till it has been paid to the party or person concerned or deposited into the Bank Account.
- b. A record of all cash transactions is kept in the Subsidiary Cash Book in prescribed form. The Cash Books should be bound in convenient volumes and their pages machine- numbered.

- c. Before bringing a cash book into use, the Drawing & Disbursing Officer should count the number of pages and record a certificate of count on the first page of cash book.
- d. The amount of each cheque drawn on account of Pay, T.A., Contingent bills, G.P.F. Advances, Festival Advance etc. should be entered in the Cash Book and attested by the Drawing & Disbursing Officer at the time of signing the cheque for collection from the Bank.
- e. An erasure or over-writing of an entry once made in the cash book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The Drawing & Disbursing Officer should initial every such correction and invariably date his initials.
- f. The Cash book will be closed daily. Before it is signed by the Drawing & Disbursing Officer he will check the totals on either side and see that all entries made therein have duly been attested by him.
- g. The Drawing & Disbursing Officer, who is responsible for all cash transactions till the money is paid out to the parties concerned or is deposited into the Bank Account, is assisted by a Cashier for handling and safe custody of cash and securities etc., encashment of cheques, depositing cash into the Bank Account of the Board, as also for making payments to the staff/parties concerned and making entries in respect of all cash receipts, encashment, payments and deposits into the Bank Account in the Subsidiary Cash Book. It is, therefore, necessary that cash balance should be physically checked and verified by the Drawing & Disbursing Officer himself as frequently as possible, and invariably on the last working day of each month and a certificate to this effect recorded on the Subsidiary Cash Book itself under dated signature in the prescribed form
- h. In case the verification of cash balance is not possible on the last working day of a month on account of disbursement of monthly salary and allowances, it may be done on the first working day of the next month before making any transactions.
- i. Board's money not to be mixed up with non-Board money. A Board employee who handles Board money should not except with the special sanction of the Competent Authority be allowed to handle also in his official capacity money which does not belong to the Board. Where under any special sanction, a Board officer deals with both Board and non-Board money in his official capacity, the Board money should be kept in cash box separate from the non-Board money and the transactions relating to the latter should be accounted for in a separate set of books and kept entirely out of the Board account.
- j. The Drawing & Disbursing Officer should verify the daily totals in Cash Book or have this checked by some responsible official other than the writer of the Cash Book who will initial it as correct. Every entry both on the receipt side and payment side will be initialed by the Drawing & Disbursing Officer. Entry for receipt of cash will be made simultaneously with the issue of receipt to the party and the entry for payment will be checked with reference to the challan from the bank.

- k. All cash should be kept in a strong iron safe provided with two locks having duplicate keys of each lock (where necessary even embedded in the wall). It should be purchased from a standard firm of repute. The safe should be kept strongly secured in a room and keys of the two locks shall be kept by different persons, say the Cashier, and the Drawing & Disbursing

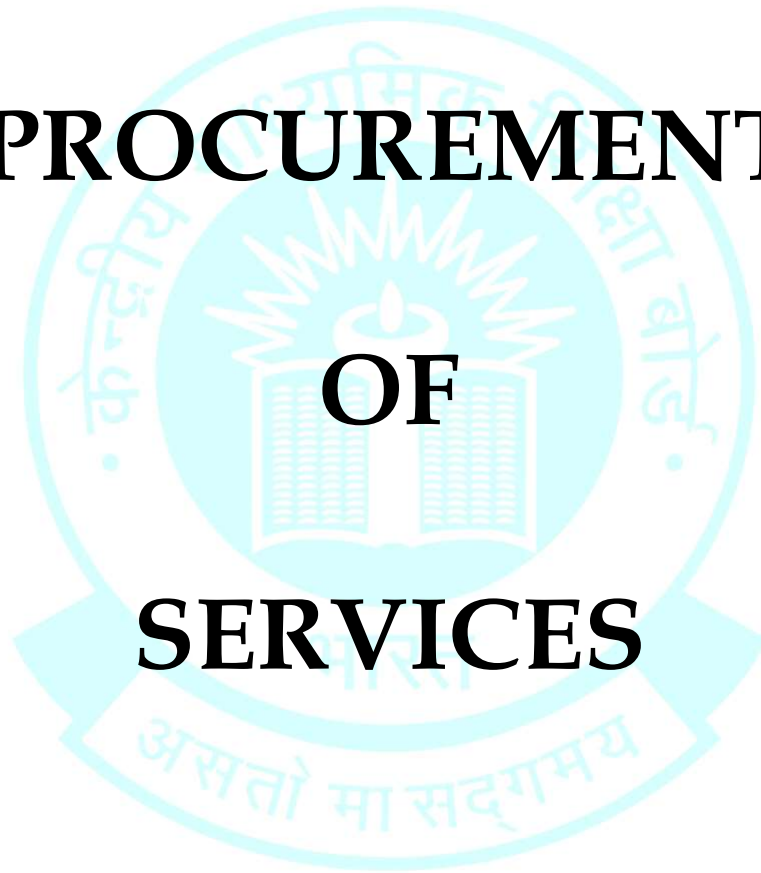


CHAPTER -12

PROCUREMENT

OF

SERVICES





12.1 CONSULTING SERVICES:- “Consulting Service” means any subject matter of procurement (which as distinguished from ‘Non-Consultancy Services’ involves primarily non-physical project-specific, intellectual and procedural processes where outcomes/ deliverable would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity but does not include direct engagement of a retired Government servant.

(G.F.R. - 177.)

NOTE :- These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development, etc.

Central Board of Secondary Education may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time-frame for its completion.

(G.F.R. - 178.)

This chapter contains the fundamental principles applicable to Central Board of Secondary Education regarding engagement of consultant(s). Detailed instructions to this effect may be issued by the Internal Auditor & Financial Advisor. However, the Internal Auditor & Financial Advisor shall ensure that they do not contravene the basic rules contained in this chapter.

(G.F.R. - 179.)

12.2 Identification of Services required to be performed by Consultants: - Engagement of Consultants may be resorted to in situations requiring high quality services for which the Central Board of Secondary Education does not have requisite expertise. Approval of the Competent Authority should be obtained before engaging consultant(s).

(G.F.R. - 180.)

12.3 Preparation of scope of the required Consultant(s):- The objectives, scope of the assignment and eligibility and prequalification criteria to be met by the consultants should also be clearly identified at this stage.

(G.F.R. - 181.)

12.4 Estimating reasonable expenditure: - Head of the Departments proposing to engage consultant(s) should estimate a reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organizations engaged in similar activities.

(G.F.R. - 182.)

12.5 Identification of likely sources:-

- (i) Where the estimated cost of the consulting service is up to Rupees twenty-five lakhs, preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Head of the Departments or Organizations involved in similar activities, Chambers of Commerce and Industry, Association of consultancy firms, etc.
- (ii) Where the estimated cost of the consulting services is above Rupees twenty-five lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on website of Central Board Of Secondary Education. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Head of the Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants.

(G.F.R. - 183.)

12.6 Short-listing of consultants: - On the basis of responses received from the interested parties, consultants meeting the requirements should be short-listed for further consideration. The number of short-listed consultants should not be less than three.

(G.F.R. - 184.)

12.7 Preparation of Terms of Reference (TOR):- The TOR should include :-

- i. Precise statement of objectives;
- ii. Outline of the tasks to be carried out;
- iii. Schedule for completion of tasks;
- iv. The support or inputs to be provided by the Head of the Departments to facilitate the consultancy;
- v. The final outputs that will be required from the Consultant;

(G.F.R. - 185.)

12.8 Preparation and Issue of Request for Proposal (RFP):- RFP is the document to be used by the Central Board of Secondary Education for obtaining offers from the consultants for the required service. The RFP should be issued to the short-listed consultants to seek their technical and financial proposals. The RFP should contain:-

- i. A letter of Invitation
- ii. Information to Consultants regarding the procedure for submission of proposal.
- iii. Terms of Reference (TOR).
- iv. Eligibility and pre-qualification criteria in case the same has not been ascertained through Enquiry for Expression of Interest.

- v. List of key position whose CV and experience would be evaluated.
- vi. Bid evaluation criteria and selection procedure.
- vii. Standard formats for technical and financial proposal.
- viii. Proposed contract terms.
- ix. Procedure proposed to be followed for mid-term review of the progress of the work and review of the final draft report.

(G.F.R. - 186.)

12.9 Receipt and opening of proposals: - Proposals should ordinarily be asked for from consultants in 'Two bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelop duly sealed and submit the same to the Central Board of Secondary Education by the specified date and time at the specified time and place.

(G.F.R. - 187.)

12.10 Late Bids: - Late bids i.e. bids received after the specified date and time of receipt should not be considered.

(G.F.R. - 188.)

12.11 Evaluation of Technical Bids: - Technical bids should be analyzed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Central Board of Secondary Education. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analyzed and evaluated by it.

(G.F.R. - 189.)

12.12 Evaluation of Financial Bids of the technically qualified bidders :- The Central Board of Secondary Education shall open the financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per above rule for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract.

(G.F.R. - 190.)

12.13 Methods of Selection / Evaluation of Consultancy Proposals:- The basis of selection of the consultant shall follow any of the three methods mentioned at (A) to (C) below.

(GFR - 191)

A. Quality and Cost Based Selection (QCBS) :- QCBS may be used for Procurement of consultancy services, where quality of consultancy is of prime concern.

- i. In QCBS, initially the quality of technical proposals is scored as per criteria announced in the RFP. Only those responsive

proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further.

- ii. After opening and scoring, the financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined relative weightages for the score of quality of the technical proposal and the score of financial proposal.
- iii. The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weightages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-à-vis cost aspects in the assignment, e.g. 70:30, 60:40, 50:50, etc.). The proposal with the highest weighted combined score (quality and cost) shall be selected.
- iv. The weightage of the technical parameters i.e. non-financial parameters in no case should exceed 80 per cent.

(GFR-192)

- B. Least Cost System (LCS):-** LCS is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) where well established methodologies, practices and standards exist. Unlike QCBS, there is no weightage for Technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be selected.

(GFR-193)

- C. Single Source Selection / Consultancy by nomination:-** The selection by direct negotiation/nomination, on the line of Single Tender mode of procurement of goods, is considered appropriate only under exceptional circumstance such as :-

- i. Takes that represent a natural continuation of previous work carried out by the firm;
- ii. In case of an emergency situation, situations arising after natural disasters, situations where timely completion of the assignment is of utmost importance; and
- iii. Situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise.
- iv. Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Central Board of Secondary Education. Full justification for single source selection should be recorded in the file and approval of the

Competent Authority obtained before resorting to source single-source selection.

- v. It shall ensure fairness and equity, and shall have a procedure in place to ensure that the prices are reasonable and consistent with market rates for tasks of a similar nature; and the required consultancy services are not split into smaller sized procurement.

(G.F.R. - 194.)

12.14 Monitoring the Contract :- The Head of the Departments should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the consultant(s) so that the output of the consultancy is in line with the Indenting Department objectives.

(G.F.R. - 195.)

12.15 Public competition for Design of symbols/logos :- Design competition should be conducted in a transparent, fair and objective manner. Wide publicity should be given to the competition so as to ensure that the information is accessible to all possible participants in the competitions. This should include publication on the website of Central Board of Secondary Education.

(G.F.R. - 196.)

12.16 OUTSOURCING OF SERVICES:- “Non-Consulting Service” means any subject matter of procurement (which as distinguished from ‘Consultancy Services’), involve physical, measureable deliverables/outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping, etc.

(G.F.R. - 197.)

12.17 Procurement of Non-consulting Services:- Central Board of Secondary Education may procure certain non-consulting services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines.

(G.F.R. - 198.)

12.18 Identification of likely contractors :- Central Board of Secondary Education should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from Organizations involved in similar activities, scrutiny of 'Yellow pages', and trade journals, if available, web site, etc.

(G.F.R. - 199.)

12.19 Preparation of Tender enquiry: - Central Board of Secondary Education should prepare a tender enquiry containing, inter alia :-

- (i) The details of the work or service to be performed by the contractor,
- (ii) The facilities and the inputs which will be provided to the contractor by Central Board of Secondary Education;
- (iii) Eligibility and qualification criteria to be met by the contractor for performing the required work/service; and
- (iv) The statutory and contractual obligations to be complied with by the contractor.

(G.F.R. - 200.)

12.20 Invitation of Bids:-

- (i) For estimated value of the non-consulting service up to Rupees ten lakhs or less: - Central Board of Secondary Education should scrutinize the preliminary list of likely contractors as identify as per sub-para - 12.18 above and decide the prima facie Eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time, etc., as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three.
- (ii) For estimated value of the non-consulting service above Rs.10 lakh: - Central Board of Secondary Education should issue advertisement in such case on CBSE website. The advertisements for invitation of tender should give the complete web address from where the bidding documents can be downloaded.

(G.F.R. - 201.)

12.21 Late Bids:- Late bids i.e. bids received after the specified date and time of receipt should not be considered.

(G.F.R. - 202.)

12.22 Evaluation of Bids Received:- Central Board of Secondary Education should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

(G.F.R. - 203.)

12.23 Procurement of Non-consulting services by nomination:- Should it become necessary, in an exceptional situation to procure a non-consulting service from a specifically chosen contractor, the Competent Authority may do so in consultation with the Internal Auditor & Financial Advisor. In such cases the detailed justification, the circumstances leading to such procurement by choice and the special interest or purpose it shall serve, shall form an integral part of the proposal.

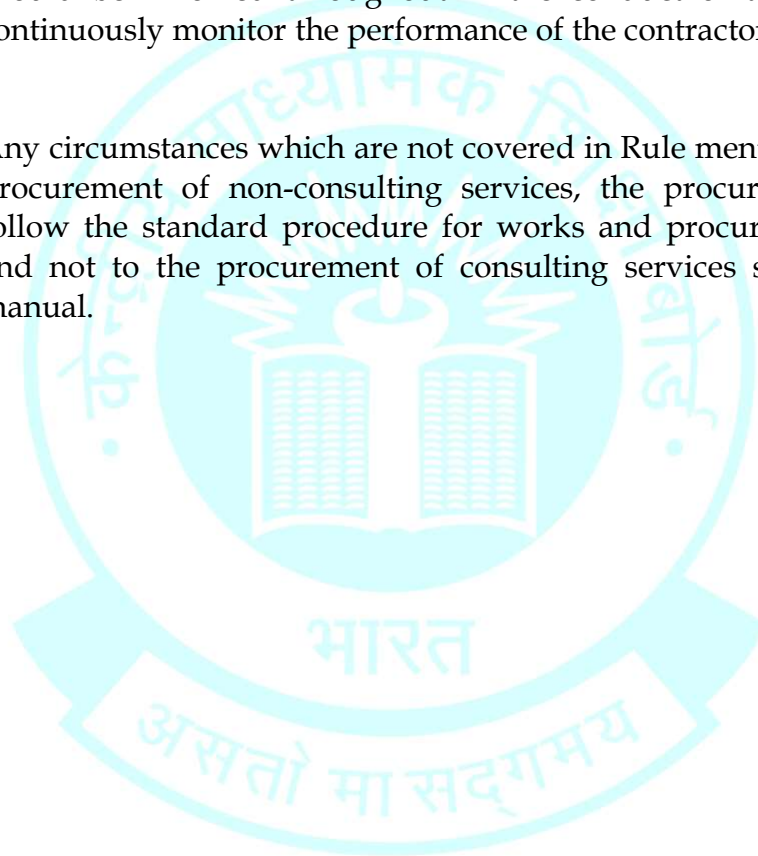
(G.F.R. - 204.)

12.24 Monitoring the Contract:- Central Board of Secondary Education should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

(G.F.R.- 205.)

12.25 Any circumstances which are not covered in Rule mentioned above for procurement of non-consulting services, the procuring entity shall follow the standard procedure for works and procurement of goods and not to the procurement of consulting services specified in this manual.

(G.F.R. - 206.)





CHAPTER - 13

TENDER

GUIDELINES



13.1 Tender System/Guidelines

CBSE, Head Quarter and various Regional Offices of CBSE, frequently go for Open/Limited tendering process for procurement of goods and services and executing works for construction, repairs and maintenance. All such tenders should be evaluated by a Tender Committee constituted for that purpose by adopting the under mentioned guidelines.

1. The same should be submitted to the Chairperson, Secretary and Regional Officer for acceptance of the recommendations of the tender committee as per delegation of financial power vested with the respective authority.
2. Before initiating the tendering process approval of the Tender Accepting Authority should be obtain on file on the estimated cost of tender, time of completion and constitution of the committee and draft tender notice. There should be at least 3 members in the tender committee for evaluation of the tender.
3. In case a lowest tender is to be rejected the reason for the same should be recorded in clear and unambiguous terms. In that case the Tender Accepting Authority should be next higher authority.
4. When all the tenders are to be rejected the reason may similarly be recorded and approval of Financial advisor and Chairperson should be obtained.
5. Detailed laid down procedure on the item and GFR norms should be followed strictly so as to ensure transparency competition, fairness and elimination of arbitrariness in the procurement/tender process. Besides, guidelines issued by the CVC from time to time, also need to be followed.
6. Ministry of Finance, Department of Expenditure (Public Procurement Cell) vide its O.M. No. 10/1/2011-PPC dated 30th November 2011 has issued detailed guidelines for Mandatory Publication of Tender Enquiry, on the Central Public Procurement Portal (CPP Portal) w.e.f. 1st April 2012 for Autonomous/Statutory Bodies. This should be followed by all the tender issuing authorities.
7. Detailed Guidelines for preparation of tender documents, its evaluation criteria DOs & Don't for Officers are enclosed with this Circular which need to be followed by the Head quarter and Regional Offices.

13.2 GUIDELINES FOR FLOATING TENDER AND ITS EVALUATION CRITERIA

1. Every tender document issued by various Head Quarter Units and Regional has to incorporate the following details:

- (i) Brief about the CBSE.
- (ii) Minimum Qualification Criteria indicating:
 - (a) About the Organization of the proposed bidder,
 - (b) Minimum number of experiences in the business
 - (c) Technical capacity
 - (d) Financial capacity.
- (iii) Scope of Work.
- (iv) Deliverables.
- (v) Estimated cost of the work/value of supply.
- (vi) Time of completion of the work/supply
- (vii) Earnest Money Deposit.
- (viii) Cost of the Tender Document.
- (ix) Security Deposit/Performance Guarantee, if any.
- (x) Mode of submission of tender document in two bid system. Whether single envelope or two envelope bids.
- (xi) Validity period of the tender.
- (xii) Last date and time of issuing tender document with place where it will be available and last date and time of submission of completed tender document.
- (xiii) Date, Time and Venue of opening of technical bid in presence of interested bidders.

2. Adequate time should be given for submitting the bid (normally three weeks). Tender should be published in daily newspapers having wide circulation as well as display on the CBSE Website having link with National Web Portal of NIC Website. Website address should be mentioned in the newspaper advertisement. In order to minimize the advertisement cost, the content of press advertisement should be minimum and the details should be in Website.

Complete bidding document should be posted in the Website and to permit prospective bidders to download the same from the Website. In such cases the price of the bid document should be asked for payment along with technical bid in the prescribed manner.

3. **Minimum Pre-Qualification Criteria :**

- (i) **Legal Status of Bidder Organization:** It should be specified in the tender document about legal status of the bidder whether it will be a Registered Proprietorship Firm/Partnership Firm/ Company under Companies Act/Consortium having legal entity having all statutory licenses/registration for carrying out such activity. It should have mandatory ST registration and PAN with I.T. clearance of previous year.
- (ii) **Experience:** The bidder organization should have a minimum experience of 3 to 5 years as on (date) be in the specific field of (To the specified depending requirement of the assignment).

- (iii) **Technical Capacity:** The bidder shall have successfully completed from start to finish during the past 3 years preceding (ending last day of month previous to the one in which applications are invited)
- (a) Three similar completed works costing not less than the amount equal to 40% of the estimated cost or (b) two similar completed works costing not less than the amount equal to 50% of the estimated cost or (c) One similar completed work costing not less than the amount equal to 80% of the estimated cost. Definition of "Similar Work" should be clearly defined.
 - (b) The bidder should submit client certificate in support of such completed works. Besides, other required details of having minimum infrastructure facility, machineries, technically competent manpower etc. may also be asked for depending on the nature of the assignment/job.
- (iv) **Financial Turnover:** Minimum average annual turnover of the bidder during last three years ending 31st March of the previous financial year should be at least 30% of the estimated value of present work/supply.

(O.M. No. 12-02-1 CTE-6 dated 17.12.2002 and 7-5-2004 issued by CVC may be referred to).

4. **EMD (Earnest Money Deposit) / Bid Security**

Bid security has to be obtained from the bidders except those who are registered with Central Purchase Organization, NSIC or the concerned Ministry of Department. Amount of bid security should ordinarily range between 2% to 5% of the estimated value of the work/supply. The exact amount of bid security should be determined accordingly and indicated in the bidding document. The bid security may be executed in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Bankers Cheque or Bank Guarantee from any of the Commercial Banks in an acceptable form safeguarding CBSE's interest in all respect. The bid security is normally to remain valid for a period of 45 days beyond the financial bid validity period. The bid security of unsuccessful bidders should be returned to them at the earliest after expiry of the financial bid validity and latest on or before 30 days after award of the contract.

5. **Evaluation of tenders**

Introduction:

The entire process of tender evaluation and placement of contract must be transparent. All the aspects, which are to be taken into account for evaluating the tenders including the method to be adopted for evaluation of tenders and the techniques for determining the lowest evaluated responsive tender for placement of contract are to be incorporated in the tender enquiry document in clear and comprehensive manner without any ambiguity and/or confusing

stipulations therein, so that the interested tenderer can formulate their competitive offer in a meaningful manner and participate in the tendering process with confidence.

All the tenders are to be evaluated strictly on the basis of the terms and conditions incorporated in the tender enquiry document (based on which offers have been received) and the terms, conditions etc. stipulated by the tenderer in their tenders. No new condition should be brought in while evaluating the tenders. Similarly, no tender enquiry condition (specially the significant/essential ones) should be over looked while evaluating the tenders. Aim should be to ensure that no tenderer gets undue advantage at the cost of other tenderer and/or at the cost of the purchaser.

6 (A) Preliminary Examination : All the tenders so received will first be scrutinized to see whether the tenders meet the basic requirements as incorporated in the tender enquiry document. The tenders, who do not meet the basic requirements, are to be treated as unresponsive and ignored.

The following are the important points, for which a tender may be declared as unresponsive and to be ignored, during the initial scrutiny:

- (i) The tender is unsigned.
- (ii) The tenderer is not eligible.
(Example: The tender enquiry condition says that the bidder has to be a registered SSI unit; but the tenderer is a, say, Large Scale Unit).
- (iii) The tender validity is shorter than the required period.
- (iv) Required EMD has not been provided.
- (v) The tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer.
- (vi) Tenderer has not agreed to give the required performance security.
- (vii) The goods quoted are sub-standard, not meeting the required specification etc.
- (viii) Against a schedule in the List of Requirement (incorporated in the tender enquiry), the tenderer has not quoted for the entire requirement as specified in that schedule.
(Example: In a schedule, it has been stipulated that the tenderer will supply the equipment, install and commission it and also train the purchaser's operators for operating the equipment. The tenderer has however, quoted only for supply of the equipment).
- (ix) The tenderer has not agreed to some essential condition(s) incorporated in the tender enquiry.
(Example: Some such important essential conditions are – terms of payment, liquidated damages clause warranty clause dispute resolution mechanism applicable law and any other important condition having significant bearing on the cost/utility/performance of the of the required goods, etc.).

During the above preliminary examination, the purchaser may also find some minor informality and/or irregularity and/or non-conformity in some tenders. The purchaser may waive the same provided the same does not constitute any material deviation and financial impact and, also, does not prejudice or affect the ranking order of the tenders. Wherever necessary, the purchaser is to convey his observation on such 'minor' issues (as mentioned above) to the tenderer by registered letter/speed post etc. asking the tenderer to respond by a specified date also mentioning therein that if the tenderer does not confirm the purchaser's view or does not respond at all by that specified date its tender will be liable to be ignored. Depending on the outcome such tenders are to be ignored or considered further.

(Example: A tender enquiry stipulates, as an essential condition, that the tenderer, along with its quotation, must also submit a certified copy of its latest income tax clearance certificate (ITCC). If a tenderer does not provide this document, the purchaser may ask for it with target date as above. If, the tenderer does not respond by that target date, its offer will be liable to be ignored).

6 (B) Non-conformities between the figures and words of the Quoted Prices -

Sometimes non-conformities/errors are also observed between the quoted prices in figures and that in words. The same is to be taken care of as indicated below:

- (a) If, in the price structure quoted for the required goods there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
- (b) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- (c) If there is a discrepancy between words and figures the total in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

If there is such discrepancy in an offer the same is to be conveyed to the tenderer with target date on the above lines and if the tenderer does not agree to the observation of the purchaser, the tender is liable to be ignored.

Details of all the tenderers, which have been declared unresponsive and to be ignored as per above analysis and, also, the grounds for their becoming unresponsive are to be accurately recorded in the purchase file.

6 (C) Qualification Criteria:

After completing the preliminary examination stated above, it is to be examined whether the remaining tenderers (i.e. other than the unresponsive tenderers) meet the required qualification criteria incorporated in the tender enquiry document. The tenderers, which do not meet the required qualification criteria, are to be declared unresponsive and not to be considered further. Details of such tenderers, which do not meet the required qualification criteria are also to be recorded in the purchase file along with the grounds for their becoming unresponsive.

(Example: The qualification criteria incorporated in the tender enquiry document stipulates, inter alia, that the tenderer should have successfully manufactured and supplied 150 pieces of the required goods during the last one year from the date of tender opening. A tender during the initial scrutiny is found to be responsive; however, thereafter, while scrutinizing the data furnished by it w.r.t. qualification criteria, it is observed that they had manufactured and supplied only, say, 100 pieces of the required item during the last one year. This tender will, therefore, become unresponsive).

Note: However, in case of Two Bid System, the technical acceptability of the offers is first determined and, thereafter, the financial bids of only the technically acceptable offers are opened for further scrutiny and processing for placement of contract.

7. Evaluation and Ranking

7.1 Depending on the terms of delivery and the projected requirement, all the applicable components of the costs, as quoted in the responsive tenders, are to be added to work out the ultimate evaluated costs of the tenders. The evaluation is also to include applicable taxes, duties, etc. in the tender prices. Further, if the tender enquiry document provides for any price preference and/or purchase preference for SSI/PSU etc., the same is also to be kept in view while evaluating such tenders.

7.2 Sometimes, while purchasing sophisticated and costly equipment, machinery, etc. the purchase organization also gives special importance to factors like high quality performance, environmental friendly features, low running cost, low maintenance cost, etc. To take care of the same, relevant details are to be incorporated in the tender enquiry document and the criteria adopted to assess the benefit of such features while evaluating the offers are also to be clearly stipulated in the tender enquiry document so that the tenderers are aware of the same and quote accordingly. While evaluating such offers, these aspects are also to be taken into account.

Such details, whenever considered necessary, should be evolved by competent technical authority for incorporation in the tender documents, so that there is no ambiguity and/or vagueness in the same.

7.3 After completing the entire evaluation process for the responsive tenders on equitable basis as above, they are to be entered into a ranking statement in ascending order of the evaluated prices (like L-1, L-2, L-3 ... etc.) along with relevant details, so that a clear picture of their standing as well as comparative financial impact is available at a glance.

8. Reasonableness of Price

Before placing the contract on the lowest evaluated responsive tender (L-1), the purchase organization is to ensure that the price to be paid is reasonable.

The broad guidelines for judging the reasonableness of price are as under:

- (i) Last purchase price of same (or, in its absence, similar goods)
- (ii) Current market price of same (or, in its absence, similar goods)
- (iii) Price of raw materials, which go into the production of the goods
- (iv) Receipt of competitive offers from different sources
- (v) Quantity involved
- (vi) Terms of delivery
- (vii) Period of delivery
- (viii) Cost analysis (material cost, production cost, over-heads, profit margin)

NB: Price paid in an emergency purchase or purchase price of goods offered by a firm through 'distress sale' (i.e. when the firm clears its excess stock at throw away prices to avoid further inventory carrying cost etc.) are not accurate guidelines for future use.

9. Price not Reasonable - If L-1's price is not reasonable, then, in the first place, the purchase organization is to review its own data & details to recheck whether the reasonable price so arrived is correct or not. If it is correct, the purchase organization may, strictly as an exception, negotiate the price only with the lowest evaluated responsive tender (L-1) in an attempt to bring down the same.

If L-1 reduces the price to the desired level, contract may be placed on it but if it does not agree, then further action like re-tendering etc. may be decided by the purchase organization depending on the merits of the case.

(Circular No. 4/3/07 dated 3rd March 2007 and Circular No. 01/01/10 dated 20th January 2010 issued by the CVC may be referred to).

10. Lack of Competition – Sometimes the purchase organization may not receive sufficient number of tenders. A situation may also arise where, after analyzing the tenders, the purchase organization ends up with one responsive tenderer. In such situations, the purchase organization is first to check whether while floating/issuing the tender enquiry, all necessary requirements like standard tender enquiry conditions, industry friendly specification, wide publicity, sufficient time for formulation of tenders, etc. were fulfilled. If not, the tender is to be re-issued/re-floated after rectifying the deficiencies. However, if after scrutiny it is found that all such aspects were fully taken care of and in spite of that the purchaser ends up with one responsive tender only, then contract may be placed on that tenderer provided the quoted price is reasonable.

11. Dividing the Quantity

As per the standard procedure, each schedule of requirement incorporated in the tender enquiry documents is to be covered on the lowest responsive tenderer for that schedule without dividing the same. The tenderer who does not quote for the complete schedule as required is normally to be treated as unresponsive and ignored. However, there may be special occasions of purchase of very large quantities of goods which are beyond the capacity of a single tenderer and the lowest responsive tenderer is unable to take the load of the entire quantity. In such cases, the remaining quantity may be ordered on the second lowest responsive tenderer (L2) at the rates offered by the lowest responsive tenders (L1), as far as feasible and for this purpose negotiation may be held with the above tenderer (viz. L2). In such cases, it may also become necessary to divide the requirement under a schedule by placing multiple contracts for part quantities on more than 2 responsive tenderers. Such eventuality should normally be foreseen and provided for in the notice inviting tenders. The formula proposed to be adopted for allocation of orders to multiple (responsive) tenderers should be clearly brought out in the notice inviting tenders. The splitting of order by purchasing organization should be an exception rather than a rule.

12. Award of Contract

Before expiry of the tender validity period, the purchase organization shall notify the successful tenderer in writing, by suitable foolproof method, that its tender (briefly indicating therein relevant details like quantity, specification of the goods ordered, prices etc.) has been accepted. In the same communication, the successful tenderer is to be instructed to furnish the required Performance Security within a specified period (generally 21 days). Promptly after the above notification, the purchase organization is also to issue the contract to the successful tenderer asking therein, inter alia, to send its unconditional acceptance of the contract within fifteen days. It should also be made known to the successful tenderer that in case, it does not furnish the required performance security or does not accept the contract within the stipulated target date, such non-compliance will constitute sufficient ground for forfeiture of its EMD and processing the case for further action against successful bidder.

13. **Publication of Tender Result**–The name of the successful tenderer awarded the contract should be mentioned in the notice board/bulletin/web site of the concerned Ministry/ Department.
14. **Return of EMD to Unsuccessful Tenderers**
The EMDs of the unsuccessful tenders are to be returned to them without any interest as per GFR norms.

13.3 DO'S AND DON'T FOR OFFICERS ON TENDERS

Do's

- For every work, it is necessary to obtain, the concurrence of the competent authority of the administrative department before commencement. The formal acceptance of the proposals by the competent authority is termed as “administrative approval”. The basic purpose of obtaining “administrative approval” is -
 - To check whether the work is really required.
 - To see whether the estimate is not an inflated one.
 - To see whether yardstick for various provisions is not exceeded.
- Administrative approval provides an opportunity to take decision regarding scope of work, specifications and cost involved. Otherwise, there is likelihood of misuse of the powers by the subordinate authority.
- Do ensure that funds meant for a particular work/job are not diverted to other works/jobs. There is no financial discipline in this case apart from utilizing the funds for the lavish expenditure.
- Do prevent inflated Provisions in the Revised Estimates. At the conception stage itself, inflated provisions are sometimes incorporated in the preliminary estimate and the margin thus available in the sanctioned estimate is misused for non-essential works and also for awarding the work at higher rates to the contractor.
- Do ensure that major changes are not made during execution. The scope and specifications of the work are not drastically changed by the executing authorities. This exercise is mainly to ensure that no undue benefit to the contractor by allowing him to execute the items at higher rates is given. Apart from the high rates, the contractor should not get additional work without competition.
- Do ensure that there is no delay in award of work because in some cases there has been unreasonable delay in administrative approval after submission of

the estimate, planning and design, inviting tenders, acceptance and award of work after receipt of administrative approval. This sometimes results in exorbitant cost overruns running into lakhs of rupees.

- Do conduct check on the preliminary estimate prepared by Consultants.
- The consultants engaged for planning, design and execution of work may furnish the preliminary estimates with ambiguous provisions and inflated rates etc. The administrative departments simply sanction these estimates without scrutiny resulting in the approval of inflated cost estimates which can be a source of corruption.
- A consultant prepared an estimate for a project/work. The estimate gives lump sum amount for various components without giving any basis for the Last Supplier amount.
- The administrative approval has been accorded without checking the estimate. During the intensive examination it was found that the estimate is an inflated one.
- Do observe Yard stick - There must be some yard stick prescribed for various requirements such as floor area, finishing items, air-conditioning works etc., for various types of buildings for a particular use. The competent authority should see that these yard sticks are observed strictly while according administrative approval to safeguard the public money against its misuse for personal comfort and benefit.
- Do consider Unit Cost - The estimate prepared for obtaining administrative approval should have some basis, such as unit cost etc. Some organizations such as CPWD follow well-established practice, such as "plinth area rates" for preparation of estimate for accord of administrative approval. If no such practice is adopted, it is difficult to exercise control over the cost, and there is every possibility of approving an inflated cost estimate by the administrative authority.
- Do prepare Detailed Estimate & Technical Sanction - The detailed estimate supported by complete details such as schedule of all items, quantities, rate, cost drawings, specifications rate analysis, measurement details need to be prepared for each work and technical sanction of competent authority should be obtained. Technical sanction ensures that the proposal is structurally sound and estimate is an economical one. The nomenclature of various items of works should be without ambiguity. The rates should be adopted from standard schedule of rates and for non-schedule items, rates should be based on proper analysis of rates. If the estimate is prepared by the Consultants, the estimate has to be checked and sanctioned by the competent engineers of the organization which appointed the consultant to ensure economy as well as structural soundness of the project/work.
- Do check the detailed estimates prepared by the consultants because estimates prepared by the consultants are usually inflated one. Invitation of

tenders based on such inflated estimates often lead to the possibility of acceptance of the same at higher rates extending undue financial benefit to the contractor/party.

- Do follow schedule of rates and prepare/conduct analysis for non-schedule items. Detailed estimates should be prepared on the basis of standard schedule of rates and in case standard schedule of rates is not followed, the rate need to be analyzed based on National Building Organization/CPWD guidelines etc. If this is not followed, it results in adoption of arbitrary rates for items in the Detailed Estimate. This ultimately will lead to inflated estimated cost, which could be a source of corruption.
- Do adopt details and reference to drawings for quantities. Sometimes details of measurements and drawings are not made as a part of the detailed estimate resulting in arbitrary adoption of quantities in the estimate. This often led to abnormal and unreasonable deviation in the quantity of various items of the work. The above again can be a source of corruption during execution to extend undue benefit to the contractor.
- Do verify use of imported material in the estimate prepared by the Consultants. It is the tendency of the consultants to use costly as well as imported items in the estimate to increase the cost of work as the fee payable to them is fixed as certain percentage of the cost of work. Due to this, the works are awarded at high rates, thereby; the consultants and contractors are benefited during the said process which had become the source of corruption.
- Do ensure that pre-qualification criteria, performance criteria and evaluation criteria are incorporated in the bid documents in clear and unambiguous terms as these criterions are very important to evaluate bids in a transparent manner. Whenever required the departments/ organizations should have followed two bid system i.e. technical bid and price bid. The price bids should be opened only of those vendors who were technically qualified by the Department/ Organization.
- Do ensure that Bidding Documents should include a clause that “if a firm quotes NIL charges /consideration, the bid shall be treated as unresponsive and will not be considered” as per GFR 173(h)

Don'ts

- Don't do that the process of preparation of detailed estimate and call of tenders was dispensed with and contractors were asked to execute the work.
- Don't give additional work straight to who is executing the adjoining work, thereby extending undue favor to the contractor/party who gets the additional work without going through the competition.

- Don't invite tender on the plinth area work at exorbitantly high rates based on the rough cost estimate prepared by the plinth area method.
- Don't accord sanction for the estimate without ensuring the economy and structural soundness.
- Don't give ambiguous nomenclature of ambiguity in the nomenclature of the items in the estimate results in quoting of erratic rates by the contractor as well as in disputes, ultimately resulting in loss to the Organization.
- Don't adopt arbitrary lump sum rates. Various components of analysis of rates were taken arbitrarily such as contractors'- profit 30% against the standard 10%. This formed the basis for awarding the work at much higher cost than the justified.
- Don't repeat same component in more than one item Repetitive stipulation of the same component in more than one item in the detailed estimate results in over payment to the contractor e.g. Cement, Steel, Electrical items, etc. Don't repeat technical sanction-based rates. Sometimes, technical sanction of detailed estimates prepared based on the high rates quoted by the contractor and accepted in earlier tenders. It resulted in the high estimated cost, which was used for award of work to the contractor at higher rates extending undue benefit to contractor by corrupt officials.
- Don't indulge in modifications/deviate specified in the original/standard conditions, after placement of order or finalization of tender by the Competent Authority.
- Don't accept higher rates on the plea that offer is lowest without adequately justifying the reasonableness.
- Don't indent/procure items in excess of normal consumption pattern, with a view to favor a chosen party.
- Don't finalize/accept tenders of material with short expiry dates.

PRE-QUALIFICATION CRITERIA (PQ)

- The pre-qualification criterion is a yardstick to allow or disallow the firms to participate in the bids. A vaguely defined PQ criteria results in stalling, the process of finalizing the contract and award of the contract in a non-transparent manner.
- Sometimes PQ criteria from some similar work executed in the past is picked up/incorporated without appropriately amending the different parameters according to the requirements of the present work.

- Generally, only contractors known to the officials of the organization and to the Architects are placed on the select list. This system gives considerable scope for malpractices, favoritism and corruption. It is, therefore, necessary to fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.
- While framing the pre-qualification criteria, the end purpose of doing so should be kept in view. The purpose of any selection procedure is to attract the participation of reputed and capable firms with proper track records. The PQ conditions should be exhaustive, yet specific. The factors that may be kept in view while framing the PQ criteria includes the scope and nature of work, experience of firms in the same field and financial soundness of firms.
- Don't accept fake and doubtful proof of pre-qualification, such as single work order, performance certificate, intentionally or unintentionally.
- Don't relax-qualification "pre criteria to suit particular vendor while rejecting the other for not meeting out certain pre-qualification criteria".

For Civil/Electrical works (as per CTE's guidelines)

- Average Annual financial turnover during the last 3 years, ending 31st March of the previous financial year, should be at least 30% of the estimated cost.
- Experience of having successfully completed similar works during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following:
 - Three similar completed works costing not less than the amount equal to 40% of the estimated cost.
 - Two similar completed works costing not less than the amount equal to 50% of the estimated cost.
 - Definition of "similar work" should be clearly defined. In addition to above; the criteria regarding satisfactory performance of works, personnel, establishment, plant, equipment etc. may be incorporated according to the requirement of the Project.
- For Store/Purchase Contracts
- Pre-qualification/Post Qualification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their (i) experience and past

performance on similar contracts for last 2 years (ii) capabilities with respect to personnel, equipment and manufacturing facilities (iii) financial standing through latest Income Tax Clearance Certificate, annual report (balance sheet and Profit & Loss Account) of last 3 years. The quantity, delivery and value requirement shall be kept in view, while fixing the PQ criteria. No bidder should be denied pre-qualification/post qualification for reasons unrelated to its capability and resources to successfully perform the contract.

ADVANCE PAYMENT & BANK GUARANTEES

Do's

- Payment of mobilization advance should be made only in cases of select works and advance should be interest bearing so that the contractor does not draw undue benefit. (As per CVC guidelines circulated vide Office Memorandum No, NU/POL/19 dated 08.12.97). The payment of interest free advance is in contravention of the guidelines issued by CVC.
- Do take timely action for revalidation / encashment of the Bank Guarantee for the advance payment Bank Guarantees to lapse, thereby, jeopardizing financial interest of the Corporation.
- Sometimes, the effective date of contract is linked with the date of receipt of Bank Guarantee for advance payment.

This is detrimental to the purchaser's absence of a specific date for submission of Bank Guarantee, it would not be possible to establish specific date of breach to enforce the contractual remedies. In such cases, the supplier will get full opportunity to wriggle out of the contract, if he so desires without fulfilling contractual obligations.

- The advance payments need to be generally discouraged except in specific cases.
- Wherever payment of advance is considered unavoidable, the same should be interest bearing as per CVC guidelines and be allowed after getting an acceptable Bank Guarantee for an equivalent amount with sufficient validity so as to fully protect the Govt. interest. Some reasonable time should be stipulated for submission of Bank Guarantee so that contractual remedies could be enforced, if required.
- The Bank Guarantees need to be properly examined with respect to the acceptable format and any conditions deterrent to the Govt. interest should be got withdrawn before acceptance besides verifying the genuineness of the Bank Guarantees from the bankers.

Don'ts

- Don't release advance payment without Bank Guarantee. Sometimes, despite provision in the contracts for releasing advance payment against Bank Guarantee, because there are occasions when suppliers fail to discharge their contractual obligations and huge advances still outstands for the last several years.

PERFORMANCE BANK GUARANTEES (PBGs)

- Sometimes the requirement of Performance Bank Guarantee is not stipulated or is stipulated with different amount of security deposit/ Performance Bond. Sometimes amount of Performance bank Guarantee is too low in comparison to the contract value.
- The validity of Bank Guarantees is also not being scrupulously monitored and the extension in the Bank Guarantee commensurate with the delivery period extensions is not being sought resulting in loss to Board in the event of non-performance of the contract.
- In order to safeguard the Board's interest, it would be appropriate to take reasonable amount of Performance Bank Guarantee valid up to warranty period or due performance of the contract. The validity of the Bank Guarantees needs be carefully monitored and whenever extension in the delivery period is granted the validity of Bank Guarantee should also be appropriately extended so as to protect the board's interest.
- The genuineness of the BGs (Bank Guarantees) should be checked from the issuing bank in variably.
- Bank guarantees should be got verified from the issuing bankers.
- Bank Guarantee should be entered into the valuable registers kept for this purpose and monitored periodically.

STIPULATION OF DELIVERY PERIOD IN THE CONTRACT

- Delivery period is the essence of any contract. Specific delivery period with reference to the terms of delivery should be incorporated.
- Only the date of offering the equipment for Pre-dispatch inspection is stipulated as the delivery period, though the terms of delivery are on CIF (Cost Insurance Freight) basis/FOR (Freight on Receipt) destination basis.
- Only the date of completion of supply of the equipment is stipulated as the

delivery period even though the installation & commissioning of the equipment is also to be carried out by the supplier. For installation & commissioning, no specific date is stipulated. In absence of any contractual binding in this regard, the suppliers claim the full payment for supplies of equipments and then tend to behave in an irresponsible manner and do not bother to take up timely installation/commissioning resulting in the equipment remaining uninstalled for months/years together.

- The specific delivery period for supply as per the terms of delivery such as FOR (Freight on Receipt) Station of dispatch/destination and for completion of installation with the necessary provision for Liquidated damages/Penalty clause in the event of delay in supplies/installation needs to be incorporated in the contract.

GUARANTEE/WARRANTY TERMS

Do's

- Do ensure that the modalities for enforcing the warranty obligations are incorporated.
- Due to incomplete guarantee/warranty terms, the suppliers take full leverage and do not bother to honour the guarantee/warranty obligations resulting in the equipment remaining defective and unutilized and thereby causing loss to the Board.
- Sometimes where the installation of the equipment is also included in the scope of contracts but the standard guarantee/warranty clause of 15 months from the date of shipment/ dispatch or 12 months from the date of delivery, whichever is earlier is being incorporated. With the result due to delay in installation of the equipment, the guarantee/warranty expires even before the installation of the equipment or sometimes a very short period of guarantee/warranty is available.
- Detailed guarantee/warranty clause embodying all the safeguards be incorporated in the tender enquiry and the resultant contract. Do ensure that in installation/ commissioning contracts, the guarantee/warranty should reckon only from the date of installation/ commissioning.

Don'ts

- Don't incorporate sketchy guarantee/warranty
- Don't forget to incorporate guarantee/warranty clause invariably.

POST MODIFICATION OF CONTRACT TERMS/SPECIFICATIONS

- After award of the contract, amendments/ modifications having financial implications are authorized in the contract terms/specifications giving undue benefit to the suppliers.
- After conclusion of the contract, any relaxation in the contract terms/specifications should be severely discouraged. However, in exceptional cases where the modifications/amendments are considered to be absolutely essential, the same should be allowed after taking into account the financial implications for the same.
- Post-contract amendments should be an exception without having any financial repercussions and contravening the accepted tender conditions.
- While acceding to a request for amendment to the provision of a purchase order, ensure that lowest offers have not been over looked at the time of acceptance for not having same provisions.
- Specifications should not be diluted e.g. though specific makes/models of an equipment are specified in the contract as per firm's tender, subsequently some more alternative makes/models of the equipment are included without taking into account the financial implications thereof. It has been observed that generally lower priced alternative makes/models are being included subsequently in the contract giving undue benefit to the supplier.
- The payment terms should not be amended in order to favour the supplier e.g. amendment to give loans and advance payment even when there is no provision in the contract for making advance payments.
- Pre-dispatch inspection clause should not be waived subsequently without valid reasons.
- Warranty/Guarantee clause should not be liberalized/ waived as it is likely to damage the interests of Board and cause undue benefit to the supplier as well.
- The final bill is paid and security deposit refunded without effecting recoveries.
- Enhancing the contract rates for some items of works or supplies when the contract does not provide for such enhancement.
- Substitution and deviation from the original contract conditions.

POST-CONTRACT MONITORING

Do's

- In some cases even after expiry of delivery schedule stipulated in the contract and without extension of time granted by the purchaser, the consignees keep

on exchanging correspondence with the suppliers and thereby keep the contract alive. This may result in serious legal complications if it is intended to cancel the contract.

- Generally, the purchaser extends the delivery period of the contracts. Thus, don't allow supplier to extend period of the contract at his own.
- Determine the completion period of the contract under award.
- Do incorporate Liquidated damages/Penalty clause for imposing the penalty in case of failure of the suppliers to deliver the equipment within the stipulated schedule.
- The suppliers quote short delivery period and in absence of deterrent conditions in the contract, manage repeated extensions. In some of the cases, it has been observed that Liquidated damages for delay in supplies are not being levied and recovered from the suppliers.
- There had been delay attributable on the part of the supplier in making the timely supplies, however, sometimes the letter of credit is extended with the proviso that the L/C extension charges shall be borne by the Corporation, thereby giving undue benefit to the suppliers.
- Do accord priorities to the post contract follow up. The delivery period should be extended on bonafide reasons only and not in a routine and casual manner.
- After expiry of delivery period, the consignees should be refrained from exchanging correspondence with the supplier. In case of delay in supplies by the supplier, the liquidated damages to the extent possible need to be recovered.
- In nutshell, there is a need to discipline the suppliers so that the non-performers could be weeded out and the suppliers which can be relied upon with consistent performance, in terms of quality and delivery schedule are encouraged.
- Sanctioning of modifications in the specifications when parties are unable to supply stores strictly in accordance with the samples or specifications.
- Do report and monitor on performance of the Contractors/ Licensees, etc. from time to time.

Don'ts

- Don't dilute the specifications e.g. makes/models of an equipment or item are specified in the contract as per firm's tender, however supply of some more alternative makes/models of the equipment or item are authorized without taking into account the financial implications thereof.
- Don't include lower priced alternative subsequently in the contract giving undue benefit to the supplier.

- Don't amend payment terms to favour the supplier e.g. advance payments are authorized even when there was no provision in the contract for making advance payments. At times higher advance payments than stipulated in the contract are authorized.
- Don't waive Pre-dispatch inspection clause without any justified reason, there by jeopardizing the quality aspects as per contractual requirement.
- Don't waive submission of Performance Bank Guarantee.
- Don't change destination clause. Sometimes the contracts were placed on FOR destination, the locations of the consignees are changed nearer premises without taking into account the benefit of freight charges.
- Don't handle post contract monitoring in lackadaisical manner. Due to lack of coordination and diversified approach followed by various agencies in the implementation of the projects the same resulted in time and cutover-runs.
- Don't accept the material and release when the supplier makes the supplies.
- Don't disregard to the contracting n delivery period, which is the essence of the contract.
- Don't ask the bidders to submit the EMD during or after tender opening".

EARNEST MONEY DEPOSIT (EMD)

Do's

- To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except Micro and Small Enterprises, (MSEs) as defined in MSE Procurement Policy issued by Department of Micro Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organization or the concerned Ministry or Department or start-ups as recognized by Department of Industrial Policy and Promotion (DIPP). The bidders should be asked to furnish bid security along with their bids. Amount of bid security should be ordinarily range between two per cent to five percent of the estimated value of the goods to be procured. The amount of bid security should be determined accordingly by the Ministry or Department and indicated in the bidding documents. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the commercial banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. The bid

security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

- Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract.
- In place of a Bid security, the Ministries/ Departments may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

(Rule 170 of GFR2017)

- Ignore the bids not accompanied with earnest money deposit along with the tenders as per bids requirements.
- Do ensure that the primary objective of submission of Earnest Money Deposit (EMD) is to establish the earnestness of the bidder so that he does not withdraw, impair or modify the offer within the validity of the bid. Submission of EMD helps in restricting if not eliminating 'speculative', 'frivolous' or 'wait and
- Do specifically stipulate in the tender that the offers without Earnest Money Deposit would be considered as unresponsive and rejected.
- Do incorporate Earnest Money Deposit in case of Two-bid system as a fixed and reasonable amount on the basis of estimated value of the contract/supply order/work order.
- Do have a fixed policy in regard to EMD. Sometimes tenders without Earnest Money are considered and sometimes they are rejected outright in order to favor a particular party.

Don'ts

- Don't stipulate insufficient Earnest Money in the tender document for protecting the Corporation interest in case of breach committed by the bidder.
- Don't ask the bidders to submit EMD, after tender opening.
- Don't relax submission of Earnest Money.
- Don't stipulate Earnest Money Deposit a tender cost instead of fixed amount

in the two-bid system.

In the Two-bid system, if EMD is taken on the basis of some stated percentage of tender value and with the announcement of the amount of EMD submitted by the bidders at the time of tender opening, the same will give every bidder a good indication of the prices quoted by the competitors by making back calculations. A bidder can use this information to the disadvantage of his competitor, if prices are subsequently modified.

OPEN TENDERS

Do's

- In addition to existing rules and practices of publicity of tenders through Newspapers, Trade Journals and providing tender documents manually and through post, etc., the complete bid documents along with application form should be published on the web site of the CBSE as well as CPP Portal, Complete web site address must be given in the advertisement/NIT published in the newspapers. Till such time the penetration of information technology is adequate and dedicated website for Government tenders is available, Organization may continue with publishing of NIT (Notice Inviting Tender) in Newspapers in concise format and put the detailed information in their respective websites.
- Do finalise tenders within validity period.
- Do properly access and evaluate bids particularly special conditions offered by tenderer.
- Don't reject the tender of new bidder unrealistic grounds in order to favour the existing bidder(s).

Don'ts

- Don't accept an unsolicited offer for lowest tenderer and award the contract without giving an equal opportunity to others.
- Don't consider a tender based on false general and special conditions of contract without the knowledge of tenderers.
- Don't place orders at higher rate on technical grounds or otherwise.
- Don't shorten completion period/delivery schedule of the contract/WO(Work Order)/PO(Purchase Order) etc.
- Don't hold file, after acceptance of the tender, for arrival of 'speed money'

before the orders are issued.

- Don't refuse issue of tender forms on flimsy grounds.
- Don't issue tender documents without v criteria.
- Don't publish the NIT (Notice Inviting tender) in newspapers at far off places rather than the area of demand.
- Don't evaluate incorrect facts and figures particularly special concession offered by the parties.
- Don't process tendering action on single response against open tendering as a normal course or except in very specific unavoidable circumstances, and without keeping due record of such circumstances.

LIMITED TENDER

- Don't do that in order to fulfil the quotations from more than one firm, three quotations are obtained from a single source but on different letterheads, two of which may be pertaining to non-existing firms. This is generally done for procurement of store items.
- Don't inform rates quoted by the other to enable the third favoured firm to quote a slightly lower rate.
- Sometimes the staff deputed to obtain quotations from the market do so from the firms owned by their sons, daughters, wife and close relations only.
- Don't obtain quotations from benami firms belonging to officers/staff/relatives of the CBSE.
- Don't split requirement to bring the tender value within the powers of the lower level sanctioning authority.
- Don't include favorite firms in the list of limited tender although not eligible.
- Don't include dummy firms to inflate/delete and ultimately consider favoured firms.
- Don't accept higher rates on the plea that accepted offer is lowest without adequately justifying reasonableness; and
- Don't ignore the lowest offers on the plea of being technically unsuitable or due to unsatisfactory performance.
- Don't prepare defective tender schedule lacunae in technical description necessitating clarifications or negotiations after opening of tenders.
- Don't consider a tender based on data materially different from that given in the general and special conditions of the contract without the knowledge of

tenderers.

- Don't make out special case for issue of LTE, other than for approved, registered vendors who would not meet pre-qualifications in press/open tender.
- Bulk requirements of stationary items of daily office use are split so as to bring within financial limits of interested officials and orders are placed for particular brands only, though not of best quality under limited Tender system.
- Don't accept furniture made of ordinary wood furniture or teak wood of an inferior quality under limited Tender enquiry system.

PROCUREMENT OF STORES ITEMS

- Don't book transaction of purchase and without physical procurement particularly in the consumable items.
- Don't modify description of the items non-stock items, leading to local purchase.
- While accepting store items do ensure that the actual inspection of stores including inspection of different stages of production affords no opportunities for corrupt practices.
- Do always accept material strictly as per the specifications and wherever the material supplied is of any inferior specifications but acceptable on technical grounds, the same should be accepted only after offsetting the financial implication thereof with prior concurrence of Competent Authority in exceptional cases only.
- For any recurring type of consumable items particularly in catering always go for rate contract rather than procuring the same in piecemeal basis from whatever source.
- Do ensure the consumption pattern of an item before placing indent for its procurement.
- Always insist on stock verification of the store items at the time of taking over the charge.
- Always maintain bin cards/ledgers/prescribed records for every issue of item(s) from store rather than postponing the entries to a later date.
- Don't place indent for high cost equipment or item unless the same is necessary for the organization.
- Don't manipulate the Stores Receipt Voucher (SRVs) and Store Issue Vouchers (SIVs) in collusion with indenting department.

QUOTATIONS/TENDERS

Do's

- Do allow adequate and reasonable time for opening of tenders with a view to get maximum response.
- Do ensure timely supply of copies of approved plans for tenderers, where special items rates to be quoted.
- Do record in writing reason for non-issue of tender.
- Do give wide publicity including publication in local newspapers except in the case of proprietor items.
- Do always observe specified dates and timings for receipt of tenders and opening thereof.
- Do ensure that the list of contractors/licensees/parties is kept job wise, value wise and performance wise so that assessment of the party is not required at the time of award of work.
- Do assess the rates of the extra items and substituted items well before the award of the contract rather than putting the same in abeyance and taking up the same after the item has been executed.

Don'ts

- Don't call Tenders under urgent category unless there is actual urgency.
- Don't deliberately split the work to bring it in the category of limited tender.
- Don't obtain quotations in an open cover/envelope .
- Don't award work at high rates;
- Don't execute the work even before call of quotations.
- Don't change the offer of the lowest tenderer to boost up the rates, while still remaining lowest.
- Don't change the Tender Committee members once constituted, without prior approval of Competent Authority.
- Don't consider delayed/late tenders except under exceptional circumstances, with the approval of Competent Authority.
- Don't allow anomalies in evaluation of special condition to affect the acceptance of the offer recommended.
- Don't tender a work without indicating the complete scope of the work.
- Don't give tender documents of approved parties to one party as it would lead to manipulations.
- Don't accept open quotations at any stage of tendering.

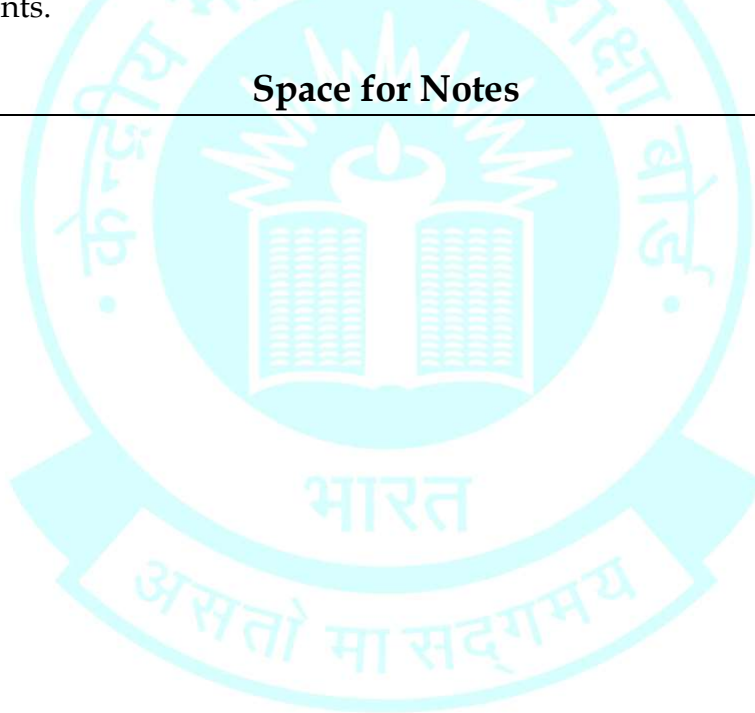
- Don't entertain letter/representation subsequent to the opening/negotiations /consideration of tenders.
- Don't consider individual items rates which are highly or unworkable in respect of major items of work in a tender.
- Don't consider a single tender unless urgent with prior approval of the Competent Authority.
- Don't treat the Tender Committee's recommendations with dissenting notes from one of more members of the Tender Committee, as a unanimous recommendation. Don't advise the Tender Committee prior to their deliberations on the suitability or otherwise of any particular offer.
- Don't order negotiation if the tender committee recommended for fresh tenders due to poor response.
- Don't accept modified offers, not considered by the Tender Committee.
- Don't allow addition/deletion in the minutes of the tender committee.
- Don't operate non-schedule items where it is possible to do work as per scheduled items or a combination thereof.
- Don't operate non-schedule items without sanction of the competent authority. In exceptional cases where it has to be done, maintain necessary site records.
- Don't award works on quotations in and strictly follow annual financial limits laid down.
- Don't allow two or more agencies to do similar works at one site. Departmental works and works being executed through contracts should not be allowed to be mixed.
- Don't give any advance intimation of requirements to friendly parties.
- Don't refuse or allow delay tactics in supply of tender documents.
- Don't extend the date of submission of tenders without justification and approval by the Competent Authority, wherever, it is done, due notices should be given to all interested parties.

AMENDMENTS IN THE CONTRACTS/WORK ORDERS

- Don't waive or modify on inspection clause.
- Don't relax technically rigid requirements
- Don't relax commercial terms e.g. waiving or exemption from furnishing Bank Guarantee against warranty obligations, extension of delivery period, change of consignee, relaxed payment terms etc.
- Don't make amendments in the contracts/ routine manner. It should be in exceptional cases.

- Don't entertain representations/letters from the tenderers subsequent to the opening, consideration and finalization of the contract/work order and issue amendment in the Purchase/Work Order having financial implication.
- Don't make amendments for payment of bonus Architects or contractors when such payments are not admissible under the original terms of the contract.
- Don't enhance the contract rates for some items of works or supplies when the original contract does not provide for such enhancement.
- Don't change in the form after the contract have been entered into; providing for change in rates and quality and various escalations; giving price preference; extension of time for performance of the contract, non-inspection or harassment during inspections, acceptance or refusal of modifications in the specifications, determination of imposition of damages in case of non-performance or delayed performance and by delaying payments.

Space for Notes



CHAPTER - 14



LAPSE OF SANCTIONS



14.1 Lapse of sanctions: - A sanction for any fresh charge shall, unless it is specifically renewed, lapse if no payment in whole or in part has been made during a period of twelve months from the date of issue of such sanction. Provided that :-

- (i) When the period of currency of the sanction is prescribed in the departmental regulations or is specified in the sanction itself, it shall lapse on the expiry of such periods; or
- (ii) When there is a specific provision in a sanction that the expenditure would be met from the Budget provision of a specified financial year, it shall lapse at the close of that financial year, or
- (iii) In the case of purchase of stores, a sanction shall not lapse, if tenders have been accepted (in the case of local or direct purchase of stores) or the indent has been placed (in the case of Central Purchases) on the Central Purchase Organization within the period of one year of the date of issue of that sanction, even if the actual payment in whole or in part has not been made during the Said period.

(G.F.R. - 30.)

Notwithstanding anything contained in Rule - 30, sanction in respect of an addition to a permanent establishment, made from year to year under a general scheme by a Competent Authority, or in respect of an allowance sanctioned for a post or for a class of Government servants, but not drawn by the officer(s) concerned, shall not lapse.

(G.F.R. - 31.)

14.2 Remission of disallowances by Audit and writing off of overpayment made to Government servants:- The remission of disallowances by Audit and writing off of overpayments made to Government servants by competent authorities shall be in accordance with the provisions of the Delegation of Financial Power Rules, and instructions issued there under.

(G.F.R. - 32.)



CHAPTER - 15

DEFLACATION

OF

LOSSES



15.1 Report of Losses :- (1) Any loss or shortage of public money, departmental revenue or receipts, stamps, stores or other property held by, or on behalf of, Government irrespective of the cause of loss and manner of detection, shall be immediately reported by the subordinate authority concerned to the next higher authority as well as to the Statutory Audit Officer, even when such loss has been made good by the party responsible for it. However, the following losses need not be reported-

- (i) Cases involving losses of revenue due to-
 - (a) mistakes in assessments which are discovered too late to permit of a supplementary claim being made,
 - (b) under assessments which are due to interpretation of the law by the local authority being overruled by higher authority after the expiry of the time-limit prescribed under the law, and
 - (c) refunds allowed on the ground that the claims were time-barred
- (ii) Petty losses of value not exceeding Rupees ten thousand.

{G.F.R. - 33 (1)}

(2) Cases involving serious irregularities shall be brought to the notice of Internal Auditor & Financial Advisor and Chairperson of Central Board of Secondary Education.

{G.F.R. - 33.(2)}

(3) Report of loss contemplated in sub-rules (1) and (2) shall be made at two stages:

- (i) An initial report should be made as soon as a suspicion arises that a loss has taken place.
- (ii) The final report should be sent to authorities indicated in sub-rules (1) and (2) after investigation indicating nature and extent of loss, errors or neglect of rules by which the loss has been caused and the prospects of recovery.

{G.F.R. - 33.(3)}

(4) The complete report contemplated in sub-rule 3, shall reach through proper channels to the Head of the Department, who shall finally dispose of the same under the powers delegated to him under the Delegation of Financial Power Rules. The reports, which he cannot finally dispose of under the delegated powers, shall be submitted to the Chairperson, Central Board of Secondary Education.

{G.F.R. - 33.(4)}

(5) An amount lost through misappropriation, defalcation, embezzlement, etc., may be redrawn on a simple receipt pending investigation, recovery or write-off with the approval of the authority competent to write-off the loss in question.

{G.F.R. - 33.(5)}

(6) In cases of loss to Government on account of culpability of Government servants, the loss should be borne by the Central Board of Secondary Education. If

any recoveries are made from the erring Government officials in cash, the receipt will be credited to the Central Board of Secondary Education account.

{G.F.R. - 33.(6)}

(7) All cases involving loss of Government money arising from erroneous or irregular issue of cheques or irregular accounting of receipts will be reported to the Competent Authority with the circumstances leading to the loss, so that he can take steps to remedy defects in rules or procedures, if any, connected therewith.

{G.F.R. - 33.(7)}

15.2 Loss of Government Property due to fire, theft, fraud, - Departmental Officers shall, in addition to taking action as prescribed in Rule 33, follow the provisions indicated below in cases involving material loss or destruction of Government property as a result of fire, theft, fraud, etc. All losses above the value of Rupees fifty thousand due to suspected fire, theft, fraud, etc., shall be invariably reported to the Police for investigation as early as possible. Once the matter is reported to the Police Authorities, all concerned should assist the Police in their investigation. A formal investigation report should be obtained from the Police Authorities in all cases, which are referred to them.

(G.F.R. - 34.)

15.3 Loss of immovable property by fire, flood etc. - All loss of immovable property exceeding Rupees fifty thousand, such as buildings, communications, or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, shall be reported at once by the subordinate authority to the Secretary, Central Board of Secondary Education. All other losses should be immediately brought to the notice of the next higher authority.

(G.F.R. - 35.)

15.4 Report to Audit and Accounts Officers - After a full enquiry as to the cause and the extent of the loss has been made, a copy of the report or an abstract thereof should be forwarded to the Statutory Auditor/Auditors and Accounts Officer.

(G.F.R. - 36.)

15.5 Responsibility of losses - An officer shall be held personally responsible for any loss sustained by the Government through fraud or negligence on his part. He will also be held personally responsible for any loss arising from fraud or negligence of any other officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

(G.F.R. - 37.)

15.6 Prompt disposal of cases of loss - Action at each stage of detection, reporting, write off, final disposal, in cases of losses including action against delinquents and remedial measures should be completed promptly with special attention to action against delinquents and remedial measures, taken to strengthen the control system.

(G.F.R. - 38.)

CHAPTER - 16

WORKS & MAINTENANCE

**Note:- SOP means Standard Operating Procedure
of CPWD Works manual 2019**



Part-I

CONSTRUCTION WORKS

GENERAL PROVISIONS

16 Classification of Construction Works

Construction works are those which are taken up as all new constructions, rehabilitation and seismic retrofitting works, the expenditure of which is charged to capital heads.

16.1 Pre-construction Activities

The pre -construction activities generally involved in execution of a construction work are given in Annexure-3 of SOP document. Coordination of all pre-construction activities will be done by the T/S Authority.

16.1.1 For Normal Works

16.1.1.1 Preparation of Preliminary Estimate (PE)/Enabling Estimate / Rough Cost Estimate

- (1) As soon as the requisition from the client department is received, preliminary estimate/ enabling estimate/ rough cost estimate as applicable and as per requirement, shall be prepared and submitted to the client department for obtaining A/AE/S.
- (2) Wherever required, an MOU as per **Annexure - 4** of SOP document shall be signed with the client. The magnitude of works for which MOU is to be signed with the client shall be notified by the Competent Authority from time to time. In cases where no MOU is drawn, necessary provisions of MOU must be clearly mentioned in the preliminary estimate. Competent Authority or any other authority designated by Competent Authority may approve suitable modifications in the MoU as per the site conditions and project requirements by following GFR provisions and other rules issued from time to time.
- (3) Process regarding handling client requisition, team formation, preparation of enabling estimate and preliminary estimate is given in **SOP3/1**.
- (4) Specific guidelines on preparation of preliminary estimate are given in **SOP 3/2**. In case, enabling estimate or rough cost estimate is submitted, the same shall be followed by preliminary estimate for obtaining A/A & E/S of the work.

16.1.1.2 Detailed Project Report / Detailed Estimate

DPR may be prepared for obtaining A/AE/S. On receipt of A/AE/S, Detailed estimate for the work is to be prepared after ensuring that encumbrance free site is available, or likely to be made available within

reasonable time from the client if the Client insists for invitation of tenders. Guidelines on preparation of DE are given in SOP3/3.

16.1.1.3 Provision for Contingencies and its Utilization

- 16.1.1.3.1 Provision of contingencies for unforeseen expenditure contingent to the project shall be kept in the Estimate.
- 16.1.1.3.2 The T/S Authority after obtaining approval shall have full powers, upto their tender acceptance limits, to execute smaller works likely to crop up during the execution of work/ project for which no provision exists in the sanctioned estimates, subject to availability of funds under sub head “Contingencies” in the sanctioned project estimate.
- 16.1.1.3.3 The contingencies can be utilized for construction of site office, engagement of watch & ward staff, job works like surveying, material testing, estimating, structural designing, architectural drawings, models, maintenance and hiring of inspection vehicle and any other field requirements directly related to work. Further guidelines on contingencies & its utilization are given in SOP3/4.

16.1.1.4 Accord of Administrative Approval and Expenditure Sanction (A/A &E/S)

The competent authority of Central Board of Secondary Education shall accord A/A & E/S on the basis of Preliminary estimate/DPR as the case may be.

16.1.1.5 Accord of Technical Sanction

- 16.1.1.5.1 The technical sanction for the works in which percentage rate tenders or item rate tenders are invited shall be issued before inviting tenders and shall consist of the following;
- 16.1.1.5.2 Technical Sanction Memo
 - 16.1.1.5.2.1 A/AE/S Memo/Order
 - 16.1.1.5.2.2 Detailed Estimate, Detailed Architectural drawings and specifications
 - 16.1.1.5.2.3 Geotechnical Investigation Report
 - 16.1.1.5.2.4 Structural drawings for the foundation and preliminary structural drawings of the Superstructure to calculate quantities of the items
 - 16.1.1.5.2.5 Preliminary Drawings for Internal and External services
 - 16.1.1.5.2.6 In case of work for which tenders are to be invited on “Design and Construct” / EPC contract basis, provision of Technical Sanction required as per CPW Departmental Code is not applicable as the contractor takes full responsibility for design and execution. The scope, description of work, specifications, approved conceptual drawings for engineering and architectural planning, and schedule of quantities (if available) and as provided in the contract document, is to be kept on record.

16.1.1.5.2.7 The powers delegated to Competent Authority are given as per DFR of CBSE for accord of Technical Sanction. The powers are exclusive of departmental charges. For guidelines on according Technical Sanction, refer **SOP3/5**.

16.1.1.5.2.8 Revised T/S is required to be issued only on deviation in scope of work due to structural requirements.

16.1.1.6 Exemption of Government Buildings from Operation of Municipal Bye Laws to Regulate their Erection

16.1.1.6.1 Wherever required as per local bye laws, drawings will be prepared by the Architectural Unit/Consultant as the case may be and approvals shall be taken from the respective local bodies.

16.1.1.7 Packages for Accord of Technical Sanction

It is up to the T/S Authority to combine various sanctions for the same work and issue a single Technical Sanction provided total of all sanctions for the same work fall under his / her competence. Similarly the competent T/S authority may, with recorded reasons, split any sanction falling within his/her competence keeping in view the requirements of the work. For each such package of a single sanction, Technical Sanction will be accorded by the same officer competent to accord T/S to the entire sanction.

16.1.1.8 Schedule of Rates(SOR)

- (i) The Schedule of Rates for Delhi is issued by DG, CPWD and for Kolkata, Chennai and for other regions of CPWD by respective SDGs or by an authority as notified by the Directorate from time to time.
- (ii) The SORs are ordinarily revised once in two years.
- (iii) To update the SOR, the no men cloture with specifications, market rate list, and analyst is of rates are to be periodically revised.

16.1.2 Specialized Works

The pre-construction activities in the case of specialized works are similar to activities under Normal works with the following important provisions.

- (1) Tenders for all Specialized Works shall be invited in Two/Three Bid system from specialized agencies, CPWD & Non CPWD contractors, subject to fulfilling of eligibility criteria by them.
- (2) The list of specialized Civil, E&M, Horticulture and concurrent works are given in **Annexure-6** of SOP document.
- (3) Competent Authority or any other authority designated from time to time by CBSE shall have powers to declare any other work as specialized in respect of their regions, after giving due consideration to the nature of work and the specialized skill required for its execution. The declared specialized work should be uploaded on CBSE website.

- (4) It is desirable that all the Preliminary Estimates of specialized E&M Systems including Lifts and HVAC, DG Sets, Automatic Fire Alarm System, Sub-Station, Wet Riser & Sprinkler System should have 5year's provision for maintenance / comprehensive maintenance and Operation for budgeted.
- (5) Wherever there is a corresponding provision as above in the A/A&E/S of the project / work, the same shall be included in the detailed estimate and NIT of the work keeping Guarantee/Warranty period provisions inconsideration.
- (6) The completion of construction work shall be recorded on its completion and main agreement closed. Supplementary agreement will be drawn for maintenance/operation keeping necessary contract and accounting provisions.

16.1.3 Excess Over Administrative Approval & Expenditure Sanction

- (1) For Deposit works and works on letter of authorization, revised estimate will be submitted for the works having expenditure in excess of 10% of A/A & E/S amount.
- (2) No excess expenditure over the A/A & E/S amount is permissible without approval of client and therefore before incurring the excess expenditure the client will be informed and approval taken for the same.

Part-II

MODES OF BIDDING SYSTEM

16.2.1 Award of Work without Call of Tenders Procedure

- (1) The work awarded after call of quotations shall be construed to have been awarded without call of tenders.
- (2) Normally tenders should be called for all works. However, in case the work is to be awarded expeditiously, the prescribed period of notice may be reduced by NIT approving authority.
- (3) The precise reasons should be recorded by the Engineer-in-Charge before dispensing with call of tenders.
- (4) In respect of works of in escapable nature, method will be followed as prescribed in Para1.5of Chapter1.

16.2.2 Award of works to Registered Labour Co-operative Societies

- (1) Works costing upto the limit fixed from time to time can be awarded to registered labour Co-operative Societies at current market rates without call of tenders as per financial powers delegated. EMD is exempted for works with estimated cost upto Rs 3 lakhs. However, Security Deposit shall be deducted as prescribed by way of deduction

from their bills.

- (2) Monthly running payments may be made if value of work executed is more than Rs.30,000/-. Such works awarded to Registered Labour Co-operative Societies shall not be counted towards the annual ceiling for issue of work orders.

16.2.3 E-Tendering

- (1) As per Rule 159 and 160 of GFR 2017, it is mandatory to e-publish all Tender enquiries, Requests for Proposals, Requests for Expressions of Interest, notice for pre-qualification/ registration or any other notice inviting bids or proposals in any form, corrigenda there on and details of bid awards on the Central Public Procurement Portal (CPPP) as well as website of the Department and to receive all bids through e-procurement portals in respect of all procurements respectively.
- (2) All the tenders / quotations are to be published on CBSE portal which is linked to CPP portal <https://eprocure.gov.in/epublish/app>. The URL address of the service provider for hosting the e-Tendering platform for CBSE shall be as per instructions from time to time. Presently, the e-Tendering platform for CBSE has been hosted by the service provider with URL address www.cbse.nic.in. The link of the service provider is available on CBSE website.

The details regarding procurement of digital signature, procedures and instructions to Engineer-in-Charge for inviting and uploading of bids including 2/3 envelopes bids, bids for the Specialized works, specimen Press notice, Specimen CPWD6 fore-tendering, downloading of bids submitted by contractors, opening and processing of bids, preparation of comparative statements and General guidelines on e-tenders etc. are given in SOP4/1.

16.2.4 Types of Call of Tenders

16.2.4.1 Restricted Tenders

Restricted tenders of any value can be called with the prior approval of the competent authority as per delegation of financial powers, with recorded reasons. Tenders invited from CPWD registered contractors or through Two/Three Bid system shall not constitute to be restricted tenders. Works falling in the category of restricted tenders and procedure for preparation of restricted list of contractor is given in SOP4/2.

(i) Composite Tenders

- (1) System of composite tendering shall be followed for all kind of building and road works (irrespective of cost). A part from civil work and horticulture work, the composite tender should also include

component of internal electric installations and other internal & external electrical works including services.

- (2) If requirements of the work so demand, the T/S Authority may dispense with the system of composite tendering with recorded reasons. Guidelines on composite tendering are given in **SOP4/3**.

16.2.4.3 Tenders with Two/Three Bid System

(i) Two Bid System

Tenders are called in two Bids in which Bid - 1 is Technical cum eligibility Bid and Bid - 2 is Financial bid.

(ii) Three Bid System

Generally, works for which technical specifications have been finalized and the same are to be finalized on receipt of the details from the bidders are called on three bid system. The bidders shall be required to submit three bids as given below;

Bid - 1 : Eligibility bid

Bid- 2: Technical specifications

Bid - 3 : Financial bid.

- (iii) Normally, technical and financial bids are called simultaneously, however, in case of exigencies, only technical bids can be called first with the approval of Competent Authority or any other authority designated by CBSE.

Procedure for opening of Two/Three Bid tenders is given in **SOP 4/4**.

16.2.5 Pre-bid conference

Before submission of tenders, there shall be a pre-bid conference to clarify the doubts of the contractors, besides discussions on any additional suggestion proposed by the contractors. If found necessary, a corrigendum to the tender documents would be issued and would be put upon e-tendering portal for information of all contractors and there after no further query/condition shall be entertained. There would be no bar to hold the pre-bid conference more than once ,especially in complex types of works. The NIT approving authority shall decide the time gap between pre-bid conference and last date of submission of technical bid based on the importance and complexity of work to avoid extension in the last date of submission of tender.

16.2.6 Manual Tendering

In exceptional cases with recorded reasons when manual tendering is resorted to due to work requirement instead of e-tendering platform, then in such cases, the general procedure of receipt, opening, dealing with corrections, omissions etc and acceptance of manual tenders is given in **SOP4/5**.

16.2.7 EPC (Engineering, Procurement and Construction) Contracts

1. The NITI AAYOG vide OM No. N-14070/14/2016-PPAU dated 5th September, 2016 have communicated the decision taken by Cabinet Committee on Economic Affairs (CCEA) regarding substituting of item rate contracts by EPC (Turnkey) contracts, wherever appropriate. In pursuance to above, erstwhile MoUD (Works Division) vide its OM No 28012/11/2016-W-3 Dated 29th November 2016 have issued directions which inter-alia include that cut off value of projects, above which all contracts will be taken up under EPC methodology, will be Rs. 100Cr. For executing contraction EPC methodology, the following important provisions are to be considered while framing estimate, preparing NIT etc:
 - (i) Enabling estimate can be submitted as per client requirement for carrying out pre-construction activities wherever required for conceptual planning purpose to assess the precise requirement of the scope of work.
 - (ii) The concerned CA/SA unit or the consultant appointed by the NIT approving authority shall prepare the concept design, preliminary drawings and specifications based on detailed requirements of the work, in consultation with the client before preparation of Preliminary Estimate.
 - (iii) The tenders based on EPC mode cannot be the model based on item rates and quantities hence the estimated cost for such tenders may be worked out on the basis of CPWD plinth area rates as per norms and the cost suitably modified considering applicable cost index or by adopting any other appropriate method as decided by NIT approving authority. Preliminary drawings and specifications approved by the client shall form part of the NIT.
2. Soil investigation report shall be appended in the NIT for indicative purpose only.
3. The responsibility of investigations, designing, planning, procurement, construction, safety, quality, and risk of engineering lies with the contractor and the same will be incorporated in the NIT.
4. Mode of measurements for payment purpose will be decided by the NIT approving authority.
5. The award of work shall be decided based on competitive call of tenders. The Chief Engineer ascertains the reasonability of prices using analytical methods such as tendered amount for similar works whose tenders were accepted in the recent past, PAR rates duly enhanced by the current cost index and any other method approved by the Chief Engineer for ascertaining the reasonability of the tendered amount of the L1 bidder.
6. In case the tender received is more than A/AE/S, revised A/AE/S or in principle approval from the competent authority shall be necessary.

General guidelines for EPC contracts with a sample item along with scope of work to be adopted for EPC contracts are given in **SOP 4/6**. As per the OM of

NITI Aayog dated 5 September 2016, the model EPC bidding document published by the erstwhile Planning Commission can be modified wherever required, to suit the requirements of the work. NIT approving authority may incorporate special and particular conditions as per specific requirements of the project. Till such time the standard form is released, the contract form as decided by the NIT approving authority may be used.

16.2.8 Preparation of NIT

1. All tenders should be invited on behalf of the Chairperson.
2. Before approval of NIT, the following are required:
 - (i) The estimated cost put to tender in the NIT shall be worked out based on the rates considered in the Technical Sanction.
 - (ii) A/AE/S except in Emergent Works
 - (iii) Availability of site in full or part
 - (iv) Approval of plans from local bodies, wherever required.
 - (v) Other approvals required before commencement of work in case the same are not part of the NIT.
 - (vi) Technical Sanction except in case of “Design and Build”/EPC Contracts & Emergent Works
 - (vii) Funds availability
 - (viii) For original specialized E&M works including lifts, HVAC, DG sets, Fire alarm system, Firefighting, Wet Riser and Sprinkler system works, there relevant guidelines as given in SOP 4/7 shall be followed.

Guidelines on preparation of NIT for tenders to be invited on Single Bid System and on Two/Three Bid System are given in SOP 4/8 and SOP 4/9 which can be referred.

16.2.9 Invitation of Tenders for Works

1. Tenders for works are to be invited only after Technical Sanction (Except EPC contracts) and approval of NIT by the Competent Authority.
2. Tenders for works costing up to the maximum Tendering limit of CPWD contractors enlisted in Class - I of Composite Category contractors or as instructed from time to time shall be invited in Single Bid system.
3. The T/S Authority, in view the requirements of the work , may also invite tenders up to the maximum Tendering limit of class - I enlisted Composite Category CPWD contractors in Two/Three Bid system with recorded reasons after obtaining prior approval from higher authority not below the rank of CE.
4. Tenders for works costing more up than the maximum Tendering limit of CPWD contractors enlisted in Class-I Composite Category or as instructed

from time to time shall be invited in Two/Three Bid System.

5. The contractors of composite category are mainly enlisted for execution of building work,
6. Internal and External Electrical Works and E&M services like HVAC, Fire Fighting, Fire Alarm, Sub-station, DG Set and related items. They shall not be eligible for tenders for exclusive work of Horticulture, Road, Furniture categories and specialized works.

16.2.10 Publicity of Tenders

All tenders of any amount shall be invited through e-tendering system. Notices for all the works, irrespective of their value, shall be published on the website www.eprocure.gov. as instructed from time to time. Sample notice for inviting tender forming part of NIT and to be posted in website is given in Annexure 24 with **SOP 4/8**. In exceptional cases, if press publicity is required to be given apart from website publicity, written permission shall be obtained from next higher authority.

16.2.11 Time Limit for Publicity of Tenders

1. **Time for publicity:** The following time limits between the date of uploading of tender on website and the date of receipt of the tenders are desirable. However, these time limits may be varied by the NIT approving authority keeping in view the exigencies and complexity of the work.
 - (i) 7 days in the case of works with estimated cost put to tender upto Rs. 5crores
 - (ii) 14 days in the case of works with estimated cost put to tender more than Rs. 5crores.

If the banks are closed on the last date of submission of tenders, the date shall be postponed suitably to next working day.

2. Uploading and Opening of Tenders

In compliance to Committee of Secretaries proposal regarding govt. tenders at national level, specific days are fixed for different regions for inviting / uploading of NIT and opening of tenders. For details refer **Annexure -7 of SOP document**.

In case of exigencies of work or emergent situations the T/S Authority can allow to call and open tenders on any other day instead of specific fixed days.

16.2.12 Validity Period of Tenders

The validity period for acceptance of tenders in case only financial bids are invited shall be 30 days from the last date of receipt to bids and in all other cases 75 days from the last day of receipt of technical bid.

16.2.13 Action in case of No Response /Unreasonably High Rated Response to Tenders

If no response to tenders from the contractors of the appropriate classes is received or if unreasonably high rates are received, the NIT approving authority may modify the eligibility criteria suitably.

16.2.14 Formalities for Re-invitation of Tenders

If the lowest bidder backs out, there should be re-tendering in a transparent and fair manner. In such a situation, the NIT approving authority may call tender at short notice if so justified in the interest of work. The contractor who has backed out shall not be allowed to participate in the re-tendering process. All other formalities mentioned in aforesaid paras shall be observed. All notices regarding any change in dates and time of receipt/opening of tenders are to be uploaded in the website.

16.2.15 Tendering Limit of Contractors Enlisted with CPWD as well as Other Central/State Government Departments

If a contractor is enlisted with CPWD or any Govt. Dept, he/she shall be eligible to tender for works up to the amount permitted by CPWD or Govt. Dept. whichever is higher.

16.2.16 Past Experience of Works Executed

A contractor shall be eligible to tender for works based on the past experience gained from the works executed by the earlier firm (partnership firm) in the same proportion of share of the applicant in that partnership firm where the applicant was a partner earlier.

16.2.17 Debarment of Contractors with Blemished Record

For procedure to be followed in case of adverse report received by the Engineer in Charge against any non-CPWD contractor, either from the department in which he is enlisted or from any other department Refer SOP No4/10.

Details of debarment of contractors must invariably be uploaded on CBSE web site.

Part-III

CONTRACT MANAGEMENT

16.3 Essential Guidelines While Drawing Contracts

All contracts shall be executed by the Competent Authority of CBSE or authorized person.

- i.** Standard forms of contracts should be adopted as far as possible and should be clear, legible and unambiguous. Deletion/modifications of the clauses will be made by NIT approving authorities keeping in view CVC and Government of India guidelines.
- ii.** Save in exceptional circumstances, no work of any kind should be

commenced without prior execution of contract as per the Indian Contract Act.

- iii. The terms of the contract once entered into should not be materially varied.
- iv. No contract involving an uncertain or in definite liability or any condition of an unusual character should be entered into without the previous consent of the Ministry of Finance.
- v. Provision of Integrity Pact shall be made in GCC. Details of Integrity Pact in Government Departments/Organizations and appointment of Independent External Monitors (IEM) to oversee the Integrity pact are contained in CVC Circular No 02/01/2017 dated 13/01/2017 available on CVC web site which may be referred along with amendments thereof.
- vi. The complete contract should comprise of documents as given in **Annexure -8** of SOP document.
- vii. Once the contract is determined, there is no provision of revocation.

16.3.1 Earnest Money, Receipt, Opening and Acceptance of Tenders

16.3.1.1 Necessity for Earnest money

To safeguard against a bidder withdrawing or altering his/her bid during the bid validity period, earnest Money shall be obtained from the bidders for all tenders unless otherwise mentioned in the Manual.

16.3.1.2 Rates of Earnest Money

- 1 For works estimated to cost upto Rs Ten Crores or as notified from time to time: 2% (Two percent) of the estimated cost.
- 2 For works estimated to cost more than Rs Ten Crores or as notified from time to time : Rs. Twenty lakhs plus1% (one percent) of the estimated cost put to tender in excess of Rs.Ten Crores.
- 3 In case of petty works costing Rs. 25,000/- or less the Executive Engineer may, at his discretion, dispense with the conditions for calling for Earnest Money.

16.3.1.3 Mode of Deposit

1. The Earnest money is to be deposited as prescribed in the NIT. The procedure shall be followed as given in **SOP5/1**.
2. In case of postponement of tender due to bank holiday on the last date of receipt of tender, the validity of already prepared earnest money will be acceptable as provided originally.

3. The Bank Guarantee submitted as a part of Earnest Money shall be valid for a period of 90 days where only financial bids are invited and for a period of 180 days for two/three bid system from the date of submission of the tender.

16.3.1.4 Refund of Earnest Money

1. The earnest money given by all the bidders except the lowest bidder should be refunded immediately after the expiry of stipulated bid validity period or immediately after acceptance of the successful bidder, whichever is earlier. For refund of earnest money, the procedure is given in **SOP5/2**.
2. Earnest moneys shall be refunded on receipt of Performance Guarantee

16.3.1.5 Earnest Money Stipulation in Work/Supply Order to be Awarded after Call of Quotations

In case condition for depositing earnest money is laid down in the Notice Inviting Quotation (NIQ), the following condition shall be stipulated:

“The quotation for the work/supply shall have validity for a period 3 to 7 days (as decided by NIQ inviting authority) from the date of opening of quotations. The Government shall, without prejudice to any other right or remedy, be at liberty to forfeit 50% of the earnest money if any quotationer withdraws his quotation during validity period or makes any modification in the terms and conditions of the quotation which are not acceptable to the department, and to forfeit absolutely if the quotationer, whose quotation is accepted, fails to commence the work/supply specified in the NIQ (along with changes in scope, if any) in the prescribed time or abandons the work / supply before its completion.”

16.3.1.6 Justification of Tenders

Justification of tenders shall be prepared based on market rates of material and labour prevailing at site of work on the last day of receipt of tenders. The justification should invariably be prepared before the date of opening of Financial Bids in case of Single Bid system and before opening of Technical Bid in case of Two / Three Bid System. Procedure on Justification of Tenders is given in **SOP5/3**.

16.3.1.7 Forfeiture of Earnest Money

1. The forfeiture of earnest money shall be done as per the General Conditions of Contract.
2. If contractor fails to furnish the prescribed performance guarantee within the prescribed period, the earnest money is absolutely forfeited to the President automatically without any notice.

3. In case of or feature of earnest money as prescribed in Para 1) and 2) above, the bidder shall not be allowed to participate in the re-tendering process of the work.

16.3.1.8. Procedure for Conducting Negotiation

1. Negotiations should not normally be conducted with the bidder, but in case where it becomes necessary to do so, negotiations should be restricted only to the lowest bidder only under exceptional circumstances with the approval and recommendation of the next higher authority. Convincing reasons must be recorded by the authority recommending negotiations.
2. The justification and details of such negotiations should be duly recorded and documented without any loss of time. For procedure Refer **SOP5/4**.

16.3.1.9 Acceptance of Tenders:

The powers delegated to various officers of the department for acceptance / approval of tender is given in "Delegation of Financial Power of CBSE". The same powers shall be applicable in case of rejection of tenders also. The detailed guidelines for processing and acceptance of tenders are given in **SOP5/5**.

16.3.1.10 Acceptance of Tenders in anticipation of Revised Expenditure Sanction

Procedure of acceptance of tenders in anticipation of Revised Expenditure Sanction is given in SOP 5/8.

16.3.1.11 Performance Guarantee

1. To ensure due performance of the contract, Performance Guarantee shall be obtained from the successful bidder.
2. PG shall be 5% of the contract amount to be submitted in the form as prescribed in GCC. Performance Guarantee shall remain valid for a minimum period of sixty days beyond the date of completion of all contractual obligations as per GCC. In case of contracts where supplementary agreement is drawn, the fresh PG shall be obtained from the contractor @ 5% of the amount of the supplementary agreement. The PG received against the original work shall be released as per contract conditions.
3. The time allowed for submission of the performance guarantee may be decided by NIT approving authority but not beyond 7 days of issue of the letter of intent depending upon the magnitude and/or urgency of the work. For extension of time for submission of PG beyond stipulated time period in NIT, the NIT approving authorities may include provision of suitable interest chargeable on per day basis but such extension should not exceed by another seven days. However, in case last day of submission of PG happens to be a bank holiday the last day of submission shall be the next working day.

16.3.1.12 Date of Start:

1. The date of start of the work may be decided by NIT approving authority ranging from 3 to 10 days from the date of issue of Letter of Intent.
2. The letter for commencement of work shall be issued to the contractor only after he/she submits the performance guarantee in an acceptable form. Sample copy of letter of acceptance and letter for commencement of work are as per Annexure -9A & 9B of SOP documents.

16.3.1.13 Execution of Agreement

16.3.1.13.1 Power to Sign Agreement

Each page of the Agreement and all attached documents shall be signed by the Engineer in Charge or his authorized representative and the contractor, as per the conditions of the NIT. One duplicate copy of the Agreement shall be supplied to the contractor free of cost. Additional copies to the contractor shall be charged @ Rs 2000/- per copy or as decided by the NIT approving authority.

16.3.1.13.2 Custody of the Original Agreements

The Engineer in charge shall be responsible for the safe custody of the Agreements. A record of the agreements drawn up should be kept in Form CPWD 42.

16.3.1.14 Security Deposit

The security deposit shall be collected by deductions from the running bill as well as final bill as per provisions of the GCC.

16.3.1.14.1 Forms of Security Deposit

The security from a contractor shall be taken in one of the forms as given in GCC.

16.3.1.14.2 Repayment/Retransfer of Security Deposit

No security deposit should be repaid or re-transferred to the depositor, or otherwise disposed off, except in accordance with the terms of his agreement. The depositor's acknowledgement should be obtained in all cases of security deposit that is returned. When an interest-bearing security deposit is returned or re-transferred, the acknowledgement should set forth the full particulars of the security.

16.3.1.15 Execution of Works

16.3.1.15.1 Administration

1. The Administrative Set up of CBSE is given in the Initial Chapter.

16.3.1.15.2 Preliminaries

The Engineer in Charge and his representatives shall be responsible for execution of works and contract management according to the drawings, design, specifications, quality, and agreement etc. Time of completion of work shall be considered as an essential factor of contract management.

For timely delivery of the project, the T/S Authority, architect, structural designer and services designers, if any, shall ensure timely availability of drawings for construction and availability of details. Similarly, water supply, drainage, E & M services etc. drawings shall be ensured before execution of services work. In case of EPC contracts, the responsibility will be on the contractor but monitoring shall be done by the Engineer in Charge.

In case, private consultant(s) has been appointed by the T/S Authority, the T/S Authority shall ensure timely availability of drawings and details from the consultant(s). In case, the consultant has been appointed by the client close interaction and monitoring shall be made by the T/S Authority for timely availability of the drawings and details.

Details of the work from the Pre-construction stage to completion and handing over the work including payments made, and any other details of importance will be maintained by the Engineer in Charge in physical form or in digital form and to facilitate general public to get information of complete details of the work, QR(Quick Response) coding facility shall be prominently displayed by the Engineer in Charge at a suitable location on site accessible to general public, as per the directions issued by the from time to time.

The T/S Authority shall post on the CBSE website, the details of all the field officers engaged in the project and nodal officer to facilitate contact.

16.3.2 Co-ordination at Construction Stage

The coordination during construction stage shall be done by the T/S Authority as per procedure given in **SOP 5/9**.

16.3.3 Responsibility for Quality of Work

The officer who records / test checks the measurements for an item of work will be responsible for the quality, quantity/ measurements and dimensional accuracy of that item of work. In respect of all works, the responsibility of various officers for checking of materials and workmanship of items of works shall be as given in **SOP 5/10**. The T/S Authority shall be responsible for the overall quality of work.

In case, the quality has been checked by the QA unit of CBSE, the removal of defects shall be ensured within reasonable time by the Engineer in Charge and the QA unit. The responsibility of quality for the items checked by the quality assurance unit of CBSE will also lie with the QA unit in addition to the Engineer in Charge and his representatives.

16.3.4 Responsibilities of Field Officers and Contractor with Regard to the Labour Laws

Main responsibilities and procedures to be followed by the field officers with regard to labour regulations are given in SOP5/11.

16.3.5 Periodic Inspection of Works

The works shall be inspected frequently by various officers concerned with the work to ensure that the general working is being carried out according to quality, design, drawing, and specifications. The programme for inspection of the works shall be followed as per details given in SOP5/12.

16.3.6 Monitoring of Cement & Steel Consumption

16.3.6.1. Site Documents

For maintaining and operating other site documents viz Site order book, physical inspection register (where ever applicable), cement register, dismantle register etc. details are given in SOP 5/14 which may be referred.

16.3.6.2. Documentation of Accounts

For documentation of Accounts of a work viz Bill register, Contractors Ledger, Register of works guidelines are given in SOP 5/15.

16.3.6.3. Testing of Materials from Outside Laboratories

Guidelines on Testing of Material from outside laboratories are given in SOP 5/16.

16.3.7 Grant of Mobilization Advance to the Contractors for Executing Capital Intensive Works

- (i) In respect of specialized and capital-intensive works, provision of mobilization advance may be kept in the tender documents by the NIT approving authorities.
- (ii) The NIT approving authority should use his/her discretion carefully in deciding whether any particular work shall be considered as specialized or capital intensive one. Applicability or otherwise of relevant clause of GCC shall be clearly indicated while finalizing NIT of a particular work.
- (iii) Conditions on which the mobilization advance are to be paid are given in SOP5/17.

16.3.8 Grant of Plant, Machinery and Shuttering Material Advance

In respect of capital-intensive works, provision of Plant, Machinery and Shuttering material Advance may be kept in the tender documents by the

NIT approving authorities. The NIT approving authority should use his/her discretion carefully in deciding whether any particular work shall be considered as capital intensive one. Applicability or otherwise of relevant clause of GCC shall be clearly indicated in Schedule 'F', while finalizing NIT of a particular work. Such advance may be given as per GCC conditions. Conditions on which the T&P advance are to be paid are given in **SOP5/18**.

16.3.9 Secured Advance

Secured advance is a term applied specifically to an advance made on the materials brought at site of work, to a contractor whose contract is for the completed item of work. However, where stage payments are stipulated in certain contracts, like for E&M and other specialized works, such payments shall not be treated as secured advance. Conditions on which the Secured advance is to be paid are given in SOP5/19.

16.3.10 Extra, Substituted and Deviation Items in Work

The Rates for Extra items, substitute items, and deviations in the Agreement items beyond the limit specified in Agreement shall be based on provisions in General Condition of Contract.

16.3.11 Powers to Sanction of EI / SI / Deviations

- (1) The powers of officers to accord sanction to extra items / substituted items / deviation items for works are given in "Delegation of Financial Powers of CBSE."
- (2) The deviation / extra / substituted items shall be utilized exclusively within the scope of particular work. Further, the expenditure on all works covered under the sanction (after sanction of deviation / extra / substituted items) should not exceed the A/A&E/S amount, budgetary works where the total cost of work should not exceed 10% of A/A & E/S amount.
- (3) The authorities preparing, examining and sanctioning extra / substituted items should ensure proper preparation of nomenclature of items and record specific reasons to execute them. Casual remarks / reasons like "Required as per site conditions" or "Required at site" etc. should not be recorded.
- (4) It shall be ensured by the authorities preparing, examining and sanctioning extra items that no extra item is paid against negative deviations. In such case substitute items shall be prepared.

16.3.12 Measurement of Work

All measurements are to be done as per provisions of GCC and abstract of schedule of measurements and payments are to be entered through computerized MB/Manual MB .

16.3.13 In Case Physical Measurements Books are Used

The procedures on operation of MB i.e writing of MB, Recording of measurements, Movement of MB , Transfer of MB, Review of MB, Loss of MB etc are given in **SOP5/20**.

16.3.14 Where Measurements Need Not to be Recorded

No measurements need be recorded for petty purchases made through permanent imprest accounts. Details are given in **SOP 5/20** which may be referred.

16.3.15 Measurements for Inadmissible Items

Items claimed by the contractor which in the wisdom of the Engineer incharge are not admissible for payment, measurements should be recorded without pre judice for record purposes only under heading "Inadmissible items claimed but not included in the payment" so that in case it is subsequently decided to admit the contractor's claims in DRC / Arbitration / Court proceedings, there should be no difficulty in determining the quantities of such work done.

16.3.16 Measurements for Earth Levelling Works

Procedure on measurements of earth levelling work is given in **SOP 5/21**.

16.3.17 Advance Payments for Work Done and Measured/Not Measured

Advance payments can be made to the contract on a running account bill form for the work done and measurement submitted by him, but not checked, on receipt of an application from the contractor for financial aid in the shape of part payment. It can be paid by the Engineer in Charge as a lump- sum advance payment on Hand Receipt Form 28, subject to the conditions given in **SOP5/22**.

16.3.18 Acceptance of Substandard Work

In general, sub-standard works should not be allowed to occur, as they reflect poorly on the professional competence of the field staff and adversely affect the image of the Department.

Acceptance of work below specifications and/or below acceptable levels of workmanship, and the resulting payment at reduced rates for such defective/deficient works should be resorted to only for those items where materials conforming to the required specifications are not available, or where it is structurally impossible to get the work re-done or where in opinion of Engineer incharge it is expedient to do so. Details for acceptance/payment of substandard works are given in **SOP5/23**.

16.3.19 Test Checking of Measurements

The T/S authority shall be responsible for the overall quality of the work. Test Checking of measurements shall be carried out by respective officers as given in **SOP 5/24**.

16.3.20 Documentation of Hindrances

The requirement of maintaining and operating Hindrance Register has been dispensed with for all works whose NIQ / NIT are uploaded on or after 19/2/2019. Delay in execution of works has to be avoided by authorities through close co-ordination with all concerned and taking timely decisions. Whenever any hindrance whether on the part of department or contract or causing delay in the works comes to the notice of AE, he should at once write in the site order book and immediately makes a report to the Engineer in Charge. On receipt of AE's report or as soon as any hindrance comes into the notice of the Engineer in Charge, he will make immediate efforts to get it removed. All correspondence made in this regard shall be kept on record.

In case of receipt of any notice from the contractor regarding hindrance or events under the Engineer in Charge shall within 10 days of receipt of such notice, reply to the contractor and maintain record of the correspondence.

All correspondences kept on record, shall be considered by the Competent Authority for the extension of time/rescheduling of miles tones.

For ongoing works/ works whose NIQ/ NIT was uploaded prior to 19/02/2019, existing guidelines of the Works Manual 2019 would be followed.

16.3.21 EOT & Rescheduling of Milestones

For EOT and Rescheduling of milestones, provisions as per GCC shall be followed. The procedure given in **SOP 5/25** may be referred.

16.3.22 Compensation under Clause 2

The compensation under clause 2 is to be operated by following due procedure and proper application of mind. The condition under which compensation under clause 2 is levied on the contractor is given in **SOP5/26**. Notice to adjust or set off compensation from dues to the contractor shall be notified by the Engineer in Charge accordingly.

16.3.23 Completion Certificate

16.3.23.1 Recording of Provisional Completion Certificate

On substantial Completion of any work which has been completed to such an extent that the intended purpose of the work is met and is ready for use, then a provisional Completion Certificate with a list of outstanding balance items of work that need to be completed in accordance with the provisions of the contract shall be recorded by the Executive Engineer and T/S Authority (in case both authorities are different).

16.3.23.2 Recording of Final Completion Certificate

Before the work is declared as completed in all respect for release of all payment, the work shall be inspected by the T/S Authority. In case of composite works, inspection shall also be carried out by the competent authority of the minor components of work. The Final Completion Certificate shall be recorded by both the Executive Engineer and T/S Authority (in case both authorities are different) under whose tenure the work is completed, or as decided by the Directorate from time to time. Procedures on inspection of works for issue of completion certificate are given in **SOP5/27**. The time schedule for issue of completion certificate shall be as per GCC provision.

16.3.23.3 Occupancy Certificate and As Built Drawings

- (1) The Engineer-in-Charge shall obtain the Occupancy Certificate, wherever required, from local bodies with the help of concerned Architect / Consultant before handing over of buildings for the budgeted works.
- (2) For all works, the Engineer in Charge shall also ensure that all the "Completion/As Built" drawings of services i.e. Water supply, Drainage, E & M services are handed over to the Client as well as to the maintenance unit invariably. In case consultant is engaged, the responsibility will be as per the agreement signed between the Engineer in Charge and the Consultant but overall responsibility will be of the Engineer in Charge. For deposit works, responsibility will be as per the MoU.

16.3.24 Payment

16.3.24.1 Time Schedule for Payment of Bills

The time schedule for payment of bills shall be as per GCC provisions.

16.3.24.2 Payment Through NEFT/RTGS etc.

All payments, to the extent possible, shall be released 'just-in-time' through RTGS.

16.3.24.3 Deduction of Income Tax at Source

Under Section 194C of the Income Tax Act,1961,deduction of income tax is required to be made at source by disbursing officers from payments made to contractors. The procedure is given in **SOP5/28**.

16.3.24.4 Deduction of GST

GST will be deducted from the payment made to the Contract or as per the GST Act and instructions issued from time to time.

16.3.25 Conditions for Refund of Security Deposit and Performance Guarantee

The security deposit and performance guarantee shall be refunded to the contractor as per GCC.

Refund of security deposit in cases of delay in final bill and maintenance of Deposit Register shall be as per procedure given in **SOP5/29**.

Refund of security deposit regarding specialized work shall be as per **SOP5/30**.

16.3.26 Supplementary Agreements

Supplementary Agreement shall be drawn where it is not desirable to keep the complete contract open for items, execution of which is not immediately possible on account of:

Certain prerequisite(s) which is(are) not the responsibility of the contractor, or

- (i) Execution of maintenance / operation of equipment's and installations for a specified period after completion of the construction/erection work.
- (ii) In such cases the main contract may be finalized, and the residual work may be got done through the same contractor by executing Supplementary Agreement on the form prescribed in Annexure -11 of SOP documents.
- (i) The authority competent to accept the tender will be the authority to order provisional closure of the original contract and drawing up of the supplementary agreement.

PART- IV MAINTENANCE WORKS GENERAL PROVISIONS

16.4. Classification of Maintenance Works in Existing Structures

16.4.1 The following categories of works is classified as Maintenance works:

- (1) Annual repair and maintenance works
- (2) Special repair works
- (3) Additions/ Alterations works
- (4) Day to day repairs
- (5) Petty repair works
- (6) Up-gradation Work and Aesthetic improvements in existing buildings

As per GFR 2017 Rule 130, minor works which add capital value to existing assets but do not create new assets are to be treated as Original Works under Capital Head.

16.4.2 Mode of Execution of Maintenance Works

Maintenance works should usually be carried out in Comprehensive maintenance mode. In this mode, all the maintenance works pertaining to Civil, Electrical (excluding standalone operational works and specialized works) & horticulture works are carried out through a single agency by inviting composite tenders. The normal works of up gradation, special repairs, addition and alteration of civil, E&M services and horticulture should also be clubbed in the composite tenders and executed under a single contract. For the following cases, comprehensive maintenance may not be feasible hence other modes may be adopted:

16.4.3 Works through Departmental Labour

In this mode, day to day maintenance is carried out through departmental labour and the materials used for the work are issued from the maintenance store.

16.4.4 Works on Individual Contracts

This mode is used for execution of maintenance and repair works by call of tenders, where comprehensive maintenance is not resorted to.

16.4.5 Works on Work Orders

In emergent and urgent cases, this mode is used by collecting spot quotations in case of emergency and call of quotations in case of urgency, as the case may be. In case of exigencies, with recorded reasons, the urgent work may be executed by collecting spot quotations as per delegation of Financial powers.

16.4.6 Petty Repairs

Petty maintenance and repair works up to Rs 25000/- can be got executed by the Engineer in Charge at his discretion through hand receipts but at reasonable rates.

16.4.7 Annual Rate Contract System for Maintenance/Minor Works

Annual Rate Contract System for Maintenance/ Minor Works: This is suitable for repetitive nature of jobs which requires immediate start and uniformity of rates, mainly for minor works. The works have to be planned in advance and a number of agencies for works in each colony should be fixed before the start of financial year. Normal A/R & M/O works, however, shall be dealt with under normal tendering system. The detailed procedure for calling Annual Rate Contract for maintenance / minor works shall be followed are given in **SOP 9/1**.

CHAPTER - 17

ATTACHMENT OF DEBTS



17.1 Attachment of debt:-

1. When the pay of a Government servant is attached by any order of a Court of Law, it is the duty of the officer receiving the attachment order to see that the proper deduction is made in satisfaction of such order from the pay of the Government servant concerned, and to keep a recorded of such deductions in Form CBSE/FAM-13.
2. If a Government servant is adjudged insolvent, the attachable portion of his salary vests in the Court that passed the order of insolvency or the Receiver appointed by the Court. The amounts which have been under attachment in execution of the decree against the insolvent shall also, after the order of insolvency, vest in such Court or the Receiver, and the attached amounts in such cases, instead of being sent to the various Courts which issued the orders of attachment, should be sent to the Insolvency Court or the Receiver for pro rata distribution among all the creditors of the insolvent Government servant.

(G.F.R. - 74)

Note 1. The extent to which the emoluments of a Government servant are exempt from attachment for debt is laid down in sub-section (1) of Section 60 of the Code of Civil Procedure, 1908 (5 of 1908). The following is an extract of the relevant provisions of the Said sub-section :-

“60 (I) The following property is liable to attachment..... in execution of a decree Provided that the following particulars shall not be liable to such attachment namely :-

- (i) Salary to the extent of the ¹[first one thousand rupees] and two thirds of the remainder in execution of any decree other than a decree for maintenance :-

Provided that where any part of such portion of the salary as is liable to attachment has been under attachment, whether continuously or intermittently, for a total period of twenty-four months, such portion shall be exempt from attachment until the expiry of further period of twelve months, and where such attachment has been made in execution of one and the same decree, shall after the attachment has continued for a total period of twenty-four month, be finally exempt from attachment in execution of that decree.

(ia) one-third of the salary in execution of any decree for maintenance;

(1) any allowance forming part of the emoluments of any servant of the Government.....which the appropriate Government may, by notification in the Official Gazette, declare to be exempt from attachment and any subsistence grant or allowance made to any such servant.....while under suspension;

EXPLANATION I. :- In Clauses (i) and (ia), 'salary' means the total monthly emoluments excluding any allowance declared exempt from attachment under the provisions of Clause (e), derived by a person from his employment whether on duty or on leave.

EXPLANATION II. In Clause (1), 'appropriate Government' means:-

- (i) as respects any person in the service of the Central Governmentthe Central Government;
- (ii) as respects any other servant of the Government or a servant of any other local authority, the State Government.

EXPLANATION III. For the purposes of this proviso, "Wages" includes bonus and "labourer" includes a skilled, unskilled or semi-skilled labourer.

Note 2. The following declarations have been issued by the Central Government under Clause (1) of the proviso to sub-section (1) of Section 60 of the Code of Civil Procedure :-

- (1) The following allowances payable to any public officer in the service of the Government, shall be exempt from attachment by Order of a Court :-
 - (i) All kinds of travelling allowances.
 - (ii) All kinds of conveyance allowances.
 - (iii) Allowances granted for meeting the cost of -
 - (a) uniforms,
 - (iv) Allowances granted as compensation for higher cost of living in localities considered by the Government to be expensive localities, including hill stations.
 - (v) All house rent allowances.
 - (vi) Dearness Allowance or any other allowance granted to provide relief against the increased cost of living.
 - (vii) Children's education allowance (whether described as such or as children educational assistance or any other manner).
 - (viii) All amounts paid by way of reimbursement of medical expenses.

Dearness pay, which is really a part of the Dearness Allowance and is treated as pay for certain specific purposes only, is also exempt from attachment by order of a Court.

In accordance with the above provision, the maximum amount attachable by a Civil Court, for decrees other than decrees for maintenance is to be calculated thus :-

If the total gross emoluments earned by the Government servant are represented by 'X' and the allowances declared to be exempt from attachment (vide Note 2 below the preceding rule) and the subsistence grant or allowance to such Government servant if he is under suspension, are represented by 'Y', the amount attachable will be $X - Y - 1000^1$

17.2 Action to be taken with reference to a second or subsequent attachment order:-

1. If an order of attachment against a Government servant is received before a previous order of attachment against the same Government servant has been fully complied with, the recoveries shall be made by the Disbursing Officer so long as the total amount recoverable with reference to attachment orders is within the maximum limit prescribed in Rule 74.
2. If a new attachment order has the result of the total attachable amount exceeding the maximum limit prescribed, the Disbursing Officer shall return the new attachment order to the Court concerned with a statement showing :-
 - (i) particulars of the existing attachment (s),
 - (ii) particulars into the amount (s) withheld and paid up-to-date into the Court (s) concerned,
 - (iii) the amount (s) remaining to be recovered.

(G.F.R. - 75.)

17.3 Deductions which are to be effected from the non-attachable portion-

Any deductions which may have to be made on account of subscriptions to provident funds recognized by Government, taxes on income payable by the Government servant, dues of Co-operative Societies and debts due to Government should be made from the non-attachable portion of the government servant's salary.

(G.F.R. - 76.)

Procedure for recovery based on attachment orders and remittance to the Court- Without prejudice to the appropriate provisions of the Code of Civil Procedure, 1908 (5 of 1908), the procedure to be followed by the DDOs in making recoveries from pay and allowances of Government servants, of amounts in compliance with attachment orders issued by Courts shall be regulated in accordance with the following rules, namely:-

- (1) Subject as hereinafter provided in this rule, the gross amount of pay and allowances of the Government servant shall be worked out on the pay bill as usual. Wherever the payment to the Government servant is by means of cheque, the net entitlement arrived at after making deductions on account of provident fund, taxes on income as per Rule-76, shall be split into the amount attachable under the Court attachment order and the balance to be disbursed to the Government servant concerned, to enable two separate cheques to be prepared respectively for the amount to be remitted to the Court concerned and that payable to the officer. Wherever the salary is payable in cash, there is no need of any break-up to be shown in the pay bill, but this may be done distinctly in the acquaintance roll.

- (2) In the case of an attachment order issued by a Court in India against a Government servant whose pay and allowances are to be disbursed outside the local limits to which the Code of Civil Procedure, 1908, extends, the Drawing the Disbursing Officer of the concerned Ministry, Department or Union Territory in India will be responsible for drawing the amount recoverable monthly in compliance with the attachment order and remitting them to the Court concerned, unless timely intimation is received by him of the death of the Government servant or of any other event necessitating the discontinuance of such payments.
- (3) In cases in which a judgment-debtor does not sign the acquaintance roll and intentionally allows his pay to remain undisbursed in order to evade payment on account of an attachment order issued by a Court of Law, the Head of the Office may draw the pay of the judgment-debtor in satisfaction of the attachment order, subject to the prescribed restrictions and remit the amount to Court concerned.
- (4) The amounts drawn under sub-rule (2) and (3) shall be treated for all purposes as payment of the dues of the Government servant to that extent and particulars of the attachment order will be cited in the pay bill or the acquaintance roll as an authority for the charge and the Court's receipt for the amounts shall be filed with attachment register or such other suitable record as may be kept by the Drawing Officer.

(G.F.R. - 77.)

17.4 Cost of remittance to Court- The cost, if any, of remittance to a Court of money realized under its attachment order shall be deducted from the amount realized and the net amount remitted to the Court.

(G.F.R. - 78.)



CHAPTER - 18

CONTROLLER

OF

EXAMINATION

(SECRECY WORK)



CBSE being an examination body has a Secret Unit which is headed by Controller of Examination. This unit is responsible for preparation, printing and supply of Question Papers to the Custodians / Examination Centres. This is the most confidential work to maintain the sanctity of the examination. Since the inception of CBSE, a system has been developed which is foolproof. The responsibilities of Secret Unit are as follows:-

1. Identification of Confidential Press

Identification of Confidential Press is a very sensitive issue to maintain the sanctity and secrecy of the question papers. Confidential presses are identified by following the given process -

- i. Rates from the confidential presses are called for different activities as required by the Controller of Examinations.
- ii. Rate reasonability is established with the previous approved rates.
- iii. A three-member committee of Board officials / officers finalize the rates on the basis of rates received from selected and trusted presses.
- iv. Proposal is placed before the Competent Authority of the Board for approval.
- v. Rates remain valid for a period of three years. A copy of the approved rates is provided to press and the same is used by the CBSE. The rates are approved by the Competent Authority on file and list of the approved rates is signed by the Controller of Examinations.
- vi. Written work orders placed to press on plain paper to hide the identity of the press as well as of the CBSE. However, an affidavit on a stamp papers of Rs.10/- is signed by the authorized signatory of Press as well as Controller of Examinations before allotment of work.
- vii. During printing, simply subjects, QP Code and quantity of question papers to be printed and method of dispatch is informed without informing the name of CBSE.
- viii. Chairperson is the Competent Authority to approve the press.
- ix. Approval is sought by giving codes of printing press on the note sheet.

2. Identification of agency for dispatch of Question Papers

Dispatch agencies are also identified in the similar manner as that of printing presses. Generally, Government agencies are used for the dispatch of the confidential material under a secret plan.

3. Processing of the bills of printing of Question Papers

Bills are processed in the following manner:-

- i. Press gives bill on the plain paper signed by their official signatory.
- ii. A copy of the bill is regenerated with the help of photocopier by hiding the signature of the official signatory of the press or any other identity if available on the bill(s)/supported bill(s) which may disclose the identity of the press or location etc.

- iii. Calculation is made based on the approved rates.
- iv. GSM of the paper used for printing is to be checked from Government agency which is used to calculate the cost of the paper. If GSM is as per order, no deduction is made. If, there is a variation on lower side, proportionate deduction is made. However, if it on higher side, rates remain the same as approved.
- v. Proposal for approval for payment is made in a tabular form by giving the details of the item, approved rates, quantity, total value, deduction made if any etc.
- vi. The proposal is sent to audit unit for pre audit of the proposal. File contains proposal, list of the approved rates, copy of the order, report of the GSM etc.
- vii. The file is pre audited by officer/official of the audit unit of the level of not less than the Assistant Secretary.
- viii. Once the proposal is cleared by the audit unit, the same is placed before the Competent Authority for approval.
- ix. Once, the proposal is approved, the confidential sanction note for the payment is also signed by the Competent Authority under secret head expenditure no. 9.3.1.01.
- x. The entry of the sanction note is made in a register by giving the details of printing, amount etc. which is also signed by Controller of Examinations and the Competent Authority of the Board.
- xi. Based on the sanction letter, a cheque of 'yourself' is issued by the Accounts Department.
- xii. With the help of 'yourself' cheque, payment is released to confidential printer without deduction of tax at source. The press is asked to give a certificate that tax will be paid by the press and same will be responsible for any tax related issue. This is also done to hide the identity of the press.

4. Processing the bills of Experts involved in preparation of Question Papers

- i. Proposal based on bills submitted by Subject Experts is prepared without giving the personal details of the experts.
- ii. The proposal contains details of the work done, remuneration, conveyance etc.
- iii. Original bills which are submitted by Experts, remained under the custody of Secret Unit.
- iv. The proposal with the approved rates is sent to the audit unit for pre auditing.
- v. Once the file is cleared by the audit, the proposal is accorded approval by the Competent Authority of the Board.
- vi. Thereafter a sanction letter under the secret head is signed by the Competent Authority whose details are recorded in register signed by Controller of Examinations and the Competent Authority.
- vii. Based on the sanction letter, a cheque of 'yourself' is issued based on which demand draft(s) are prepared / NEFT / RTGS is done.

5. Processing of bills of dispatch agency

- i. Bill is received from the dispatch agencies.
- ii. The same is processed based on the rates applicable for the year being Government agency.
- iii. The pre auditing is done by the audit unit.
- iv. The proposal after clearance from the audit unit is approved by the Controller of Examinations as per delegation of powers by the Competent Authority of the Board.
- v. Sanction letter is prepared by the Secret Unit and sent to accounts section for preparation of a cheque / DD in the name of the Govt. Authority.
- vi. The payment is released by the accounts unit.

6. Important mention

- i. For the Secret Unit, Competent Authority is the Controller of Examinations.
- ii. For all confidential payments, Competent Authority is the Chairperson of the Board.
- iii. These payments are further got verified from the accounts section as per financial year.
- iv. A certificate is issued, on the certificate given by the Controller of Examinations, subsequently by the Chairperson regarding the total expenditure incurred under Secret Expenditure head no. 9.3.1.01 after the end of the financial year (1st April to 31st March) that :

"CERTIFICATE

(Rule 112 of Receipts & Payments Rules)

Certified that a sum of **Rs.../- (Rupees only)** incurred on the Secret Expenditure during the year (1.4..... to 31.3.....) has been accounted for properly and the account is not auditable.

Date :

Signature of Chairperson.



CHAPTER -19

HEAD

OF

ACCOUNTS



(RECEIPTS)	
	Examination Fees
8.1.1.01	Sr./Sec. Examination Fees
8.1.1.02	Comptt. Exam. Fees
8.1.1.03	Reimb. of Fees of SC/ST
8.1.2.01	Fees received from JNV
8.1.3.01	Sale of Forms
8.1.4.01	Sale of PMT Bulletin
8.1.5.01	Sale of AIEEE Bulletin
8.1.7.01	Prof. Test
8.1.8.01	CTET
8.1.10.01	Performance Analysis Test
8.1.11.01	Vocational Fee
8.1.13.01	Misc. Exam Fee
8.1.14.01	CBSE - UGC NET Fee
	Other Fees
8.2.1.01	Supply of MC/DC/DOB/MS
8.2.2.01	Rechecking of Results
8.2.3.01	Registration of Class IX
8.2.4.01	Registration of Class XI
8.2.5.01	FA - Principal Advocacy Training Fee
8.2.6.01	For copy of Answer Sheets
8.7.1.01	Annual Sports Fees
8.7.2.01	Edusat
8.7.3.01	Formative Assessment Training fee
8.7.3.02	Strategic Management Training fee
8.7.5.01	Academic Programs/Projects
8.7.3.03	PSA Exam
8.7.3.04	Assessment of speaking & Learning Skill
8.7.4.01	Accreditation Fee
	Misc. Receipts
8.3.1.01	Sale of Used Ans. Books/Raddi
8.3.2.01	Other Receipts
8.3.2.02	Recovery from Salary
8.3.2.03	Recovery of License Fees
8.3.2.04	Recovery/Forfeiture of Security Deposit /EMD/Pecuniary Penalty
8.3.2.05	Rent paid by Bank
8.3.2.06	Electricity bill paid by Bank
8.3.2.07	RTI Fee
8.3.3.01	Empanelment Fee

8.3.5.01	Recruitment fees
3.2.1.06	Recovery of GIS
	Affiliation Fees
8.4.1.01	Affiliation Fees of Schools
	Sale of books and publication
8.5.1.01	Sale of Books & Publications
8.5.1.02	online sale of Books & Publication
	Interest receipts
8.6.1.01	Bank Deposits (FDRs)
8.6.1.02	Loans and Advances
8.6.1.03	Savings Bank Accounts
	CBSE projects and programmes
7.1.1.01	National Informatics Olympiad
7.1.2.01	National Mathematics Olympiad
7.1.3.01	Science Exhibition
7.1.6.01	NVS Project
7.1.7.01	CBSE Heritage India Quiz
7.1.8.02	Vehicular Population
7.1.9.01	Sakshat
7.1.11.01	Financial Market Management
7.1.12.01	Induction Prog. For Principals
7.1.13.01	Arunachal Pradesh Project

PAYMENTS	
HEAD NO.	NAME OF THE HEAD
<u>ESTABLISHMENT EXPENSES</u>	
9.1.1.01	PAY & ALLOW. - OFFICER
9.1.1.02	PAY & ALLOW. - SUP/CLERICAL
9.1.1.03	PAY & ALLOW. - NON CLERICAL
9.1.1.04	N.P.S. CONTRIBUTION OF BOARD
9.1.2.01	WAGES TO CONTRACTUAL WORKERS (INCL. DAILY WAGES)
9.1.3.01	LEAVE ENCASHMENT ON SUPERANNUATION
9.1.3.02	20 DAYS LEAVE ENCASHMENT TO STAFF
9.1.4.01	BONUS
9.1.5.01	GIS CONT. FOR CLASS IV

9.1.6.01	LEAVE SALARY & PENSION CONTRIBUTION (LSPC)
9.1.7.01	MEDICAL ALLOW./REIMB.
9.1.7.02	MEDICAL ALLOW./REIMB. (RETIRED)
9.1.8.01	LTC/HTC
9.1.8.02	EXCURSION TRIP
9.1.8.03	LTC ENCASHMENT
9.1.9.01	C.E.A. & TUTION FEE
9.1.10.01	LSA IN LIEU OF OTA
9.1.10.02	LSA in Contract/DW
9.1.11.01	TA / DA TO EMPLOYEES OF THE BOARD (OTHER THAN EXAM WORK)
9.1.12.01	FOREIGN TOUR
9.1.13.01	REIMB. OF CONVEYANCE CHARGES TO STAFF
9.1.14.01	FEES/SALARY TO CONSULTANTS
9.1.15.01	PROFESSIONAL FEES/CONSULTANCY CHARGES TO INSTITUTIONS
9.1.16.01	HONORARIUM TO STAFF
9.1.17.01	PENSION & GRATUITY FUND CONTRIBUTION
9.1.18.01	GIS PAYMENT TO LIC
9.1.18.02	GSLI CLAIMS
9.1.19.01	NEWS PAPER ALLOWANCE TO STAFF
9.1.20.01	RECRUITMENT EXPENSES
TRANSPORTATION EXPENSES (OTHER THAN EXAMINATION WORK)	
9.2.1.01	TRANSPORTATION CHARGES (OTHER THAN EXAMINATION WORK)
9.2.2.01	HIRING OF TAXI
9.2.3.01	PETROL, OIL & LUBRICANTS
<u>REPAIRS AND MAINTENANCE EXPENSES</u>	
9.3.1.01	REPAIR & MAINT. OF BOARD'S BUILD.
9.3.1.02	REPAIR & MAINT. OF STAFF QUAR.
9.3.1.03	REPAIR OF FURNITURE EQUIPMENT
9.3.1.04	MAINTENANCE OF VEHICLE
<u>ADMINISTRATIVE EXPENSES</u>	
9.4.1.01	UNIFORM TO DRIVER & NON-CLERICAL STAFF
9.4.2.01	OFFICE STATIONERY

9.4.3.01	RENT
9.4.4.01	RATES & TAXES
9.4.5.01	ELECTRIC, WATER & GENERATOR CHARGES
9.4.6.01	TELEPHONE CHARGES
9.4.7.01	POSTAGE & COURIER (OTHER THAN EXAMINATION WORK)
9.4.8.01	INSURANCE OF OFFICE BLDG.
9.4.9.01	AUDIT CHARGES
9.4.10.01	LEGAL EXPENSES
9.4.11.01	BANK CHARGES
9.4.12.01	CONTINGENCIES
9.4.13.01	HOSTING OF COBSE CONF.
9.4.14.01	SCHOLARSHIP & MEDALS
9.4.15.01	PRINTING OF BOOKS/PUBLICATION
9.4.16.01	PRINTING OF APPLICATION FORMS ETC. (EXCEPT ANSWER BOOKS)
9.4.17.01	COST OF PAPER PURCHASE
9.4.18.01	PUBLICITY & ADVERTISEMENT
9.4.19.01	CBSE AWARDS TO TEACHER
9.4.20.01	TRAINING PROG. FOR STAFF
9.4.21.01	MEMBERSHIP RENEWAL FEES
9.4.22.01	EXPENSES ON INFORMATION TECHNOLOGY
9.4.23.01	PAYMENT OF GST UNDER FORWARD/REVERSE CHARGE
9.4.24.01	WAGES TO SECURITY GUARD
9.4.25.01	SITTING ALLOW & TA/DA TO NON-OFFICIALS FOR MEETINGS/WORKSHOPS (OTHER THAN EXAMINATION, AFFILIATION AND ACADEMIC WORK)
9.4.26.01	HONORARIUM TO NON-OFFICIALS
9.4.27.01	PAYMENT TO NSDL AGAINST NPS SERVICES
9.4.28.01	PURCHASE OF REFERENCE BOOKS/JOURNALS/MAGEZINES
9.4.29.01	REFRESHMENT/HOSPITALITY CHARGES (OTHER THAN SPECIFIED ELSEWHERE)
9.4.30.01	EXPENSES ON CONDUCTING MEETINGS / SEMINARS /WORKSHOPS (OTHER THAN SPECIFIED ELSEWHERE)
9.4.31.01	EXPENSES ON HINDI PAKHWADA / RAJBHASHA MOTIVATION ACTIVITIES
9.4.32.01	HIRING OF AIRCONDITIONER / DG SETS OR OTHER MACHINARY
9.4.33.01	LABOUR HIRING CHARGES
9.4.34.01	PHOTOCOPY EXPENSES (OUTSOURCED)
9.4.35.01	HOUSEKEEPING/CLEANING EXPENSES

<u>EXAMINATION EXPENSES</u>	
9.5.1.01	PNTG. OF Q.P. & OTHER SECRET WORK
9.5.2.01	DEVE. & DISP. OF CD FOR CLASS IX & XI (SA- I & II)
9.5.2.02	PROFICIENCY TEST
9.5.3.01	FOR OTHER TEST/EXAMS & MISC.
9.5.4.01	REM. TO PAPER SETTER/EXAMINERS
9.5.5.01	REMUNERATION FOR SECRECY WORK
9.5.6.01	TABU.& CHECKING OF RESULT
9.5.7.01	CHECKING OF ANSWER BOOKS
9.5.8.01	COMPILATION OF RESULT THROUGH COMPUTER
9.5.8.02	INSTALLATION OF SOFTWARE DEVELOPMENT & SUPPORT ACTIVITY (FOR EXAM ONLY)
9.5.9.01	CONTINUOUS COMPUTER STATIONERY
9.5.10.01	CENTRE CHARGES EXCLUDING. TA/DA
9.5.11.01	TA/DA TO EXAMINERS/OTHER OFFICIALS FOR EXAMINATION WORK INCLUDING CONVEYANCE
9.5.12.01	HIRING OF JAMMERS
9.5.13.01	TRANSPORTATION CHARGES FOR DELIVERY OF QUESTION PAPER/ ANS. BOOKS ETC.
9.5.14.01	REFUND OF FEE
9.5.15.01	COUNSELLING CHARGES TO DGHS/CCB
9.5.16.01	RECHECKING OF RESULTS
9.5.17.01	PRINTING OF ANSWER BOOKS
9.5.18.01	PRE REGISTRATION DATA
9.5.19.01	REFRESHMENT/HOSPITALITY CHARGES (FOR EXAM RELATED WORK)
9.5.20.01	POSTAGE & COURIER (FOR EXAMINATION WORK)
9.5.21.01	EXPENSES ON MARKING SCHEME
9.5.22.01	EXPENSES ON MODERATION
9.5.23.01	PURCHASES OF SAFETY BAGS
<u>EXPENDITURE ON AFFILIATION OF SCHOOLS</u>	
9.6.1.01	HONORARIUM &TA/DA FOR INSP. OF SCHOOLS

<u>EXPENDITURE ON VOCATIONAL & TRAINING (OTHER THAN STAFF TRAINING))</u>	
9.7.1.01	HOLDING OF WORKSHOPS & REFERENCE COURSES (EXCLUDING TA/DA & HONORARIUM)
9.7.2.01	HONORARIUM AND TA/DA TO RESOURCED PERSON/TRAINERS FOR ACADEMIC WORKSHOPS
9.7.3.01	HONORARIUM/SITTING ALLOWANCES AND TA/DA EXPENSES ON VOCATIONAL CELL ACTIVITIES
9.7.4.01	REFRESHMENT CHARGES ON VOCATIONAL CELL ACTIVITIES
<u>EXPENDITURE ON SPORTS</u>	
9.8.1.01	SPORTS MEET
<u>REFUND OF EMD/DEPOSITS</u>	
9.9.1.01	REFUND OF EARNEST MONEY
9.9.2.01	PAYMENT OF OTHER SECURITY DEPOSITS
<u>CBSE PROJECTS AND PROGRAMMES</u>	
9.10.1.01	NATIONAL INFORMATIC OLYMPIAD
9.10.2.01	NATIONAL MATHEMATICS OLYMPIAD
9.10.3.01	NATIONAL SCIENCE EXHIBITION
9.10.4.01	CBSE HERITAGE INDIA QUIZ
9.10.5.01	ROAD SAFETY
9.10.6.01	VEHICULAR POLLUTION
9.10.7.01	SAKSHAT PROJECT
9.10.8.01	DISASTER MANAGEMENT
9.10.9.01	NATIONAL SCHOOL SANITATION
9.10.10.01	CELEBRATION OF DAYS
9.10.11.01	EXPRESSION SERIES
9.10.12.01	CNT. COMP. EVALUATION (CCE)
9.10.13.01	AVISHKAAR QUIZ
9.10.14.01	EDUSAT PROJECT
9.10.15.01	FA ASSESSMENT TRAINING WORKSHOP
9.10.16.01	TA/DA on Conduct of FAT Workshop
9.10.17.01	SAHODAYA EVENTS

9.10.18.01	WEBPORTAL
9.10.19.01	C B S E (i)
9.10.20.01	ASL
9.10.21.01	UDAAN
9.10.22.01	CAPACITY BUILDING PROGRAMMES
9.10.23.01	ARUNACHAL PRADESH PROJECT
9.10.24.01	ORIENTATION PROGRAMME (IP)
9.10.25.01	ECONOMIC ORIENTATION PROG.
<u>LOANS AND ADVANCES (PERSONAL)</u>	
9.11.1.01	HOUSE BUILDING ADVANCE
9.11.2.01	CONVEYANCE ADVANCE
9.11.3.01	COMPUTER ADVANCE
9.11.4.01	FESTIVAL ADVANCE
<u>LOANS AND ADVANCES (OTHER THAN PERSONAL)</u>	
6.1.1.01	TA/DA ADVANCE
6.1.2.01	CONTINGENT ADVANCE
6.1.3.01	MEDICAL ADVANCE
6.1.4.01	ADVANCES TO CONTRACTORS FOR SUPPLIES/AMC/SERVICE/OUTSOURCING
6.1.5.01	ADVANCE TO SCHOOL CENTRE ETC.
6.1.6.01	ADVANCE FOR MARKING SCHEME
<u>REMITTANCE OF FUNDS</u>	
6.2.1.01	REMITTANCE OF FUNDS TO ROs/COEs (ON NON-RETURNABLE BASIS)
6.2.1.02	REMITTANCE OF FUNDS TO ROs/COEs/OTHER FUNDS (ON RETURNABLE BASIS)
6.2.2.01	REMITTANCE OF FUNDS TO HQs OUT OF FEE/FDR/OTHER RECEIPTS
<u>EXPENSES ON BEHALF ON OTHER UNITS/ROs</u>	
6.3.1.01	EXAM EXPENSES ON BEHALF OF OTHER ROs
<u>WORK-IN-PROGRESS</u>	
6.4.1.01	ADVANCE FOR CAPITAL WORK

<u>PURCHASE OF FDRs</u>	
6.5.1.01	PURCHASE OF FRESH FDR
6.5.2.01	PURCHASE OF RE-INVESTED FDR
<u>FIXED ASSETS</u>	
4.1.1.01	COST OF LAND
4.1.1.02	FREEHOLD CHARGES
4.1.1.03	LEASEHOLD CHARGES
4.1.2.01	CONSTRUCTION OF OFFICE BUILDING
4.1.2.02	ADDITION/ ALTERATION IN OFFICE BUILDING
4.1.3.01	CONSTRUCTION OF STAFF QUARTERS
4.1.3.02	ADDITION/ ALTERATION IN STAFF QUARTERS
4.1.4.01	FURNITURE, FIXTURE & FITTINGS
4.1.5.01	OFFICE EQUIPMENT
4.1.6.01	COMPUTER & PERIPHERALS (EXCLUDING SOFTWARE)
4.1.7.01	PURCHASE OF AC/COOLER
4.1.8.01	PURCHASE OF STAFF CAR
4.1.9.01	LIBRARY BOOKS
4.1.10.01	AUDIO AND VISUAL EQUIPMENTS
4.1.11.01	PLANT AND MACHINERY
4.1.12.01	ELECTRICAL INSTALLATION
4.1.13.01	TUBEWELL AND WATER SUPPLY
4.1.14.01	PURCHASES OF SOFTWARE (OTHER THAN FOR EXAM WORK)

CHAPTER - 20

DELEGATION

OF

FINANCIAL

POWER





OFFICE ORDER

In exercise of power conferred by the Governing Body of Board, the delegation of financial power was last revised vide office order dated 06.02.2019. Further, vide office order dated 02.09.2019, financial power is delegated to Units/ROs/COEs within approved budget.

The delegation of financial power has been revisited to resolve ambiguity in the earlier orders issued.

The financial power entrusted by this order shall be effective from **08.01.2020** and supersede all previous office orders and circulars pertaining to delegation of financial power **except office order dated 02.09.2019**. This shall be applicable to Head Quarter/ Regional Offices/Units/COEs having separate DDOs for respective offices.

This issues with the approval of the Competent Authority.

Anurag Tripathi
(Anurag Tripathi)
Secretary

Distribution:

1. PPS to Chairperson for information
2. All Directors and HODs
3. All Regional Offices
4. All Centre of Excellence
5. All sections of Headquarters

REVISED DELEGATION OF FINANCIAL POWERS

The Governing Body in exercise of power vested in its Memorandum of Association of CBSE delegate financial powers to Chairperson, HODs and other officer of CBSE. The power delegated is included in the schedules annexed hereto. The powers delegated in these rules shall be exercise in conformity with the norms and skills, general/special orders, directions and conditions laid down by Governing Body from time to time or which may be issued as prescribed by the Competent Authority.

The Delegation of Financial Powers was last revised vide Office Orders dated 06.02.2019 for all the Board's offices. Further, vide Office Orders dated 02.09.2019, financial powers was delegated to ROs/Units/COEs within approved Budget.

The Delegation of Financial Powers has been re-drafted by incorporating the effect of above Office Order dated 02.09.2019 and the effect of updated accounting heads.

Note:

1. Next higher authority shall exercise the powers, in absence of authority to whom the powers has been delegated.
2. In own cases, matter will be approved by next higher authority.
3. In respect of clause 1.01, 1.02, 1.09, 1.13, 1.14, 1.18, 1.33 (B); Authority shall exercise the power of those employees whose service books are available with them.
4. While exercising powers in respect of DA, Bonus, GPF rate revision, approval shall be initiated as per Government Order/Notification.
5. It has been experienced that proposals of procurement are being put up in piecemeal to avoid obtaining sanction from the higher authority. In this connection, reference is invited to Rule 157 of GFR which is re-produced as under:
'A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.'
All the units may strictly adhere with above provision of GFR 157.
6. While exercising financial powers in respect of obtaining AMC, it must be ensured that the estimated cost of repairs and maintenance should be justified with respect to purchase cost of asset.

Anurag Tripathi

7. While exercising financial powers in respect of clause 2.01 on 'Construction/Addition/Alteration of office building / staff quarters for all offices across the country' , following provisions may be strictly adhered to:
- i. A Building and works Committee shall be constituted to assess the need and offer its comments/views on the basis of preliminary project to the proposal for the approval of Competent Authority for each work involving financial implication of Rs. 10 Lac and above.
 - ii. Repairs and maintenance unit shall prepare a perspective plan for undertaking different type of work. There shall also be a provision for annual review of the plan for modifications.
8. While exercising financial powers in respect of clause 2.02 on 'Purchase of furniture and equipment (including electronic and electrical items) and fixtures and fittings' , following provisions may be strictly adhered to:
- i. Purchase of furniture and equipment shall be made on the basis of annual projection.
 - ii. No office furniture shall be replaced unless its span of life is over.
 - iii. Procuring unit shall be responsible and accountable to maintain moving stock register as well as assets register. Physical verification of all the assets shall be conducted once in every financial year.
9. Since, IAFA is an independent authority, hence wherever required, financial power to be exercised by IAFA has been put up separately.
10. Officers of the Grade Pay of Rs. 4,600/- and above (preferably of accounts background) may be appointed as DDO.
11. The payments shall be released by DDO against the approved rates/norms or after approval of the Competent Authority as per delegation of financial powers:
- a. Signing authority of pay order: DDO
 - b. Signing authority of cheques:
 - Upto Rs. 25000/- : DDO/Link officer
 - Beyond Rs. 25000/- : Jointly by DDO/link officer & second Signatory / second link officer

Anurag Tripathi

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars			Authority to whom delegated	
I) ESTABLISHMENT EXPENSES & ADVANCES TO BOARD OFFICIALS					
1.01	FIXATION OF PAY UNDER LAID DOWN RULES	A. Group A	i. For employees posted in HQs/ Units	Secretary	
			ii. For employees posted in ROs/COEs (other than Regional Officer/COE Head)	RO	
			iii. Regional Officer/COE Head own case (Clause 6 & 7 of office order dated 02.09.2019)	Secretary	
		B. Group B & C	i. For employees posted in HQs/ Units	IAFA	
			ii. For employees posted in ROs/COEs	RO/COE	
1.02	ANNUAL INCREMENT (IN NORMAL CASES)	A. For the employees posted in HQs/Units		AS (Admin) of Headquarters	
		B. For employees posted in ROs/COEs (other than Regional Officer/COE Head own case)		AS (Admin) of RO	
		C. For Regional Officer/COE Head own case (Clause 6 & 7 of office order dated 02.09.2019)		AS (Admin) of Headquarters	
1.03	DISBURSEMENT OF MONTHLY PAY			DDO of Hqs	
1.04	IMPLEMENTATION OF DA REVISION		A. Administrative approval	IAFA	
			B. Financial Sanction	DDO OF Hqs	
1.05	ARREAR OF PAY AND ALLOWANCES			DDO of respective offices/units	
1.06	Disbursement of NPS contribution to designated bank			DDO of respective offices	
1.07	Outsourced Manpower/ Direct Hiring of contractual staff/Technical manpower within sanctioned strength	A. Through tendering	i. For Headquarters	a. Selection of agency	Chairperson
			b. Financial Sanction		Secretary
			ii. For ROs/COEs/Unit		As per Clause 1 & 2 of the office order dated 02.09.2019
		B. Through GeM	i. For Headquarters	a. Administrative approval	Chairperson
			b. Financial Sanction		Secretary
			ii. For ROs/COEs/Unit		As per Clause 1 & 2 of the office order dated 02.09.2019
1.08	Retirement benefits i.e Gratuity, Pension/family pension, commutation of pension, accumulation of group Insurance money, leave encashment etc.		A. For Headquarters	i. For Secretary	Chairperson
				ii. Directors/JS/DS/AS and equivalent	Secretary
				iii. For other Board employees	JS (A&L)
			B. For ROs/COEs/Units		NA
1.09	YEARLY LEAVE ENCASHMENT		A. For the employees posted in HQs/Units		AS (Admin) of Headquarters
			B. For the employees posted in RO/COE (Other than Regional Officer/COE Head own case)		AS (Admin) of RO
			C. For Regional Officer/COE Head own case		AS (Admin) of Headquarters
1.10	BONUS		A. Administrative approval		Secretary
			B. Financial Sanction		DDO of respective offices
1.11	Leave Salary and Pension Contribution (In case of deputationist)		A. For Secretary		Chairperson
			B. For Directors/JS/DS & Equivalent		Secretary
			C. For Upto AS & Equivalent		IAFA

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars		Authority to whom delegated		
1.12	Medical re-imbursment	A. Monthly Medical Re-imbursment as per approved rates / norms	DDO of respective offices		
		B. Reimbursment of medical expenses for indoor and outdoor treatment as per approved norms / rates	i. For Employees posted in HQs	JS (A&L)	
			ii. For employees posted in ROs/COEs/Units (Other than Regional Officer/COE Head/Unit In-charge own case)	RO/COE/Unit Head	
			iii. Regional Officer/COE Head/Unit in-charge own case	JS (A&L)	
		C. In case treatment is taken in un-approved hospital in case of emergency (For all staff)	i. Above Rs. 2.50 Lac	Chairperson	
ii. Upto 2.50 Lac	Secretary				
1.13	LTC including encashment in lieu of LTC	A. For Secretary	Chairperson		
		B. For Directors	Secretary		
		C. For Employees posted in HQs/Units	JS (A&L)		
		D. For Employees of ROs/COEs (Other than Regional Officer/COE Head/Unit In-charge own case)	RO		
		E. For Regional Officer/COE Head/Unit In-charge own case	JS (A&L)		
1.14	Excursion Trips	A. For Board offices in Delhi & NCR	i. Selection of agency	Chairperson	
			ii. Approval of tour routes	Secretary	
			iii. Financial Sanction	JS (A&L)	
	B. For ROs/COEs [Other than staff posted in RO Delhi (E + W) & RO Noida]	As per Clause 1 & 2 of the office order dated 02.09.2019			
1.15	Children Education Allowance (As per approved norms)		DDO of respective offices/units		
1.16	Late Sitting Allowance / OTA for all offices as per norms	A. Administrative approval	i. For Secretary/Directors	Chairperson	
			ii. For JS/DS/AS and equivalent (Other than Regional Officer/COE Head/Unit In-charge own case)	Immediate higher authority in own branch	
			iii. For Regional Officer/COE Head own case	Controller of exam / Director (Training)	
		B. financial Sanction	DDO of respective offices		
1.17	TA/DA to employees of the Board (Other than of exam & affiliation)	A. Approval of tour program	i. For Domestic Tours	a. For Secretary & Directors/Unit Head	Chairperson
				b. For SO and above or equivalent posted in Headquarters (Other than "a" above)	Immediate higher authority
				c. For staff below SO posted in Headquarters	AS or equivalent for own branch
				d. For the employees posted in ROs/COEs/Units (other than Regional Officer/COE Head own case)	RO/COE/Unit Head
				e. For Regional Officer/COE Head own case	Controller of exam / Director (Training)
		ii. For International Tours	Chairperson		
		B. Disbursement at approved norms	DDO of respective offices		
1.18	Reimbursment of Conveyance Charges as per norms (Official duties)	A. For AS & Above		Immediate higher authority in own branch	
		B. For Upto AS (upto Rs. 5000)		DS or equivalent for own branch	
		C. For Upto AS (Above Rs. 5000)		Head of office	

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars		Authority to whom delegated	
1.19	All Honorarium	A. Administrative approval	Chairperson	
		B. Financial Sanction	DDO of respective offices	
1.20	Pension fund and Gratuity Fund and yearly contribution	A. For Headquarters	IAFA	
		B. For ROs/COEs/Units	NA	
1.21	GIS payment to LIC	A. For Headquarters	IAFA	
		B. For ROs/COEs/Units	NA	
1.22	News paper Reimbursement as per approved norms		DDO of respective offices	
1.23	Breifcase Reimbursement as per approved norms		DDO of respective offices	
1.24	Mobile phone Reimbursement as per approved norms		DDO of respective offices	
1.25	Hospitality Reimbursement as per approved norms		DDO of respective offices	
1.26	Recruitment Expenses on regular staff	A. For Headquarters	i. Selection of agency	Chairperson
			ii. Financial Sanction	Secretary
		B. For ROs/ COEs/ Units		NA
1.27	Ex Gratia Payment in the event of death of the employee or permanent incapacitation while performing official duties	A. For Headquarters	JS (A&L)	
		B. For ROs/ COEs/ Units	NA	
1.28	Personal Advances	A. HBA (For entire CBSE staff)		Secretary
		B. computer Advance	i. For Headquarters/Units	JS (A&L)
			ii. For ROs/COEs	ROs/COEs
1.29	Disbursement of monthly pension		DDO of respective offices	
1.30	Fee of document verification		DDO of respective offices	

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CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars			Authority to whom delegated	
1.31	GPF/CPF	A. Final Payment / Withdrawals	i. For Secretary	Chairperson	
			ii. For Directors/JS/DS & equivalent	Secretary	
			iii. Upto AS & equivalent	JS (A&L)	
		B. GPF Advance	i. For Secretary	Chairperson	
			ii. For Directors/JS/DS & equivalent	Secretary	
			iii. Upto AS & equivalent	JS (A&L)	
	C. Interest On GPF / CPF of staff			DDO of HQ	
1.32	Misc Advance for office work (for each case)		A. Above Rs. 2.50 Lac	Chairperson	
			B. Rs. 0.50-2.50 Lac		Secretary
			C. Upto Rs. 0.50 Lac	i. For Headquarters	JS (A&L)
				ii. For ROs/COEs/Units	RO/COE/Unit Head
1.33	TA/DA Advance	A. On official tours	i. For Domestic Tours	a. For Secretary & Directors/Unit Head	Chairperson
				b. For the employees posted in Headquarters (Other than Finance Division)	Secretary
				c. For the employees posted in Headquarters (Finance Division)	IAFA
				d. For the employees posted in ROs/COEs/Units (other than Regional Officer/COE Head own case)	RO/COE/Unit Head
				e. For Regional Officer/COE Head own case	Controller of exam / Director (Training)
			ii. For International Tours	Chairperson	
	B. On Transfer	i. For Directors, Regional Officer & COE Head		JS (A&L)	
		ii. For JS/DS/AS and equivalent (other than 1.33 (B) (i) above)	a. For the employees posted in HQs/Units	JS (A&L)	
			b. For the employees posted in RO/COE	RO/COE	
		iii. For Upto AS	a. For the employees posted in HQs/Units	JS (A&L)	
b. For the employees posted in RO/COE			JS/DS of concerned RO/COE		
1.34	Medical Advance		A. For Secretary & Directors		Chairperson
			B. For Other Board employees	i. Above Rs. 5 Lac	Secretary
				ii. Upto Rs. 5 Lac for employees posted in HQs/Units	JS (A&L)
				iii. Upto Rs. 5 Lac for employees posted in ROs/COEs (other than Regional Officer/COE Head own case)	RO
				iv. For Regional Officer/COE Head own case	Secretary

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars			Authority to whom delegated	
1.35	LTC advance	A. For Secretary		Chairperson	
		B. For Directors		Secretary	
		C. For Employees posted in HQs/Units		JS (A&L)	
		D. For Employees of ROs/COEs (Other than Regional Officer/COE Head own case)		RO	
		E. For Regional Officer/COE Head own case		JS (A&L)	
II) TRANSPORTATION EXPENSES					
1.36	Hiring of taxi	A. For Headquarters	i. Selection of agency	Chairperson	
			ii. Financial Sanction	Secretary	
		B. For ROs/ COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.37	Petrol, oil and lubricants	A. For Headquarters	i. Administrative approval	JS (A&L)	
			ii. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		NA	
III) REPAIRS AND MAINTENANCE EXPENSES					
1.38	Repair and maintenance of building	A. For Headquarters	i. Administrative approval	a. Above Rs. 10 Lac	Chairperson
				b. Rs. 2.50-10 Lac	Secretary
				c. Upto 2.50 Lac	JS (A&L)
		ii. Financial Sanction		JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.39	Repair and maintenance of furniture and equipments (including electronic and electrical items) and fittings and fixtures & selection of agency	A. For Headquarters	i. Administrative approval	a. Above Rs. 10 Lac	Chairperson
				b. Rs. 2.50-10 Lac	Secretary
				c. Below Rs. 2.50 Lac	JS (A&L)
		ii. Financial Sanction		JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.40	Repair & maintenance of Motor Vehicle	A. For Headquarters	i. Administrative approval	JS (A&L)	
			ii. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		NA	

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars	Authority to whom delegated			
1.41	Annual Maintenance Contract & selection of agency	A. For Headquarters	i. Administrative approval	a. Above Rs. 2.50 lac	Secretary
					b. Upto Rs. 2.50 Lac
			ii. Financial Sanction		JS (A&L)
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
IV) ADMINISTRATIVE EXPENSES					
1.42	Uniform to driver and non clerical staff	A. For Headquarters	i. Administrative approval		JS (A&L)
			ii. Financial Sanction		JS (A&L)
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.43	Office Stationery, & consumables	A. For Headquarters	i. Administrative approval	a. Above Rs. 5 Lac	Chairperson
				b. Rs. 2.5 lac-5 Lac	Secretary
				c. Upto Rs. 2.50 Lac	JS (A&L)
			ii. Financial Sanction		JS (A&L)
B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019			
1.44	For Office/Godown Lease/Rent	A. For Headquarters	i. Administrative approval of office space on lease & amount of lease rent		Chairperson
			ii. Financial Sanction		Secretary
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.45	Rates / Taxes on approved rates	A. For Headquarters	i. Administrative approval		AS (Admin charge)
			ii. Financial Sanction		AS (Admin charge)
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.46	Electricity and Water Charges (in normal cases)	A. For Headquarters	i. Administrative approval		AS (Admin charge)
			ii. Financial Sanction		AS (Admin charge)
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.47	Telephone / telex /fax/internet connection	A. For Headquarters	i. Sanction for new telephone / telex /fax/internet connection		Secretary
			ii. Financial Sanction		AS (Admin charge)
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars			Authority to whom delegated	
1.48	Postage and Telegram charges with Government Agency (other than exam work)	A. For Headquarters		JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.49	Insurance of office building etc as per rates / norms	A. For Headquarters	A. Administrative Approval	Secretary	
			B. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.50	Audit Fee to C&AG Auditors	A. For Headquarters		IAFA	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.51	Audit Fee to Internal auditors	A. For Headquarters	i. Through in-house staff	a. Administrative approval	Chairperson
				b. Financial Sanction	Secretary
			ii. Through outsourced agencies	a. Selection of agency	Chairperson
				b. Financial Sanction	JS (A&L)
		B. For ROs/COEs/Units		NA	
1.52	Legal fee to empanelled advocates	A. Administrative approval		Chairperson	
		B. Financial Sanction	i. For Headquarters	Secretary	
			ii. For ROs/COEs/Units	RO/COE/Unit Head	
1.53	Contingent Expenses [(Amount per claim should not exceed Rs. 1000/- in each case) and for which no separate head is available]	A. For Headquarters		JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.54	Scholarships to the wards of Board's employees as per Board norms/Single Girl Child Merit Scholarship Schemes/Board Merit Scholarship Scheme for SC/ST students	A. For Headquarters		Secretary	
		B. For ROs/COEs/Units		NA	
1.55	Printing of Books / Publications on approved rates from approved printers	A. For Headquarters	i. Administrative approval	Chairperson	
			ii. Financial Sanction	Secretary	
		B. For ROs/COEs/Units		NA	
1.56	Printing of forms/pamphlets/cards/Letter Heads etc	A. For Headquarters	i. Selection of agency	Secretary	
			ii. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars			Authority to whom delegated	
1.57	Purchase of paper of all types for printing of books /publications & selection of agency	A. For Headquarters	i. Selection of agency	Chairperson	
			ii. Financial Sanction	Secretary	
		B. For ROs/COEs/Units		NA	
1.58	Publishing and advertising	A. For Headquarters	i. Administrative approval for issue of advertisement in each case	a. Above Rs. 5 Lac	Chairperson
				b. Upto Rs. 5 Lac	Secretary
		ii. Financial Sanction		JS (A&L)	
		B. For ROs/COEs/Units		NA	
1.59	Expenditure on Reward/Award/CBSE day/Teachers day award celebration etc (For accommodation, catering, booking of conference halls, trophy, memento etc.)	A. For Headquarters	i. Administrative approval (For aggregate expense of function)	a. Above Rs. 5 Lac	Chairperson
				b. Upto Rs. 5 Lac	Secretary
		ii. Financial sanction		Secretary	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.60	Orientation / training of staff	A. For Headquarters	i. Administrative Approval	Chairperson	
			ii. Financial Sanction	Secretary	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.61	Yearly membership/subscription of various professional bodies/CBSE			Secretary	
1.62	Expenses on information Technology (Other than exam work)	A. For Headquarters	i. Administrative Approval	a. Above Rs. 2.50 Lac	Chairperson
				b. Upto Rs. 2.50 lac	Secretary
		ii. Financial Sanction		Secretary	
		B. For ROs/COEs/Units	i. Administrative Approval	a. Above Rs. 2.50 Lac	Chairperson
b. Upto Rs. 2.50 lac	RO/COE/Unit Head				
ii. Financial Sanction		RO/COE/Unit Head			
1.63	Payment of GST/Income Tax	A. For Headquarters		IAFA	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.64	Payment to Security Agency	A. For Headquarters	a. Selection of agency	Chairperson	
			B. Financial Sanction	Secretary	
		B. For ROs/COEs/Unit		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.65	Sitting Allowance, honorarium & Ta/DA to non-officials for attending meetings/workshops as per approved norms (other than affiliation, examination and academic work)	A. For Headquarters		JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	

CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars			Authority to whom delegated	
1.66	Payment to NSDL against NPS services	A. For Headquarters		IAFA	
		B. For ROs/COEs/Units		NA	
1.67	Purchases of reference books/journals/magezines	A. For Headquarters	i. Administrative Approval	Secretary	
			ii. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.68	Refreshment/hospitality charges (Other than exam work and other than specified elsewhere)	A. For Headquarters	i. Administrative Approval	Secretary	
			ii. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.69	EXPENSES ON CONDUCTING MEETINGS / SEMINARS /WORKSHOPS (OTHER THAN SPECIFIED ELSEWHERE) for eg. ACCOMODATION, REFRESHMENT ETC.	A. For Headquarters	i. Administrative Approval	a. Above Rs. 2.50 Lac	Chairperson
				b. Rs. 0.50 - Rs. 2.50 Lac	Secretary
				c. Upto Rs. 0.50 Lac	JS (A&L)
				ii. Financial Sanction (As per approved rates & norms)	JS (A&L)
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.70	EXPENSES ON HINDI PAKHWADA/RAJBHASHA MOTIVATION ACTIVITIES	A. For Headquarters	i. Administrative Approval	Chairperson	
			ii. Financial Sanction	Secretary	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.71	Hiring of DG Set, Computers, Air Conditioner, Vehicles (other than exam purpose)	A. For Headquarters	i. Administrative Approval (For Contract value)	a. Above Rs. 10 Lac	Chairperson
				b. Rs. 2.50 lac - 10 lac	Secretary
				c. Upto Rs. 2.50 Lac	JS (A&L)
				ii. Financial Sanction	JS (A&L)
B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019			
1.72	LABOUR HIRING CHARGES (Other than Exam work)	A. For Headquarters	i. Administrative Approval	Secretary	
			ii. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	
1.73	PHOTOCOPY EXPENSES (OUTSOURCED)	A. For Headquarters	i. Administrative Approval	Secretary	
			ii. Financial Sanction	JS (A&L)	
		B. For ROs/COEs/Units		As per Clause 1 & 2 of the office order dated 02.09.2019	

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CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars	Authority to whom delegated			
1.74	Housekeeping/Cleaning Expenses	i. For Headquarters	a. Selection of agency	Chairperson	
			B. Financial Sanction	Secretary	
		ii. For ROs/COEs/Unit	As per Clause 1 & 2 of the office order dated 02.09.2019		
1.75	Hiring of tax consultants/advisors	A. For Headquarters	i. Administrative approval	Chairperson	
			ii. Financial Sanction	Secretary	
		B. For ROs/COEs/Units	As per Clause 1 & 2 of the office order dated 02.09.2019		
1.76	Demurrage			Secretary	
1.77	Insurance of Motor Vehicles			JS (A&L)	
1.78	Administrative approval for write off of surplus/ unserviceable/ obsolete material, equipment, spares, books, raddi etc (For all Units)			Chairperson	
1.79	Selection of agency and approval of rates for disposal of raddi/obsolete books /obsolete forms/obsolete materials etc through MSTC	A. For Headquarters		Secretary	
		B. For ROs/COEs/Units		RO/COE/Unit Head	
V) Examination Expenses					
1.80	Printing of Question paper & other secret expenditure	A. For Headquarters / Units	i. Administrative Approval	Chairperson	
			ii. Financial Sanction	Chairperson	
		B. For ROs/COEs		NA	
1.81	Remuneration to paper setters, examiner, expenditure on spot evaluation conveyance of examination, TA/DA contingencies etc. as per Board's approved rules/norms	A. For Headquarters		NA	
		B. For ROs/Units		DDO	
		C. For COEs		NA	
1.82	Expenditure on secrecy work i.e Secrecy payment, conveyance etc. to Secrecy officers and other staff as per Boards' approved rates/ norms		i. Administrative approval	Chairperson	
			ii. Financial Sanction	a. For ROs	RO
				b. For Special Units	Unit Head
b. For Hqs/COEs	NA				
1.83	Checking of answer books/ award lists as per Board approved rates/norms			Controller of Examination	

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CONSOLIDATED DELEGATION OF FINANCIAL POWER (w.e.f. 08.01.2020)

Head no	Particulars				Authority to whom delegated
1.84	Purchase and printing of continuous computer stationary	A. For Headquarters	i. Administrative approval	a. Above Rs. 10 Lac	Chairperson
				b. Upto Rs. 10 Lac	Secretary
			ii. Financial Sanction		Secretary
		ii. For ROs/Units			As per Clause 1 & 2 of the office order dated 02.09.2019
	iii. For COEs			NA	
1.85	Centre charges i.e remuneration, conveyance, TA/DA contingencies etc. (As per Board's approved rates & norms)	A. For Headquarters/COEs			NA
		B. For ROs/Units			DDO
1.85	Freight/Courier Agency	A. Confidential (Air, Land, Sea)			Chairperson
		B. Non-Confidential (Air, land & sea)	i. Administrative approval	a. Above Rs. 10 Lac	Chairperson
				b. Upto Rs. 10 Lac	Secretary
			ii. Financial Sanction	a. Air	Secretary
				b. Land and Sea etc	JS (A&L)
1.86	Refund of duplicate examination fee	A. For Headquarters			Secretary
		B. For ROs/COEs			NA
		C. Units			Unit Head
1.87	Refund of exam fee other than duplicate examination fee (Except of waiver of late fee)	A. For Headquarters/Units			NA
		B. For ROs/COEs			Refer circular dated 23.01.2018
1.88	Waiver of late fee for all ROs/Units/COEs				Chairperson
1.89	Rechecking of results as per Board's approved rates/norms				Controller of Examination
1.90	Printing of Answer Books through empanelled printers approved by Chairperson	A. For Headquarters /Units/COEs	i. Administrative approval		Chairperson
			ii. Financial Sanction		Secretary
		B. For ROs			NA
1.91	Pre-registration data	A. For Headquarters/Units/COEs			NA
		B. For ROs	i. Administrative approval		Chairperson
			ii. Financial Sanction		Controller of Examination
1.92	Refreshment/hospitality charges (For exam work)	A. For Headquarters	i. Administrative Approval		Controller of exam
			ii. Financial Sanction		JS/DS (Co-Ord)
		B. For ROs/COEs/Units			As per Clause 1 & 2 of the office order dated 02.09.2019

CHAPTER - 21

SCHOLARSHIP

SCHEMES

In order to promote meritorious students from socially and economically weaker sections and girls, the Board has following scholarship schemes:-

1. Single Girl Child Merit Scholarship Schemes

The Board has a scholarship for Single Girl Child pursuing her education at class XI and XII in CBSE affiliated schools who have passed class X from the School affiliated with CBSE. This scheme is fully sponsored by CBSE.

The girl students who are the only child of their parents and have scored 60% or more marks are eligible for the award, where monthly fee does not exceed Rs. 1,500/-. A sum of rupees 6,000/- per year is awarded to each scholar and there is no limit for numbers of scholarships.

2. Board Merit Scholarship Scheme for SC/ST students:

The Board offered scholarships of Rs. 250/- per month to 23 students of Class X and Rs. 500/- per month to 25 students of Class XII to meritorious students for SC / ST community. This scheme is fully sponsored by CBSE.

3. Central Sector Scheme of Scholarship for College & University Students (CSSS), sponsored by MHRD

On behalf of Ministry of Human Resource Development, CBSE invites, processes and uploaded applications on PFMS portal of Govt. of India (MHRD) for award of 6854 Scholarships every year. This scheme is fully sponsored by MHRD, Govt. of India.

The scheme is aimed at extending helping hand to meritorious students of economically weaker families for continuing their education at UG / PG level. The students whose parents' income are less than Rs. 8(Eight) lakh per annum and have scored minimum cut off (80 percentile marks) in class XII are eligible for availing scholarship under the scheme. The scholarship is distributed in the ratio of 3:2:1 for Science, Commerce and Arts schemes. Eligible students are offered scholarship @ Rs. 10,000/- per annum at Graduation and @ Rs. 20,000/- per annum at Post Graduation level for 10 month of a year.

4. Scholarship Scheme for ward of the employees of CBSE:

To promote meritorious ward of the employees of the Board, the Board provided scholarship to all eligible students in each class of schools on the following rates:-

Class VI - VIII @ Rs. 700/- per month

Class IX - XII @ Rs. 900/- per month

Summary of Schemes of Scholarship

S. No	Scheme	Year of Inception	Amount (in ₹) & duration of scholarship	No. of seats available to CBSE	Mode of payment	Remarks
1	<p>Central Sector Scheme of Scholarship (CSSS) for College & University Students</p> <p>Eligibility Criteria :-</p> <p>1). 80 percentiles for fresh and 50% for renewal</p> <p>2). The parent's income should be less than Rs. 8 Lacs p.a.</p> <p>3). Should have passed 10+2 pattern or equivalent and perusing regular courses from recognized Education Institute (not correspondence) and should not availing any other scholarship.</p>	2008	<p>10,000/- (per annum) for 3 years</p> <p>20,000/- (per annum) for PG Courses for two years</p>	6853	Through Public Financial Management System (PFMS) Portal	Sponsored by MHRD
2	<p>Single Girl Child X Pass</p> <p>Eligibility Criteria :-</p> <p>60% marks / 6.2 CGPA or more marks/ grades</p>	2006	6,000/- (per annum) for 02 years (Class XI & XII)	Unlimited	Through ECS	Funded by CBSE
3	<p>Board Merit Scholarship Scheme (SC/ST candidates)</p> <p>Eligibility Criteria :-</p> <p>Meritorious student of</p>	1978-80	<p>250/- for Class X per month (02 years)</p> <p>500/- for Class XII per month (entire duration)</p>	<p>23 for Class X</p> <p>25 for Class XII</p>	Through ECS	Funded by CBSE

	SC / ST Category		<i>of course of study upto 1st degree (2 or 3 year in the case of BA/BA (Hons) & 4 or 5 in case of professional courses like Medicine, Engg. Etc.)</i>			
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CHAPTER - 22

SPORTS

AND

GAMES
ACTIVITIES

CBSE organizes sports events for students of its schools affiliated under independent category of schools as the participation in sports gives children a practical way to learn about goal-setting, importance of team work, discipline and skills required to deal with real life situations of ups and down. CBSE organizes sports events in 24 disciplines i.e. Athletics, Archery, Aerobics, Badminton, Basketball, Boxing, Chess, Gymnastics, Football, Handball, Hockey, Judo, Kho-Kho, Kabaddi, Skating, Swimming, Rifle Shooting, Rope Skipping, Taekwondo, Tennis, Table-Tennis, Volleyball, Yoga. The sports events are organized at Cluster/ Zone and National Level in different age-groups for boys and girls separately. The winners of Cluster and Zone level competitions participate at National Level.

From session 2017-18 onwards, CBSE introduced a totally online system for organizing CBSE sports events. The interested schools applied online on the CBSE sports website for hosting the sports events, the participants were also registered online with a unique UID for each participant, and the results too were uploaded on CBSE sports website after the sports events.

In session 2018-19, around 4 lac students participated in CBSE sports events. Merit Certificates and Medals were given to the winners whereas participation certificates were given to all the participants. It is also pertinent to mention that 96 winners of CBSE National Sports events are participating in Khelo-India program of Government of India in 2019, which shows the enthusiasm and spirit of sportsmanship being promoted by the Board.

CBSE provides grant to schools hosting CBSE sports events. CBSE schools are organizing CBSE sports events (2018-19). The maximum committed grant is disbursed in following two parts:

- A. **Advance Grant** (75% of total committed grant) is given to school before start of event
- B. **Balance Grant** (After the event is over and the school submits expenditure details)

The grant is given as per following:

1. **Grant for Cluster/ Zone and National level events:** The grant for Cluster/ Zone level event is Rs.2 lac and grant for national level event is Rs.3 lac.
2. **Clubbed Cluster/ Zone:** If no school is available in any cluster/ zone, then the event is clubbed with nearest cluster. In this case of clubbed cluster, the grant is given 1.5 times i.e. (Rs.3 lac for cluster/ zone). However, this has exception of cluster-I being less number of participants.
3. **Boys and Girls sports events in same school:** The sports events are organized separately for boys and girls every year. In case one school is organizing the sports events for both (i.e. boys and girls), then the grant is given 1.5 times i.e.

(Rs.3 lac for cluster/ zone and Rs.4.5 lac for national level event). This is applicable for the sports events – **Athletics, Basketball, Kho-Kho, Volleyball, Skating and Swimming** where the number of participants is more. However, this has exception of cluster-I being less number of participants. In case of both the above conditions (2 & 3), i.e. clubbed cluster/zone and Boys & Girls both, then the grant may be double, i.e. 04 lakh for clubbed cluster/ zone with boys & girls both combined.





CHAPTER - 23

ACTIVITIES OF

PENSION CELL



Pension cell deal with the cases of pensioners such as disbursement of monthly pension, revision of pension, obtaining life certificate, issue of income certificate, cases of change of mode of pension from higher to lower side, DA revision, commutation of pension cases, Restoration of Commuted amount, pension entries in the Pension register, maintenance of pension files, RTI & Grievances of pensioners and other pension related activities based on the Govt. of India decisions from time to time.

At present there are 303 (three hundred three) Pensioners/Family Pensioners (Nos. of which is increasing month by month) and Board is disbursing more than 01 Crore Pension every month.

Work procedure

The work procedure of pension cell is as under:-

1. The Pension Payment Order is received from Administration Unit.
2. Thereafter, entry of PPO is made in Pension Register and new file of the concerned new pensioner is opened.
3. Commutation amount is released as per PPO/Sanction Letter issued by Admin Unit.
4. Before disbursing the monthly pension of new pensioners the necessary details such as – Bank Account No. for pension purpose along with blank cancelled cheque; Copy of Health Card to disburse the amount of outdoor Medical facility is being obtained from them.
5. Pension Cell also obtains the **'Life Certificate / Re-marriage and Re-employment certificate'** from the Pensioners/Family Pensioners of the Board on yearly basis.
6. Income Certificates in r/o Pensioners/FPs are also being issued by the Pension Cell every year.
7. Proper Data of Pensioner/FPs such as – Name, **PENSION PAYMENT ORDER, DESIGNATION, DATE OF RETIREMENT/VRS, DATE OF JOINING, DATE OF BIRTH, DATE OF DEATH, NAME OF FAMILY PENSIONER, BASIC PENSION, ADDITIONAL PENSION, COMMUTATION AMOUNT, PENSION AT HIGHER SIDE / LOWER SIDE, MEDICAL FACILITY AVAILED, ADDRESS, CONTACT NUMBER, FILE NO., PAGE NO. ON PENSION REGISTER, E-mail ID, Account NO. & IFSC Code, E.CODE, AADHAR NO. and Main file No. (Received from Admn. Unit)** are being maintained in Pension Unit in both format in computer as well as in pension register which is updated time to time.
8. DA revision, Pension revision (Pay Commission revision) and release of arrear accordingly.
9. In case of Death of Pensioner, the Family Pension cases are also taken up by the Pension Cell after fulfilling all formalities (i.e. Form 14, Death Certificates etc.)
10. Taken up the additional pension cases for payment of additional quantum of pension when a pensioner/FPs attain the required age as per guidelines of Govt. of India.

11. Reducing of Pension from Higher side to Lower side after completion of essential period and pension cell also settled the cases of restoration of commutation amount after completion of prescribed time period.

12. Formalities to be completed at the time of Superannuation:-

- a) "Information for Disbursement of Monthly Pension and Medical Reimbursement Form" to be filled and submitted to Pension Cell.
- b) Pension Form 3; Pension Form No. 5; and option for Commutation of Pension Form to be filled and submitted to Administration Unit.

LIFE CERTIFICATE

[To be submitted by Pensioner/Family Pensioner once in November]

Certified that I have seen the Pensioner/Family Pensioner
Shri/Smt./Ms. _____
_____ holder of Pension Payment Order No.
_____ and that he/she is alive on this date.

Specimen Signature of Pensioner/Family Pensioner _____

Present Address _____

Contact No. (if any) _____

E-mail Address (if any) _____

Name of authorized Officer/Verifying Officer _____

Designation _____

Seal _____

Place:- _____

Date:- _____

:-UNDERTAKING:-

I hereby undertake that in the event of any excess payment detected in the light of discrepancies noticed subsequently shall be refunded by me to the CBSE either by adjustment against future payment due to me or otherwise. I also authorize Board to make necessary deduction from my due payment on account of excess payment (if any).

Signature of Pensioner/Family Pensioner _____

NOTE:-

- 1. The Pensioner / Family Pensioner has to visit the Pension Cell, CBSE, Preet Vihar, Delhi-110092 to submit his/her Life Certificate. In case the Pensioners/Family Pensioners' are not able to appear physically in Pension Cell, CBSE (HQ), the Life Certificate must be verified by any authority specified in the Correction Slip No.-14, CPAO, Department of Expenditure, Ministry of Finance, Govt. of India.**
- 2. A Pensioner not resident in India in respect of whom his duly authorized agent produces a life certificate signed by a Magistrate, a Notary, a Banker or a Diplomatic Representative of India is exempted from special appearance.**
- 3. Authorities specified in the Correction Slip No.-14, CPAO, Department of Expenditure, Ministry of Finance, Govt. of India are as under:-**

[A person exercising the powers of a Magistrate under the Criminal Procedure Code; A Registrar or Sub-Registrar appointed under Indian Registration Act; A Gazetted Government servant; A Police Officer not below the rank of Sub-Inspector in-charge of a Police Station; A Class-I officer of the Reserve Bank of India, an officer (including Grade II officer) of the State Bank of India or of its subsidiary; A pensioned Officer who, before retirement, exercised the powers of a magistrate; A Justice of Peace; A Block Development Officer, Munsif, Tehsildar or Naib Tehsildar; A Head of Village Panchayat, Gram Panchayat, Gaon Panchayat or an Executive Committee of a Village; A Member of Parliament, of State legislatures or of legislatures of Union Territory Governments /Administrations; Treasury Officer].

FORM OF CERTIFICATE OF NON-EMPLOYMENT/RE-EMPLOYMNET

- 1) I declare that I have **not** been serving in any capacity either in a Govt. Department/Office, Company, Corporation Autonomous Body or Society of Central or State Govt. or Union Territory or a Local Fund during the year ended November 20____.

OR

Declare that I have employed/re-employed in the office of _____ which is part of/financed by _____ Government and _____ was in receipt of the following monthly rates of emoluments during the year ended November 20____ or during the months of _____ falling within the said half year.

- a) Pay _____
Special Pay _____
(including D.A.A.D.A, etc.)

Or

- b) **Honorarium** _____

Further, that the orders of my re-employment do not stipulate my pension being held in abeyance during the re-employment period.

- 2) I declare that I have **not** accepted any commercial employment in India.

OR

I declare that I have accepted commercial employment in India after obtaining previous sanction of the Central Government and none of the conditions, if any, attached thereto by Government has been violated.

Note:- This declaration is required to be given for a period of two years from the date of retirement.

- 3) I declare that I have **not** accepted employment under a Government outside India/an International Organization of which Government of India is not a member.

OR

I declare that I have accepted employment under a Government outside India/an International organization of which Government of India is not a member after obtaining the previous sanction of the Central government and none of the conditions attached thereto by Government has been violated.

PLACE _____ DATE: _____ SIGNATURE _____

NAME OF PENSIONER _____

P.P.O. NO. _____

ADDRESS _____

CONTACT NO. _____

CERTIFICATE OF RE-MARRIAGE / MARRIAGE

I hereby declare that I have not got re-married and I undertake to report any such event promptly to the Pension Disbursing Authority.

(Application only for widow recipient of family pension and to be furnished only once)

or

I hereby declare that I am not married/have not got married during the past six months.

(To be submitted by widowers and unmarried daughters once every six months in May and November).

Signature _____

Name of the Family Pensioner _____

P.P.O.NO. _____

Place: _____

Date: _____

I certify to the best of my knowledge and belief that the above declaration is correct.

Place: _____ Signature of a responsible officer
Or a well-known person _____

Date: _____

Name _____

Designation _____



CHAPTER - 24

INTERNAL

AUDIT

24.1 Introduction: - Internal Audit has been defined as an independent service within an organization for achieving effectively the objectives. Internal audit should be based on a sound internal control environment which should provide valuable material and support for review of financial compliance by external agencies/audit.

The purpose of internal audit is to:

- 1) Provide comfort to management that operations are well managed;
- 2) Identify weakness in the management system and recommend improvements;
- 3) Suggest opportunities to reduce expenditure, increase revenues and better project government assets;
- 4) Analyses the differences between actual and expected performance;
- 5) Report gap between actual and expected performance; and
- 6) Make recommendations to support management in minimizing risk

Internal audit should sufficiently independent of the activities which it audits, in order to enable the auditors to perform their duties in a manner that facilitates impartial and effective professional judgments and recommendations. Equally important is ensuring accountability for response to the advice and recommendations of Internal audit

24.2 Role and Scope of Internal Audit

- (i) Study of accounting procedures prescribed for the Department with a view to ensure that they are correct, adequate and free from the defects or lacunae;
- (ii) Check the prescribed procedures and the orders issued from time to time are implemented properly;
- (iii) Scrutiny and check of payments;
- (iv) Investigation of important arrears and other connected records;
- (v) Periodical review of all accounts records;
- (vi) Pursuance/settlement of objections reported in test audit notes issued by Statutory Audit by obtaining satisfactory explanation or regularization or adjustment;
- (vii) Examine and report on irregularities pointed out by Audit;
- (viii) Co-ordination with other Departments regarding internal audit procedure;
- (ix) Performance evaluation of important schemes and programmes, i.e. to see whether schemes are being executed and their operations conducted economically and schemes are result oriented.

In a rapidly changing environment, there is now a greater need to look forward from the traditional 'policing' role, towards a value added 'independent advisor' role that provide effective, timely and accurate decision support service and

an aid to management decision making process. Internal audit should modify its charter, to address key issues of interest to the management or decision makers. To be effective and of value, the internal audit programme should be based upon a comprehensive assessment of risks including financial aspects. The Internal audit function should have a formal strategy for fulfilling its mission and objectives which should be communicated to the management and staff. The internal audit should be actively sponsored and supported by the Chief Executive and Senior Management so that its role and functions should be that of a facilitator and supportive and not combative. To achieve this, it is imperative to have well-qualified and trained staff for value-added auditing service. Internal audit should be appropriately staffed in terms of numbers, grades, qualification levels and experience in order to fulfill their responsibilities and enhance the audit capability. Within the Internal audit itself there should be adherence to standards/procedures laid down in the Manuals and maintenance of principles of quality assurance. A set of performance measures to judge auditors performance, should be laid down to review the quality of audit work and develop an action plan for weaknesses identified. Appropriate performance indicators to measures cost effectiveness, timeliness and quality of internal audit services is necessary to optimize use of resources and functions. Someone to watch the watchdog. The audit report is the primary communication mode for internal audit. The time frame for the completion of audit field work to the issue of the Report is therefore regarded as having a critical impact on perceptions of quality and effectiveness of audit.

24.3 Planning for internal Audit

- (a) At the beginning of financial year, the IAFA will prepare a tentative list of units/regions to be inspected during the ensuing financial year. IAFA will finalize the quarterly tour programme of Internal Audit Teams for onward approval of the Competent Authority. The quarterly approved tour programme will also be sent to the Units/Departments/ROs/COEs for information.
- (b) The tour programme should be drafted in such a manner that minimum transit time is involved for the internal Audit Party and that every Unit is covered at least once in a year.
- (c) Intimation regarding actual date of audit programme should be sent to the concerned units well in advance by the Audit team/IAFA.
- (d) The duration of Audit should normally be 5 working days for each financial year.

Note:- Audit days may be extended than allotted days in case there are specific issues to be examined, with the approval of the Competent Authority.

24.4 Issue of internal Audit Reports

- (a) The Internal Audit Team will prepare the draft internal audit report before leaving the inspected units and also take into account the replies furnished by

the HOD. The HOD should be given an opportunity to discuss the draft audit report and suggest any omission or modification. An opportunity should be provided to rectify the routine objections, wherever possible.

- (b) The Internal Audit Team shall put up the final audit report for perusal by IAFA before issuing to the unit concerned.
- (c) If there is any glaring irregularity involving misappropriation/defalcation of funds, full facts should be immediately be reported to IAFA under Sealed cover.

24.5 Follow-up Action

- (i) Necessary follow up action in respect of internal audit reports shall be taken by the Audit Section at the Head Quarter.
- (ii) Follow up action in respect of serious objections found in the audit reports will be at the level of IAFA.
- (iii) There should an Audit Committee to have proper oversight of financial reporting and for effective internal control. The three members of the committee should include Secretary, Any Director nominated by Chairperson and IAFA.

24.6 Nature of Checks:-

- 1) IMPREST CASH
 - i. The cash balance in hand to be verified by actual count and tallied with the book balance; Certificate to this effect should be recorded in the Imprest register under the initial of the inspecting official.
 - ii. Proper arrangements exist for the safe custody of the cash.
 - iii. Imprest register is maintained in the prescribed form, and the amounts spent are recorded correctly.
 - iv. Recoupment is made periodically.
 - v. The Imprest Account is balanced and closed daily.
 - vi. Amount spent from Imprest are correctly payable and authorised by the competent authority.
 - vii. The sanctioned amount is not in excess of requirement, and a justification exists. In case Recoupment is made occasionally, reduction of Imprest is to be suggested.
 - viii. Special Imprest sanctioned for specific purposes are closed immediately duly surrendering the balance amount after the special event is over.
 - ix. Amount spent from special Imprest are spent only for the specific purpose for which it was sanctioned.
 - x. Separate Imprest Account is maintained and not mixed with general Imprest, if the Imprest is sanctioned for special purpose.

- 2) **POSTAL STAMPS ACCOUNT:**
 - i. Postal stamps in hand to be verified by actual count and tally the same with the balance as per Register of Stamp Account.
 - ii. Recoupments of postal stamps are properly accounted in the postal stamps account.
 - iii. Full particulars are given in the postal account register for the usage of postal stamps.
 - iv. The postal stamp account is balanced daily/ periodically, and initial of the in charge/ supervisor is obtained in the Register of Stamps Account.
 - v. If the postal stamps are used for registered articles etc., necessary acknowledgements obtained from the postal authorities are pasted in the Postal Stamps Register.
 - vi. Audit Party to ensure that test check is done on periodical basis and certificate to the effect is recorded in the register.

- 3) **FRANKING MACHINE ACCOUNT:**
 - i. Proper sealing of Franking Machine is to be checked.
 - ii. Opening and closing Nos. are entered in the stamps register.
 - iii. Proper account for usage of stamps from the Franking Machine is recorded in the stamps register.
 - iv. When refilling of franking machine is done from Postal Department, necessary entries are made in the register (opening and closing numbers)
 - v. Rebate @ 3% for the usage of Franking Machine, if admissible is claimed from the Postal Department periodically, and the amount realized is accounted for in the Board's account.

- 4) **MISCELLANEOUS CASH RECEIPT AND REMITTANCES:**
 - i. The office is authorized to receive the cash, and proper receipt is issued for all receipts of cash.
 - ii. The receipt books have been kept under lock and key in the Personnel custody of the official responsible.
 - iii. The amount received is remitted to the cash office/bank without any avoidable delay and the amount is remitted correctly.
 - iv. Proper Acknowledgment is obtained and made a part of the receipt book for cross check.
 - v. Proper account is maintained for the receipt and deposit of cash.
 - vi. Necessary returns are submitted to the Accounts Office monthly.
 - vii. Correct Head of Account is recorded on all the vouchers/record.

- 5) **ISSUE OF CHEQUES**
 - i. The cheques issued by the office are checked to see that the drawl of amount is justified and sanction of the competent authority is obtained.
 - ii. Cheque book is properly maintained and necessary certificate is recorded to the effect that all the folios are checked and found correct.
 - iii. All the cheques are stamped with seal of the office.

- iv. Cheque books are kept under lock and key.
 - v. Separate register (bank wise) is maintained for issue of cheques.
- 6) MONEY VALUE BOOKS AND MACHINE NUMBERED BOOKS:
- i. Proper Accountal and receipt of the books is to be checked.
 - ii. Proper arrangements exist for safe custody of the books.
 - iii. The numbers of unused books agree with the entries in the stock register.
 - iv. All issues are properly acknowledged.
 - v. Obsolete or excess to requirements are not stocked.
 - vi. Prompt action is taken in the event of loss/ theft of money value books/or folios to avoid fraudulent usage of the Money Value Books.
- 7) REGISTER OF AGREEMENTS:
- i. A Register is maintained in the prescribed form.
 - ii. All agreements entered into with the contractors are entered in the register.
 - iii. Complete details viz. name of the work, Agt. No., and date, letter of acceptance of the agreement, total value of the Agt./contract, Date of commencement, due date of completion, particulars of EMD/SD, extension granted if any, special remarks if any etc., are furnished.
 - iv. The register is periodically reviewed and initialed.
- 8) TENDERS AND CONTRACT:
- i. Tenders have been called for with the sanction of the competent authority.
 - ii. Accounts concurrence is obtained before calling for Tenders (in the case of Single, Limited and Special. Tenders and all other cases where necessary).
 - iii. Tenders have been called for, only after preparation of Estimate, sanction of Indents (For supply), drawings and plans etc.,
 - iv. A register is maintained showing all particulars of tenders received.
 - v. In case of sale of Tender Forms, proper account is maintained for receipt, and remittance of cash.
 - vi. Tenders have been called well in advance of the date of commencement of work/supply.
 - vii. All relevant rules and procedures have been followed for calling, opening, and finalization of tenders.
 - viii. Terms and conditions stipulated in the Agreement/Contract are as per extant orders.
 - ix. There is no deviation from the standard conditions, special conditions, if any, and have the prior approval of the competent authority.
 - x. The lowest tenders only have been accepted.
 - xi. Negotiations if conducted are as per latest instructions on this subject i.e. only with the lowest Tenderer etc.,

- 9) REVIEW OF AGREEMENTS:
- i. Agreement Register should be checked to ensure that all details are furnished,
 - ii. Some of the agreements should be checked with reference to
 - a. Progress of the work
 - b. Test check the measurements recorded and bills claimed.
 - c. There is no delay in progress of the work/supply.
 - d. Proper action has been taken against the Agency in case of delay.
 - e. Final Bills are prepared without delay on completion of the work and final Measurements are taken. If there is undue delay in preferring final bills, the reasons for the delay should be analysed.
 - f. All records connected with execution of the work are maintained correctly.
 - g. The claims preferred are only to the extent the works are executed/ supplies made.
 - h. Variations to the execution of work or supply of items are regularized with the sanctions of the competent authority as per rules.
- 10) STATIONERY BOOKS AND FORMS:
- i. Necessary Registers are maintained properly
 - ii. There are no abnormal issues.
 - iii. Issue of "Xerox" paper etc. proper account is maintained separately.
 - iv. Stationery purchased locally in case of urgent need is done after obtaining proper sanction and as per provisions of GFR.
 - v. Computer Stationery is purchased only after necessary sanction is obtained from the competent authority, and the purchase is made as per the provisions of GFR and extant rules on this subject.
- 11) CONSUMABLE STORES ACCOUNT:
- i. Register is maintained to record the receipt of consumable stores.
 - ii. 'Empties' are checked with Issue Notes.
 - iii. Issues are as per the prescribed scales.
 - iv. A responsible official has attested balances periodically.
- 12) CLOTHING ACCOUNT:
- i. Requisitions are prepared in accordance with entitled notified time to time by the Government, which is being followed in CBSE.
 - ii. Proper records are maintained for all receipts and issues and issues are made with clear signature/acknowledgment.
 - iii. The receipts are checked with Issue Notes.
 - iv. Winter uniforms are issued as per the eligibility criteria, and as per periodicity.

- 13) DEAD STOCK:
 - i. The Dead Stock Register is maintained in prescribed form showing the purchase reference, purchase order No. etc.,
 - ii. The receipts, issues and balances are correctly posted.
 - iii. Receipts should be checked with the firms Invoice, Issue Notes etc.
 - iv. Proper arrangements exist for safe custody of the Dead Stock items kept in stock.
 - v. All items available/received are properly and correctly taken in the Dead Stock Account.
 - vi. Proper nomenclature, price list No, measurements etc. are indicated against each item.
 - vii. Separate Folios are kept distinctly for items like, PCs, VCR, TVs, Cameras, and Audio Visual equipments, Fridge etc.
 - viii. Departmental Stock verification has been done periodically and certificate recorded against each item.
 - ix. Un-serviceable items are condemned under proper authority.
 - x. Suitable reference furnished in the Dead Stock Register for the Articles disposed and transfer, if any to other units etc.

- 14) HISTORY BOOKS OF VEHICLES, COMPUTERS/TYPE WRITERS ETC.
 - i. Complete History of the Vehicle, viz. firm name, cost of the vehicle/item, date of purchase, models etc. are furnished in the Register.
 - ii. A detail of spare parts supplied, free guarantee period etc. is indicated.
 - iii. Expenditure incurred for repairs, overhauls and spare parts are posted correctly in the register and the monetary limit prescribed for various factors are not increased.
 - iv. In the case of new machines, free servicing if any agreed to by the suppliers is availed of.
 - v. Released unserviceable spare parts after repair are accounted.

- 15) REVIEW OF OUTSTANDING AUDIT AND ACCOUNTS INSPECTION REPORTS:
 - i. Outstanding Audit and Accounts inspection Reports are properly attended to and the mistakes/irregularities have been rectified.
 - ii. In the case of Audit Reports, the finality of the action rests with the Head of Units where the audit was carried out. Action taken on the reports should be reviewed during audit.
 - iii. It is to be enquired and reported that, is there any vigilance enquiries dealing with financial matters are pending.

- 16) REVIEW OF BILLS REGISTER:
 - i. A register to record the bills received in the office is maintained and postings made correctly.
 - ii. Postings are made as and when they are received.

- iii. Bills have been passed expeditiously and the outstanding on hand is not heavy.
 - iv. Paid bills for the month selected should be traced in the bills register, and checked.
 - v. The register is put up to the controlling officer periodically for review.
- 17) REVIEW OF TELEPHONE BILLS:
- i. A separate Register is maintained to indicate the receipt of Telephone bills with separate folios for office and residential phones.
 - ii. All the Bills passed are properly entered, there is no unusual/abnormal charges passed for payment. In such case, the reasons for such payment should be reviewed.
 - iii. In the case of CALLS beyond permissible limits on DOT residential phones, the excess amount has been recovered.
 - iv. Charges for Private Calls (Trunk Calls) etc. have been recovered from the officer concerned.
- 18) REVIEW OF LOG BOOK:
- i. A general review of the Log Book pertaining to all department vehicles with reference to the movement of the four wheelers and two wheelers and entries made therein.
 - ii. Whether, the journeys performed are systematically and correctly recorded with time, date, and kms. Travelled, and signature of the officer travelled.
 - iii. In case of private trip, it has to be checked whether necessary charges have been billed and collected.
 - iv. Consumption of petrol is to commensurate with the kms recorded in the Log Book.
 - v. Petrol and other consumable oil drawn are recorded in the LOG Book systematically.
- 19) REVIEW OF STORES LEDGER:
- i. Separate ledger folios are maintained for each type of consumable stores, empties etc.,
 - ii. Postings are up to date and test checked with connected records to ensure the correctness of the postings.
 - iii. Proper records are maintained for receipts and issues.
 - iv. Balances are arrived correctly.
 - v. Stocks are not held unnecessarily.
 - vi. In case of overstock items, proper action is taken for disposal.
- 20) REVIEW OF PROGRESS OF EXPENDITURE:
- i. Proper records are maintained for the incurrence of expenditure.
 - ii. Expenditure incurred is sanctioned and same is as per the provisions made in the Budget.
 - iii. Debit/Credit relating to the year is booked in the same year's account.

- iv. Adequate action is taken to obtain all Debit/Credit and to account for in the same year.
- v. All adjustments, Transfers are accounted without delay.
- vi. All expenditures are properly allocated and brought into the Account.

21) WRITE OFF/SANCTIONS:

- i. Proper records are maintained for all sanctions and write off.
- ii. Write off sanctions have been obtained as per the provisions of GFR, etc.
- iii. Finance concurrence has been obtained, wherever necessary.
- iv. Staff responsibility has been fixed, for the write off proposals involving loss to CBSE due to negligence of employees.
- v. Preventive measures are taken to avoid recurrence of loss/theft etc., for which write off proposal is obtained.

22) LIBRARY BOOKS:

- i. A register is maintained for receipt and issues.
- ii. Proper accounts of the books are checked with reference to receipt vouchers.
- iii. Books issued to the officials are returned within the prescribed time.
- iv. Books purchased for the library are as per the requirement, and guidelines issued by CBSE
- v. Books, which are not required for day-to-day functioning, are not purchased.
- vi. Books purchased for library are as per the monetary limits prescribed and had the sanction.
- vii. In case of books lost/not returned, proper action is taken to recover the cost etc.

23) REVIEW OF IMPLEMENTATION OF CBSE ORDERS, INSTRUCTIONS ETC:

During inspections, the inspecting officials should test check and see whether the important CBSE Orders, circulars etc. are properly and correctly implemented, the instructions if any have been correctly understood and there is no deviation.

24.7 LIST OF PERSONNEL ITEMS COMMON TO ALL OFFICES AND POINTS REQUIRED TO BE SEEN ON EACH:

1) SCALE CHECK:

- i. Proper Register/Record is maintained to indicate the sanctioned posts, category wise.
- ii. Checked with Attendance, Pay Bills etc. to see that the posts operated are as per the sanction strength
- iii. Book of sanction reference is indicated against each Department against the posts sanctioned.

- iv. No posts are operated in excess to the sanctioned strength or without sanction
 - v. In case of excess operation, action has been taken to regularize the posts.
- 2) SERVICE REGISTERs/BOOKS:
- i. Service Registers/books have been opened for all the employees without delay and necessary Medical Certificate attached.
 - ii. All required details have been filled correctly.
 - iii. Necessary Thumb impressions have been obtained and certified by Responsible official.
 - iv. Service records are kept in safe custody.
 - v. The Date of Birth recorded in the S.R. agrees with Medical Certificate, School Certificate etc.
 - vi. All necessary entries viz., increment, transfer, promotion, fixation of pay, option forms for PF, CGIS, sanction reference of HBA, Scooter Advance etc. are recorded correctly and attested by the Competent Authority.
 - vii. Qualifying service is recorded every year and period not qualified for pensionable service is recorded correctly.
 - viii. In case of employees, for whom DAR action have been initiated, suitable entries in the S.R. duly indicating the punishment penalty, suspension etc. entered clearly and duly quoting the orders of the competent authority.
 - ix. That the Service Records are periodically reviewed, by the controlling officials.
 - x. In respect of SC, ST and BC candidates' authenticated documentary proof should be available in the SR/Personal File of the employees concerned.
- 3) LEAVE ACCOUNT:
- i. Leave account is maintained correctly for all the staff on Rolls, and governed by the leave rules the employee is governed.
 - ii. Advance crediting of EL/HPL are made correctly taking into account the date of joining, period of leave without pay etc.
 - iii. Every leave posting in leave account (Debit) is supported by leave application, and sanctioned by the competent authority.
 - iv. In the case of commuted leave employee's specific request is forthcoming and the period of absence is covered by Medical Certificate.
 - v. Proportionate reduction in the EL at the rate of 1/10 for the period of LWP (if any) is done before according advance credit every half year.
 - vi. In the case of 'LND', extraordinary leave etc., the leave period is covered as per the extant rules.
 - vii. In the case of 'HPL' Leave salary is drawn correctly.
 - viii. LWP period are recorded correctly in the S.R. and no salaries are drawn.
 - ix. No leave be sanctioned/availed without sufficient leave balance.

- x. Postings of leave account are test checked and Leave balance is brought forward correctly on every page of the leave account without any over or under casting of leave.
- xi. Leave accounts are properly attested by the responsible official periodically.
- xii. Paternity leave is availed by the male employee within the prescribed time.
- xiii. Maternity leave is availed for the first two living children and necessary entries about availing the leave mentioned in the leave record.

4) TRAVELLING ALLOWANCE AND CONVEYANCE ALLOWANCE:

- i. The T.A. Bills are correctly prepared, signed by the controlling officials.
- ii. The movement shown in the TA Bills agrees with Attendance register.
- iii. The amount of T.A. claimed are as per the eligibility criteria based on their Pay and Class of City.
- iv. Conveyance allowance claimed by the employee is admissible as per rules and rate per km. claimed are as per prescribed rates.

5) LATE SITTING ALLOWANCE:

- i. Necessary Registers are maintained to record the overtime worked and entries attested by the officer concerned.
- ii. Necessity for working overtime should be closely scrutinized.
- iii. The rate of allowance is correct.
- iv. The actual late hours worked and allowance claimed is in accordance with the sanction.

6) BUILDING REGISTER:

- i. Necessary Building Registers are required to be maintained by the Engg. Cell.
- ii. Complete details viz., Plinth area, type of the building, electrical installations etc. are indicated both for service and residential buildings.
- iii. The Register is updated every time when buildings are constructed/dismantled.
- iv. The Register is periodically reviewed to ensure that all the Buildings in that particular jurisdiction are brought into the Register.

7) LOANS AND ADVANCES (RECOVERY REGISTER):

- i. Details of various advances sanctioned to the employees are recorded correctly and the recoveries made are posted correctly individual employee wise.
- ii. Conditions stipulated for grant of various advances are satisfied.
- iii. Balances of advances are struck correctly and it is ensured that the advances are recovered within the permissible installments.
- iv. In the case of interest-bearing advances, the recovery of interest is certified well in advance and recovery towards interest commenced immediately on completion of principal amount.

- v. In the case of staff transferred from other units, the recovery of loan amount is correctly brought into the Register and checked with the LPC. Similarly in the case of transfer of employees to other units, the LPC reflect the correct amount of loan due for recovery.
 - vi. The Register is reviewed by the responsible official periodically.
- 8) FESTIVAL ADVANCE:
- i. Festival Advance is sanctioned to the eligible employees based on their basic pay.
 - ii. Recovery Register is maintained allotting separate folios for each festival.
 - iii. Recoveries are commenced in time and completed within 10 installments.
 - iv. In the case of transfer, the amount due for recovery is correctly indicated in the LPC.
 - v. In the case of staff transferred from other units, the amounts due as indicated in the LPC are recovered correctly and recoveries posted accordingly.

NOTE: Since, the expenditure on Festival advance is charged to the salary head and no suspense Account is maintained, a complete check of recovery is to be ensured during inspection.

- 9) RECOVERY OF RENT:
- i. Rent and conservancy charges are recovered from all those employees who are in occupation of CBSE Quarters.
 - ii. Rent has been recovered according to plinth area and type of the quarter.
 - iii. Water charges are recovered from all the quarters occupied by Officers, according to the type of the CBSE Quarters, at the prescribed rates.
 - iv. It has to be checked that Rent is recovered from the employees, who have been allotted quarter and not occupied/delay in occupation beyond 7 days etc.
 - v. Damaged rent/special license fee for unauthorized occupation are correctly recovered as per extant rules till the quarter is vacated/evicted.
- 10) REIMBURSEMENT OF TUITION FEES AND CHILDREN ALLOWANCE SCHEME:
- i. Necessary Register is maintained to record the receipt of claims, claims admitted and rejected.
 - ii. The claims admitted are correct and supported by authenticated documents.

- 11) RECOVERY OF ADVANCE OF PAY ON TRANSFER:
 - i. Separate Register is maintained for watching the recovery of Advance of Pay.
 - ii. Proper sanction is obtained for sanctioning of Advance of Pay.
 - iii. In case the employee has drawn advance of pay before effecting transfer, the same should be recorded in the LPC.
 - iv. There is no delay in recovery, and recoveries are completed within a period of 3 months.

- 12) PAY BILLS:
 - i. Pay and allowances were drawn correctly.
 - ii. All recoveries are made correctly.
 - iii. Special Pay, Personnel Pay, leave salary etc., if any are drawn correctly and as per rules.
 - iv. Rent recovery, Elec. Energy recoveries for the staff occupying quarters are done correctly.
 - v. Increments are drawn correctly.
 - vi. CGIS and other statutory recoveries are made correctly.
 - vii. All accompaniments to the pay sheets are attached and are correct.
 - viii. The posts for which salaries drawn are as per the scale check and necessary scale check statement attached to the pay sheet.
 - ix. In case of Fixation of Pay/revision of pay due to promotion, revision of the Grade etc. are done correctly and certified by Accounts Office and suitable entries made in the service register.
 - x. Recoveries towards Festival advance is made correctly and immediately after receipt of the advance. This has to be checked duly connecting the memorandum of sanction.
 - xi. In case of supplementary Pay Bill proper care is taken to ensure that necessary certificates are furnished, and suitable entries are made in the relevant records to avoid double payment.

- 13) REVIEW OF LAST PAY CERTIFICATES: It should be seen that:
 - i. The last pay drawn by the employee has been correctly mentioned in the LPCs.
 - ii. Outward LPCs should be test checked with recovery registers to ensure that the outstanding balances if any are correctly mentioned.
 - iii. In case the employee is in occupation of CBSE Quarter, LPC should clearly indicate the period up to which permission obtained penal rent if any to be recovered etc.
 - iv. In the case of Inward LPCs, it should be seen that the amount due for recovery towards loans and advances, advance of pay if any are correctly recovered. Inward LPCs should be test checked with pay sheet and recovery registers.

- 14) Log Book of Office Staff Cars: -
- i. It should be seen that the staff cars have been used for official purposes only and the officers' signatures/initials obtained against each movement.
 - ii. If the cars had been used for private purposes, necessary charges as applicable have been billed and recovered.
 - iii. Drawl of petrol commensurate with KMs in usage and there is no abnormal variation in the consumption pattern.
 - iv. Repairs to the Staff cars have been done as per the provisions contained in rules
- 15) REGISTER OF PURCHASE ORDER: It should be seen that:
- i. The Register is efficiently maintained. Continuity of P.O. Nos. is maintained.
 - ii. The P.O. is signed and issued by the authorized official.
- 16) CASH IMPREST:
- i. The cash imprest should be verified and balance certified in the Imprest Register.
 - ii. It should be seen that the amount spent from imprest are reasonable.

In addition to the list enumerated above, the internal Audit team can examine any documents pertaining to cash, stores, equipments etc. as deemed necessary.

Space for Notes



CHAPTER - 25

PRESERVATION

OF

ACCOUNTING

RECORDS



No accounts records, returns and other vouchers relating to accounts of Central Board of Secondary Education shall be destroyed under any circumstances, even if the audit thereof is over, but the same should be preserved financial year-wise in guard file and kept in safe custody for production to Inspecting Officers or the Audit Department/Ministry/ Central Board of Secondary Education.

The general principles regarding the period of preservation of accounts records are as follows:-

- (i) Records which are required to be produced or which are likely to be called for in a Court of Law should not be destroyed without the prior approval of the Competent Authority.
- (ii) Records which are required or which are likely to be of help in conducting a departmental investigation or investigation by the Central Bureau of Investigation etc, should not be destroyed without the prior approval of the Competent Authority.
- (iii) Records which are required for the purpose of settlement of objections raised by the Director of Audit/Accountant General or the internal Inspection Audit Party of the Central Board of Secondary Education should not be destroyed until the objections are admitted/settled by the authority concerned finally.

Subject to the general principles set out above and subject to the administrative instructions that may be issued by the Central Board of Secondary Education from time to time, the records mentioned below should be preserved at least for the period indicated against each. There is no objection to retain the records for a longer period than that indicated below, if there are facilities for storage or has specific reasons to do so.

Records for which specific period of preservation has not been prescribed, should not be destroyed without the prior approval of the Competent Authority. In respect of the records mentioned in the Annexure, the year of destruction is to be reckoned with reference to the last date of transaction or the year to which the record relates, as the case may be. Outstanding items, if any, should be copied from the old register in the new registers.

{G.F.R. - 320(2)}

ANNEXURE TO CHAPTER - 24

Sl. No.	Name of the record	Period of preservation
1.	(a) Pay bills (Containing Acquittances)	35 years
	(b) Pay bills (not containing Acquittances)	6 years
2.	Bill for Drawing funds Sanctioned for Construction Works	Until construction is completed and accounts are settled
3.	Increment Certificate	6 years
4.	Travelling Allowance Bill	3 years or until A.G's audit/internal inspection is over; whichever is later.
5.	Acquittance Roll	35 years
6.	Register of Contingent Charges	5 years
7.	Register of Correspondence Received	3 years
8.	Telephone Register	3 years or until A.G's audit/internal inspection is over, whichever is later.
9.	Cash Book	20 years
10.	Monthly consolidated Statement of Account	3 years
11.	Stock Account	20 years
12.	Register of fixed Assets	Permanent - GFR - 22 form
13.	Library Accession Register	-do-
14.	Library Issue Register	5 years or until all outstanding items are recopied and got acknowledged.
15.	Ledger Accounts	6 years
16.	Stock Register for Stationery Articles	6 years
17.	Dispatch Register	3 years
18.	Postage Stamp Account	6 years
19.	Bill for Medical Reimbursement	6 years
20.	Claim for Children's Education Allowance	6 years
21.	Claim for Reimbursement of Tuition Fees	6 years
22.	Leave Account (Service Book)	20 years after death or retirement.
23.	Last Pay Certificate	6 years
24.	Register of Provident Fund	30 years

25.	Standard Form for Making Payments of Claims and Vouchers for Payments	10 years
26.	Register of Advances and Recoveries	6 years
27.	Statement of Remittance of Provident Fund Collections	10 years
28.	Application for CPF/GPF Advance	3 years after final recovery
29	Application for Final Withdrawal from CPF/GPF Account	3 years after final payment of provident fund.
30	Application for Conversion of Provident Fund Advance into Final Withdrawal	-do-
31	Annual Accounts	10 years or till A.G's audit/internal inspection is over, whichever is later.
32	Register of Undisbursed Accounts	3 years or till A.G's audit/internal inspection is over, whichever is later.
33	Correspondence Files, Statements, etc.	3 years
34	Standing Orders Instructions issued by the Central Board of Secondary Education.	Permanently



CHAPTER - 26

LIST OF FORMS

LIST OF FORMS

S.N.	Form No.	Para / Sub-Para No.	Description	Page No.
1	CBSE/FAM-01 (GFR-5)	2.11 (K&L)	Register showing expenses by Heads of Accounts	23-24
2.	CBSE/FAM-02 (GFR-4)	2.12(c)	Statement of proposal for pre-budget discussion	24
3.	CBSE/FAM-03 (GAR-29)	3.6.6	Fully vouched contingent Bill	30
4.	CBSE/FAM-04 (GAR-30)	3.6.7(i)	Abstract Contingent Bill	30
5.	CBSE/FAM-05 (GAR-31)	3.6.9	Detailed countersigned contingent Bill	31
6.	CBSE/FAM-06 (GAR-9)	4.12 & 4.21	Bill Register	36 & 38
7.	CBSE/FAM-07 (MASFSU-24)	4.25(IX)	Register of Permanent advances	39
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9.	CBSE/FAM-09 (GFR-17)	4.29(2)	Fidelity Guarantee Policy	42
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11.	CBSE/FAM-11(A) (GFR-18)	8.4	Accession Register	99
12.	CBSE/FAM-11(B) (GFR-22)	8.4 & 8.5 (e)	Register of Fixed Assets	100
13.	CBSE/FAM-11(C) (GFR-23)	8.4	Stock Register of Consumables such as, stationery, chemicals, spares parts etc.	99
14.	CBSE/FAM-11(D) (GFR-24)	8.4	Register of Assets of Historical/ Artistic Value	99
15.	CBSE/FAM-12 (GFR-10)	8.10	Report of Surplus, obsolete and un-service stores for disposal	102
16.	CBSE/FAM-13 (GAR-22)	17.1(1)	Register of court attachment of pay etc.	192

KEY: GFR: General Financial Rules 2017

GAR: Receipts & Payments Rules

MASFSU: Maharashtra Agriculture

Form No. CBSE/FAM - 01
(Ref. GFR-5)
(See Para 2.11(K&L))

REGISTER SHOWING EXPENSES BY HEADS OF ACCOUNT

Office of _____

Head of Account _____

Major Head _____

Minor Head _____

Sub-Head _____

Month

Year

S.N.	Allotment Voucher No./Token No. & Date/Serial No. in Bill Register*	Sub-Head of Grants				Deduction if any	Net Amount of the Bill
1.							
2.							
3.							
4.							
Add adjustment communicated by PAO Total for the month							
Total from 1 st April Balance of the appropriation							

Signature _____

Designation _____

Date _____

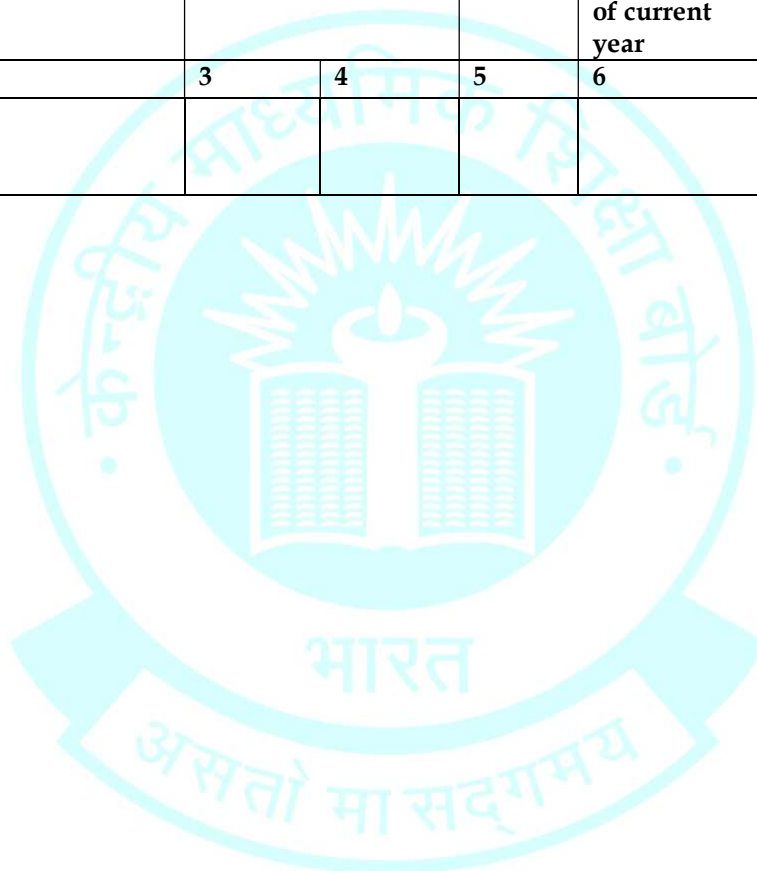
Form No. CBSE/FAM-02
(Ref. GFR-4)
[See Para 2.12(a)]

STATEMENT OF PROPOSALS FOR PRE-BUDGET DISCUSSION

Demand No.
(in crores of Rupees)

Statement of Budget Estimates

S.N.	Description as shown in the Exp. Bud. Vol.2(SBE)	Actuals	Actuals	B.E. current year	Actuals up to September of current year	R.E. current year	B.E. current year
		For the last two Preceding years					
1	2	3	4	5	6	7	8



Form No. CBSE/FAM - 03
(Ref. GAR - 29)
(See Para 3.6.6)

FULLY VOUCHERED CONTINGENT BILL

C.B.S.E./Department/Office of _____
 Detailed Bill of Contingent Chargers for the month of _____ 20____
 Fully Vouched Contingent Bill No. _____
 Bill No. _____ For the month of _____

GRANT	M.H. SERIAL	SCCD SIGN	+/-	AMOUNT																					
				Rs. P.																					
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Number of Sub-Vouchers	Description of charge and number and date of authority for all charges requiring special sanction	Amount	
1	2	3	
	Total Rs.	Rs.	P.

1) I certify that the expenditure included in this bill could not, with due regard to the interest of the public service, be avoided. I certify that to the best to my knowledge and belief, the payments entered in this bill except items noted below, have been duly made of the parties entitled to receive them and relevant vouchers for sums above Rs. 500 are attached to this bill; credit bills (above Rs. 500) relating to the said exceptions which exceed the balance of the permanent advance are attached and relevant stamped receipts will be forwarded as soon as the amounts are paid on receipt of the amount drawn on this bill. I have, as far as possible, obtained vouchers for sums less than Rs. 500 am responsible that they have been so defaced or mutilated that they cannot be used again. All work bills are annexed.

I also certify that the amounts on account of pay and allowances of Group 'D' Government servants drawn I month/2 months/3months previous to this date with the exception of those detailed below of which the total amounts has been refunded by deduction from this bill have been disbursed to the Government servants concerned and their receipts taken.

- 2) Certified that all the articles detailed in the vouchers attached to the bill and those retained in my office have been accounted for in the Stock Register.
- 3) Certified that the purchases billed for have been received in good order, that their quantities are correct and their quality good and according to specifications, that the rates paid are not in excess of the accepted and the market rates and that suitable notes of payment have been recorded against the indents and invoices concerned to prevent double payments.
- 4) Certified that –
 - a) The expenditure on conveyance hire included in this bill was actually incurred, was unavoidable and is within the scheduled scale of charges for the conveyance used, and
 - b) The Government servant concerned is not entitled to draw Travelling Allowance under the ordinary rules for the journey and is not granted any compensatory leave and does not and will not otherwise receive any special remuneration for the performance of the duty which necessitated the journey.
- 5) Certified that the monetary or quantitative limits prescribed by the Competent Authority in respect of items of Contingencies included in the bill have not been exceeded.

Appropriation for current year _____

Received Payment

Expenditure including this bill _____

Amount of work bills annexed _____

Balance available _____

Signature and Designation
of Drawing Officer

**Form No. CBSE/FAM-04
(Ref.GAR-30)
[See Para No. 3.6.7(1)3.6.9]**

ABSTRAT CONTINGENT BILL

Office of _____ Bill No. _____

DDO CODE

--	--	--	--	--	--	--	--

BANK CODE

--	--	--	--	--	--	--	--

Detailed bill will be sent for countersignature on _____

HEAD OF ACCOUNT

GRANT

M.H.SERIAL

SCCD SIGN +/-

AMOUNT

Rs. P.

--	--	--

--	--	--	--	--	--	--	--

--	--	--

--

--	--	--

Detailed head of charge (with description where necessary) and quotation of Authority for charges requiring special sanction	Amount		Sl. No. assigned in contingent register
	Rs.	P.	
1	2		3

Total Rs. _____ (Rupees _____)

Deduct amount disallowed by the Controlling Officer in Bill No. _____

_____ Dated _____ for Rs. _____

Net amount payable (In words) _____

Appropriation for the current year Rs. _____

Expenditure including this bill Rs. _____ Received Payment

Amount of work bill annexed Rs. _____

Balance available Rs. _____

Dated _____

Passed for payment of Rs. _____ (Rupees _____)

to _____ by cheque/Demand Draft No. _____

DDO

GAR-30

SWAMY'S-RECEIPTS AND PAYMENTS RULES

VOUCHER NUMBER	DATE (DD MM YY)
<input type="text"/>	<input type="text"/>

CATEGORY (A/B/C)	CHEQUE NUMBER	DATE (DD MM YY)	AMOUNT Rs. P.
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

DETAILS OF CHEQUE CANCELLED :-

CATEGORY (A/B/C)	CHEQUE NUMBER	DATE (DD MM YY)	AMOUNT Rs. P.
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

NOTES : 1 DDO will make payments on this form as often as required; but the Drawer should be careful to include in the detailed contingent bill of a month only the amount of all abstracts encashed during that month.

2. The Government Officer drawing this bill is responsible for having initialed the date of each payment in the Contingent Register. The Register is required to be sent up with bills and sub-vouchers for the purpose.

Drawing DDO

Bill No. _____

Form No. CBSE/FARM-05
(Ref. GAR-31)
[See Para 3.6.9]

DETAILED COUNTERSIGNED CONTINGENT BILL
(Not for payment)

Sent to Controlling Officer on _____
Countersigned and sent to the Bill and Cash section on _____

Details of numbers of sub-vouchers	Monthly detailed bill of contingent charges of _____ For the month of _____ 20____				
	Head of Account*				
	Description of charge and number and date of authority Where special sanction is necessary		Amount		
		Rs.	P.	Rs.	P.
	Total Rs.				

*To be entered by Drawing Officer.

CBSE/FAM-06

[Ref.GAR-9]
[See Para 4.12 & 4.21]

BILL REGISTER

											Amount disbursed in									
1. Bill No. & Date		2. Particulars of Bill		3. Net Amount of Bill		4. Dated initials of an Officer signing Bill		5. Date of presentation		6. Amount passed by DDO	Rs. P.									
								7. Date of signing acknowledgement		8. No. & Date of Voucher										
								9. No. and Date of cheque or Bank draft		10. Date of entry in Cash Book										
								11. Initials of an Officer in Charge of Cash		12. Month of encashment	Rs. P.									
										13. 2 nd Month	Rs. P.									
										14. 3 rd Month	Rs. P.									
										15. Remark										

SWAMY'S - RECEIPTS AND PAYMENTS RULES

1. I certify that the expenditure included in this bill could not, with due regard to the interests of the public service, be avoided. I have satisfied myself that the charges entered in this bill have been really paid. Vouchers for all items of expenditure above Rs. 50 in amount and all work-bills are attached to the bill. I have, as far as possible, obtained vouchers for other sums and am responsible that they have been so defaced or mutilated that they cannot be used again.

I also certify that the amounts on account of pay and allowances of the Group 'D' Government servants drawn 1/2/3 month(s) previous to this date, with the exceptions of those detailed below of which the total amount has been refunded by deduction from this bill, have been disbursed to the Government servants concerned and their receipts taken.

2. Certified that the purchases billed for have been received in good order, that their quantities are correct and that their quality good and according to specifications, that the rates paid are not in excess of the accepted and the market rates and that suitable notes of payment have been recorded against the indents and invoices concerned to prevent double payments.

3. *Certified that all the articles detailed in the vouchers attached to the bill and in those items retained in my office have been accounted for in the Stock Register.

*This certificate is required when proper store accounts of materials and stores purchased are required to be maintained.

4. Certified that -

(a) the expenditure on conveyance hire included in this bill was actually incurred, was unavoidable and is within the scheduled scale of charges for the conveyance used; and

(b) the Government servant concerned is not entitled to draw travelling allowance under the ordinary rules for the journey and he is not granted any compensatory leave and does not and will not otherwise receive any special remuneration for the performance of the duty which necessitated the journey.

5. Certified that the monetary of quantitative limits prescribed by the Government in respect of items of contingencies included in the bill have not been exceeded.

GAR - 31

Drawn on Abstract Bill No. _____ dated _____ " " " " " " Add - Amount of disallowance refunded <p align="right">Total of this bill</p>	Rs.	P.	Appropriation for the current year Expenditure including this bill A month of work bills annexed Balance available	Rs.	P.
Date _____ Signature _____ Designation of Drawing Officer _____					
For use of Controlling Officer Disallowed from Sub-Voucher No. _____ Disallowed from Sub-Voucher No. _____ Disallowed from Sub-Voucher No. _____ Passed for Rupees _____ Total of this bill _____					

I certify that in support of every charge of more than Rs. 50 made in this bill, a receipt or other voucher has been given to me. The receipts and vouchers for items in excess of Rs. 200 are attached to the bill and I am responsible that the receipts and vouchers for all other items of more than Rs. 50 are in proper form and order and are in my possession and that they have been so cancelled that they cannot be again used to support claims against the Government.

All work-bills are also appended.

Date _____ Signature of the Countersigning Authority _____

Form No. CBSE/FAM-07
(Ref. MASFSU-24)
[See Para 2.12 (c)]

Register of Permanent Advances

Schedule of Recovery of _____ Loan/advance
 Name of Drawing and Disbursing officer _____
 Month _____

S.N.	Name of D.D.O. who has drawn original advance	Vr. No. and date under which original advance/loan is drawn	Name and designation of employee	Total amount of advance/ loan paid	Previous balance of advance
1	2	3	4	5	6

Amount recovered during the month	Balance outstanding	Interest		Remarks
		Due	Recovered	
7	8	9	10	11

Form No. CBSE/FAM-08
(Ref. GFR-14)
[SEE Para 4.29 (2)]

FORM OF SECURITY BOND
(FIDELITY BOND DEPOSITED AS SECURITY)

KNOW ALL MEN BY these presents that I, A.B. _____ of _____ and held and firmly bound unto the President of India, his successors and assigns (hereinafter referred to as "Government") in the sum of Rs. _____ (Rupees _____) to be paid to the Government for which payment, well and truly to be made, I bind myself, my heirs, executors, administrators, and legal representatives by these presents. Signed and dated this _____ day of _____ 20____.

2. WHEREAS the above bounden A.B. _____ was on the day of _____ 20____ appointed to and now holds the office of _____ in the office of _____ AND WHEREAS the said A.B. _____ by virtue of holding such office is bound to collect _____ (here describe the nature of Cashier's/Storekeeper's/Sub-Storekeeper's/Subordinate's duties) _____ and to keep and render true and faithful accounts of his dealings with all property and money which may come into his hands or possession under his control such accounts to be kept in the form and manner that may, from time to time, be prescribed by duly constituted authority, and also to prepare and submit such returns, accounts and other documents as may from time to time be required of him.

3. AND WHEREAS the said A.B. _____ has, in pursuance of Rule-270 of the General Financial Rules, 1963, delivered to and deposited with _____ a Fidelity Bond issued by _____ Company for the sum of Rs. _____ (Rupees _____) as Security for the due and faithful performance by the said A.B. _____ of the duties of his said office and of any other office requiring security to which he may be appointed at any time and of other duties which may be required of him while holding any office as aforesaid and for the purpose of securing and indemnifying the Government against all loss, injury, damage, costs, or expenses which the Government may, in any way, suffer, sustain or pay by reason of misconduct, neglect, oversight or any other act of omission of the said A.B. _____ or of any person or persons acting under him or for whom he may be responsible.

4. AND WHEREAS the said A.B. _____ has entered into the above Bond in the sum of _____ conditioned for the due performance by him the said A.B. _____ of the duties of the said office and of other duties appertaining thereto or which may lawfully be required of him and to indemnify the Government against loss from or by reason of the acts or defaults of the said A.B. _____ and of all and every person and persons aforesaid.

5. NOW THE CONDITION of the above written Bond is such that of the said A.B. _____ has whilst he has held the said office of _____ as aforesaid always duly performed and fulfilled the duties of his said office and if he shall, whilst he shall hold the said office or any other office requiring security to which he may be appointed, or in which he may act, always duly perform and fulfill all and every duties thereof respectively and other duties which may from time to time be required of him while holding any such office as aforesaid, and shall duly pay into the Government Treasury at _____ all such money and securities for money as are payable or deliverable to Government and shall come into his possession or control by reason of the said office and shall duly account for and deliver up all moneys, papers and other property which shall come into his possession or control by reason of the said office and if the said A.B. _____ his heirs, executors, administrators or legal representatives shall pay or cause to be paid unto the Government the amount of any loss and/or defalcation in the accounts of the said _____ within 24 hours after the amount of such loss and/or defalcation shall have been demanded from the said A.B. _____ by the _____ such demand to be in writing and left at the office or last known place of residence of the said A.B. _____ and shall also at all times indemnify and save, and keep harmless the Government from all and every loss, injury, damage, actions, suits, proceedings, costs, charges and expenses which has been or shall or may at any time or times hereafter during the service or employment of the said A.B. _____ in such office as aforesaid, or any such offices aforesaid, be sustained, incurred, suffered brought, sued or commenced or paid by the Government by reason of any act, embezzlement, defalcation, mismanagement, neglect, failure, misconduct, default, disobedience, omission, or insolvency of the said A.B. _____ or of any person or persons acting under him or for whom he may be responsible then the above written Bond shall be void and of no effect, otherwise the same shall be and remain in full force.

6. PROVIDED ALWAYS and it is hereby declared and agreed by and between the parties hereto that the said Fidelity Bond No. _____ delivered and deposited as aforesaid shall be and remain at the disposal of the said officer for the time being or the Government as and for part and additional security over and above the above written Bond to the Government, for the indemnity and other purposes aforesaid with full power to the Government or an officer duly authorized in that behalf to obtain and receive payment of the sum or sums of money recoverable or to be received, upon or by virtue of the said Fidelity Bond or a sufficient portion thereof and all benefits and advantages thereof and to apply the same in and towards the indemnity as aforesaid of the Government.

7. AND it is hereby further agreed and declared by and between the parties hereto that the said A.B. _____ shall keep the said Fidelity Bond issued by the said company in full force by payment of the premium and as

when they fall due and by otherwise conforming to the rules of the said company relating thereto.

8. PROVIDED ALWAYS that cancellation or lapse at any time of the said Fidelity Bond shall not be deemed to affect or prejudice the right of the Government to take proceedings upon or under this aid Bond against the said _____ in case any breach of the condition of this Bond shall be discovered after the cancellation or lapse of the said Fidelity Bond but he responsibility of the A.B. _____ shall at all times continue and but the Government shall be fully indemnified against all such loss or damage as aforesaid at any time.

9. PROVIDED FURTHER that nothing herein contained nor in the Fidelity Bond so deposited shall be deemed to limit the liability of the said A.B. _____ IN RESPECT OF MATTERS AFORESAID TO THE FORFEITURE OF THE SAID SUM of Rupees _____ or part or parts thereof and that if the said sum be of found insufficient to indemnify the Government in full for any loss or damage sustained by them in respect of matters aforesaid or any of them the said A.B. _____ shall pay to Government on demand such further sum as shall be deemed by _____ to be necessary in addition to the said Fidelity Bond of Rs. _____ to cover such loss or damage as aforesaid and that the Government shall be entitled to recover such further sum payable as aforesaid in any manner open to them.

10. The stamp duty, if any, on this Bond shall be borne by the Government.

Signature

1. Signed and delivered by the above-named A.B. _____ in the presence of _____

2. Signed for and on behalf of the President of India by _____ the _____ being the person directed or authorized by him in that behalf in the presence of _____

Form No. CBSE/FAM-09
(Ref. GFR - 17)
[See Para 4.29 (2)]

GENERAL INSURANCE CORPORATION OF INDIA AND ITS SUBSIDIARIES
Fidelity Guarantee Policy

Policy No.

IN CONSIDERATION OF the first premium shown in the First Schedule and subject to the terms and conditions contained herein or endorsed herein which are to be deemed conditions precedent to any liability on the part of the Life Insurance Corporation of India (hereinafter called "Corporation") so far as they relate to anything to be done or complied with by the Employer, the Corporation agrees and binds itself to make good and reimburse to the Employer all such direct pecuniary loss not exceeding the amount of guarantee, as the Employer shall sustain by any act or acts of dishonesty, default or negligence committed by the employed/any of the employed (a) during the currency of this insurance and (b) during the uninterrupted continuance of employment of such employed and (c) in connection with his occupation and duties, AND DISCOVERED during the currency of this insurance or within a reasonable time thereafter or within twelve months after determination of such employment whichever event shall first happen.

The proposal for this insurance made by or on behalf of the Employer together with any correspondence relative thereto shall be incorporated herein and be the basis of this contract and of every renewal.

THE FIRST SCHEDULE

The Employer:-

Name
Business
Address

THE PRESIDENT OF INIDA

The Employed:

though

The amount of Guarantee Rs.

Occupation and duties:

The first premium Rs.

The renewal date
year.

The _____ day of _____ in each

The currency of this insurance: The period or periods from the date written against the respective names of the Employed to the then next renewal date and any year thereafter in respect to which the Corporation shall agree to accept and Employer or Employed shall pay the annual premium specified in the Second Schedule hereto.

THE SECOND SCHEDULE

Period of Risk	Name	Occupation and duties	Amount of Guarantee Rs.	Annual Premium Rs.	Actual Premium Rs.

In witness whereof this Bond has been signed at _____ this day of _____ 20_____.

For¹ _____
 Prepared by _____
 Examined by _____

N.B. - For your own protection, it is incumbent upon you to read your policy and its conditions to ascertain that it is made out in accordance with your intentions.

CONDITIONS

In this policy the expression shall bear respective meanings attached to them in the First Schedule hereto

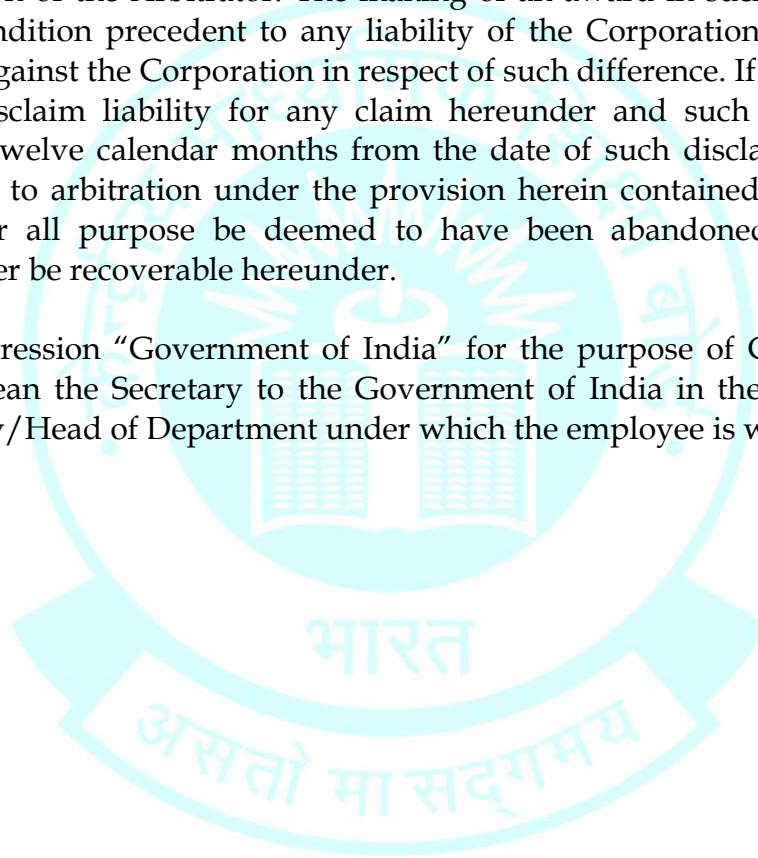
1. The Corporation shall not be liable to make any payment hereunder if the nature of the business of the Employer of the duties or conditions of service shall be changed or the remuneration or any of the Employed reduced without the sanction of the Corporation or if the precautions and checks for securing accuracy of accounts shall not be duly observed.
2. Notice in writing shall be given to the Corporation's office as soon as possible after any act or acts of dishonesty default or negligence on the part of any of the employed or of reasonable cause of suspicion thereof or any improper conduct shall have come to the knowledge of the Employer or of any representatives of the employer to whom is entrusted the duty of superintendence over any of the Employed and no amount shall be payable under this policy in respect of that Employed by reason of any act committed after such knowledge shall have come to the Employer or his said representatives. Within three months after such notice the Employer shall deliver to the Corporation full details of his claim and shall furnish proof of the correctness of such claim. All books of accounts of the Employer or any Accountant's report thereon shall be open to the inspection of the Corporation and the Employer shall give all information and assistance to enable the Corporation to sue for and obtain reimbursement by any one of the Employed or by his estate of any moneys which the Corporation shall have paid or

become liable to pay under this Policy. Provided always that the Corporation shall not be entitled to the disclosure of any record or information in respect of which the Employer is entitled to claim privilege in a Court of Law under Sections 123 and 124 of the Indian Evidence Act.

3. Any moneys of any one of the Employed in respect of whom a claim is made in the hands of the Employer and any money which but for any act of fraud or dishonesty committed by such one of Employed would have been due to that Employed from the Employer shall be deducted from the amount otherwise payable under the Policy. Provided that the Employee is entitled under the law to make such deduction. Provided further that in cases in which the loss to the Employer is in excess of the Maximum amount payable under the policy, the moneys aforesaid will be applied in the first place to make good the amount of such excess and the balance, if any, shall be deducted as herein provided. The Employer and the Corporation shall share any other recovery (excluding insurance and reinsurance and any counter security taken by Corporation) made by either each bears to the total amount of the loss.
4. Notwithstanding anything herein contained to the contrary, it is also agreed that the Corporation guarantees to the Employer that the Employed shall honestly and faithfully account to the Employer for all moneys or valuables or property which they shall receive or be entrusted with on account of the Employer either in their personal or individual capacity or as member or group working conjointly with other members and that the Corporation will make good and reimburse to the Employer such loss not exceeding the amount of guarantee as the Employer may sustain by any act or acts of default or dishonesty or negligence of the Employed in the capacity and employment aforesaid and that when individual liability cannot be brought home to the Employed the amount to be made good shall be that which falls to the share of the Employed calculating from the total number of men forming such group, i.e., the total loss divided by the total number of men employed on the particular work.
5. The Corporation also agrees that during the period in which the guarantee shall be in force the particulars contained in the Second Schedule shall be with the consent of Employer and on previous notice to and on payment to the Corporation of any additional proportionate premium that may become payable in consequence of any change in the employed by reason of promotion or otherwise be varied as circumstances may require and such additional personal as may be taken into the employment of the employer referred to in the Schedule hereof during such period shall with such consent aforesaid and on previous notice to and on payment to the Corporation of a further proportionate premium at the rate for the time being applicable be added to and included in the said Schedule and the expression Employed used throughout this policy shall as from the respective date on which the

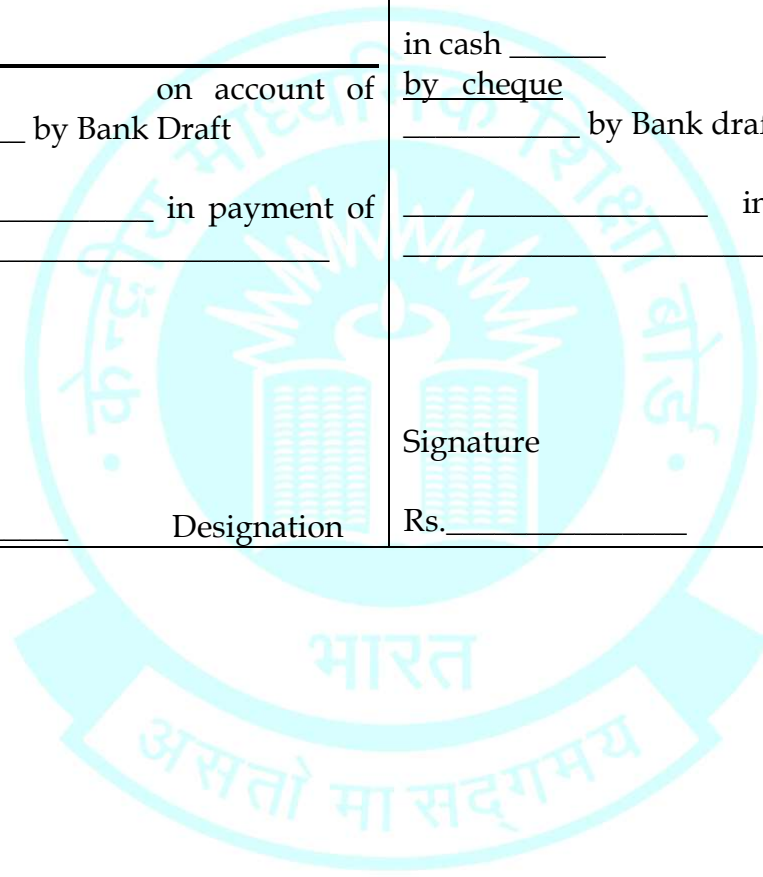
names shall be included in the said schedule be deemed to include all persons whether previously named in the said Schedule or subsequently added thereto as aforesaid.

6. If any question or difference shall arise between the parties hereto or their respective representatives touching these presents or the construction hereof or as to the rights, duties or obligations of any persons hereunder or as to any other matter in anywise arising out of or connected with the subject-matter of these presents, the same shall be referred to a single Arbitrator to be named by the Government of India. The Arbitrator so named shall be an officer of Government and shall have all the powers conferred on Arbitrators under the Indian Arbitration Act. The costs of the reference and award shall be in the discretion of the Arbitrator. The making of an award in such reference shall be a condition precedent to any liability of the Corporation or any right of action against the Corporation in respect of such difference. If the Corporation shall disclaim liability for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provision herein contained, then the claim shall for all purpose be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
7. The expression "Government of India" for the purpose of Clause (6) above shall mean the Secretary to the Government of India in the Administrative Ministry/Head of Department under which the employee is working.



Form No. CBSE/FAM-10
(Ref. GAR-6)
[See Para 6.5.1]

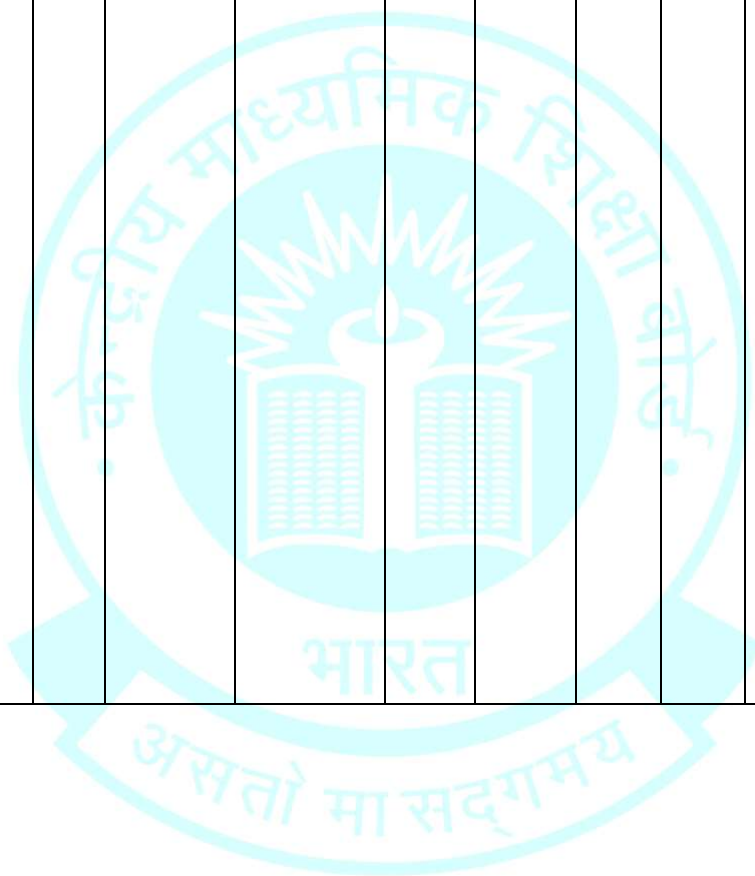
RECEIPT	RECEIPT
Counterfoil (Office Copy)	
No. 200_____	No. 200_____
Received from_____ with Letter No._____, dated_____ 200_____	Received from_____ with Letter No._____, dated_____ 200_____
the sum of Rupees _____	the sum of Rupees _____
in cash _____	in cash _____
<u>by cheque</u> on account of _____	<u>by cheque</u> on account of _____
_____ by Bank Draft	_____ by Bank draft
_____ in payment of _____	_____ in payment of _____
_____	_____
Initials	Signature
Rs. _____ Designation	Rs. _____ Designation



Form No. CBSE/FAM-11 (A)
(Ref. GFR-18)
[See Para 8.4 to 8.5]

ACCESSION REGISTER

Date	Accession Number	Author	Title	Vol.	Place And Publisher	Year of Publication	Pages	Source	Class No.	Book No.	Cost	Bill No. and Date	With Drawn date	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)



Form No. CBSE/FAM-11 (D)
(Ref. GFR-24)
[See Para 8.4]

REGISTER OF ASSETS OF HISTORICAL/ARTISTIC VALUE

Name of Asset _____

Date of acquisition	Source of acquisition	Cost Price if any	Particulars which make it an asset of historic/artistic value	Particulars of the custodian of the asset	Location of the asset	Remarks

NOTE 1. The custodian shall take appropriate measures for preservation of the assets.

NOTE 2. The present value of the asset should be ascertained by obtaining appropriate valuation from an expert agency and the same is indicated in Column 3, every five years.

Form No. CBSE/FAM-12
(Ref. GFR-10)
[See Para 8.10]

**REPORT OF SURPLUS, OBSOLETE AND UNSERVICEABLE STORES FOR
DISPOSAL**

Item	Particulars of Stores	Quantity/weight	Book Value/Original purchase price	Condition and year of purchase	Mode of disposal (sale, public auction or otherwise)	Remarks
1	2	3	4	5	6	7

Signature _____

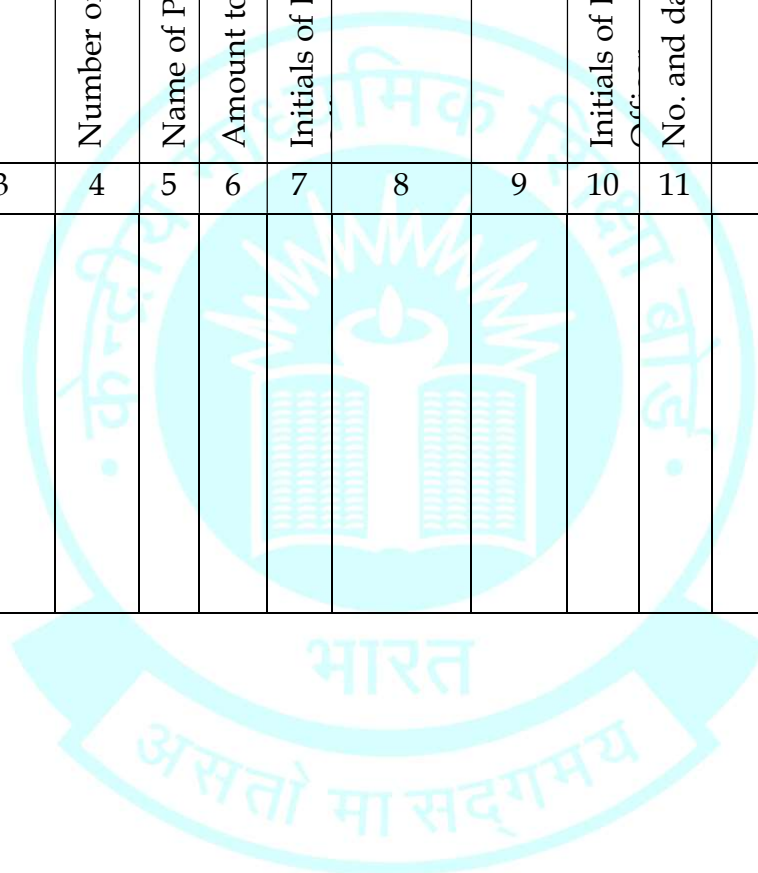
Designation _____

Date _____

BSE/FAM-13
(Ref. GAR-22)
[See Para 17.1 (5)]

REGISTER OF COURT ATTACHMETN OF PAY, ETC.

Name & Designation of	Court's Order		Number of Suit	Name of Plaintiff	Amount to be recovered	Initials of Disbursing	Recovery		Initials of Disbursing	No. and date of remittance	Acknowledged by the Court	Remarks
	No.	Date					Amount	Date			Dated initials of Disbursing Officer	
1	2	3	4	5	6	7	8	9	10	11	12	13



List of Governing Body Members (Annexure to Chapter.1.3(iii))

S. No.	Members
1.	Director of Education Directorate of Education Govt. of NCT of Delhi Old Secretariat Delhi -110054
2.	D.P.I (Schools), U. T. Secretariat, Sector-9, Additional Deluxe Building, Chandigarh - 160017
3.	Add. Director of Education (Schools), Directorate of Education, Govt. of NCT of Delhi, Old Secretariat, New Delhi- 110 054.
4.	Deputy Director of Education (South West B) Office of the Additional Director of Education (School) Directorate of Education, Govt. of NCT of Delhi Old Secretariat, Delhi- 110054
5.	Deputy Director of Education (Zone 21) Directorate of Education Govt. of NCT of Delhi Old Secretariat Delhi - 110054
6.	Director of Education New Delhi Municipal Committee VII Floor, Room No. 7014 Palika Kendra, SansadMarg New Delhi - 110001
7.	Joint Secretary (Institutional) Deptt. of School Education Ministry of Human Resource Development Shastri Bhawan New Delhi - 110001
8.	Deputy Secretary (ME) Ministry of Health & Family Welfare Nirman Bhawan New Delhi - 110001

9.	Joint Secretary & Financial Advisor Deptt. of School Education & Literacy Ministry of Human Resource Development Shastri Bhawan New Delhi - 110001
10.	Secretary General, AIU AIU House, 16, Kotla Marg, New Delhi - 110002
11.	President, AIU AIU House, 16, Kotla Marg, New Delhi - 110002
12.	Vice Chancellor, Jagran Lake University, Mugliachap, Bhopal- 462044, Madhya Pradesh
13.	Chairman IPSC & Headmaster, Pingrove School, Kasauli Road, Dharampur- 173 209, District Solan Himachal Pradesh
14.	Principal Birla Vidya Mandir Nainital, Uttarakhand- 263 001
15.	Commissioner Kendriya Vidyalaya Sangathan 18, Institutional Area ShaheedJeet Singh Marg New Delhi - 110016
16.	Commissioner, Navodaya Vidyalaya Samiti B-15, Institutional Area, Block B, Industrial Area, Sector 62, Noida- 201307 Uttar Pradesh
17.	Principal Sarvodaya Kanya Vidyalaya No. 1, Keshav Puram, Delhi

18.	Principal Cosmos Public School Vasundhara Enclave Delhi - 110096
19.	Principal Mount Abu Public School Sector-5, Pocket B-8, Rohini, Delhi - 110085
20.	Principal Kamal Model Sr. Sec. School, Mohan Garden, New Delhi
21.	District Education Officer, Additional Deluxe Building, Sector- 9, Chandigarh- 160 017
22.	Head & Dean Faculty of Education Department of Education (Central Institute of Education) University of Delhi - 110007
23.	Vice Chairman, All India Council for Technical Education Nelson Mandela Marg, VasantKunj, New Delhi- 110067
24.	ADG (HRD) Indian Council of Agricultural Research Krishi Anusandhan Bhawan - II PUSA, New Delhi - 110012
25.	Acting Secretary Medical Council of India Pocket - 14, Sector - 8, Dwarka, Delhi - 110075
26.	Principal- Education & Innovation Confederation of Indian Industry 249- F, Sector 18, Udyog Vihar, Phase IV Gurugram- 122 015 (Haryana)

27.	Secretary SangeetNatak Academy RabindraBhawan, 35 Ferozeshah Road New Delhi - 110001
28.	Principal Ahlcon International School MayurVihar, Phase-I Delhi - 110091
29.	Principal Delhi Public School Site No. 3, Meerut Road, Industrial Area, Ghaziabad- 201 003 Uttar Pradesh
30.	Principal Step by Step School Plot A10, Sector - 132 Taj Expressway, Noida - 201303 Uttar Pradesh
31.	Principal Pathways School Gurugram-Faridabad Road Gurugram - 122003, Haryana
32.	Chairman & Principal, National Public School, 12-A, Main Road, HAL, 2nd Stage, Indira Nagar, Bangalore, Karnataka- 560038
33.	Director DAV College Managing Committee Chitra Gupta Road Patparganj New Delhi - 110055
34.	Executive Director, Pestle Weed College, Oak Hill Estate, Mussoorie Diversion Road, Dehradun, Uttarakhand- 248009

