REPORT OF THE COMMITTEE

FOR

FINALISING

FINANCIAL GUIDELINES AND FRAMEWORK

FOR

DELEGATION OF ADMINISTRATIVE AND FINANCIAL POWERS

UNDER

NATIONAL RURAL HEALTH MISSION

March, 2007

C O N T E N T S

Acknowledgements

The National Rural Health Mission (NRHM) is an umbrella programme with horizontal integration of hitherto vertical programmes being a major objective as envisaged under the National Health Policy 2002. While the vertical structures have been integrated under a unified State Health Society, the success of the integration process will depend crucially on the manner in which financial transactions are re-structured to facilitate efficient utilization of resources which are set to witness exponential growth under the NRHM. Of particular importance will be the manner in which the powers, both administrative and financial, are defined at each level to provide for a decentralised decision making system,

The notification no. 107/FMG/2005-06 dated 14th December, 2006 of the Ministry has tried to restructure the financial processes to reflect the aspirations of the Mission in the wake of repositioning of various erstwhile programme under one umbrella. The report of this committee has tried to lubricate the processes outlined in the above notification.

The job assigned to the Committee was, thus, taken up with this understanding of the situation. I must admit that the members of the Committee have proved their worth and have given their rich inputs laced with their varied experiences. I would particularly like to thank the inputs provided by the Mission Directors, officers of the directorates of Health and Family Welfare, Chief Medical Officers, Block Medical Officers, ANMs, etc. of the States of Rajasthan, Madhya Pradesh, Uttar Pradesh and West Bengal during the field visits of the committee members.

The report is hereby submitted to the Ministry of Health and Family Welfare for their consideration.

(B P Sharma)
Joint Secretary and Chairman of the Committee

New Delhi
Dated :

Chapter-1: Introduction

The Empowered Programme Committee (EPC) of NRHM considered a set of proposals relating to funds flows and related matters in its 5th meeting held on 9th October, 2006. The approved guidelines titled "Guidelines on financial, accounting, auditing, funds flow and banking arrangements as approved by Empowered Programme Committee" have since been circulated to the states vide circular number 107/FMG/2005-6 dated 14th Dec 2006. A copy of the OM is given at **Appendix-1.1**.

The EPC, while endorsing the proposals on accounting, auditing and fund flow mechanisms, directed the MoHFW to develop Financial Guidelines and a framework for Delegation of Administrative and Financial Powers which may complement the instructions contained in the above mentioned circular.

In pursuance of the EPC directive, the Ministry constituted a committee vide OM No. 118/RCH-Fin./200607 dated 24th November, 2006 under the chairmanship of Shri B P Sharma, Jt. Secretary, to formulate a proposal for Financial Guidelines and a framework for Delegation of Administrative and Financial Powers to be prescribed under NRHM for the consideration of the EPC. Terms of Reference and Composition of the Committee is given at **Appendix 1.2**.

The committee considered the Implementation Framework document of the Mission and analyzed the existing delegation levels under the erstwhile vertical program societies integrated under the Mission. The Committee also consulted Programme Managers at the National, State and District levels during field visits to the States of MP, UP, West Bengal and Rajasthan. In between the State / field level consultations, the Delhi based members of the Committee met twice to consolidate the feedback received during the field visits and refine its proposals which may be placed before the EPC for its consideration and approval.

Details of the meetings and consultations held by the Committee along with major findings during the State level consultations are given at **Appendix-1.3**.

The recommendations / proposals developed through the above detailed exercise are set out in the remaining chapters of this report.

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Chapter-2 : Planning Cycle to be followed at State and District Levels

In order to facilitate decentralized planning process with full financial discipline and accountability, there is a need to adopt and adhere to a strict time schedule for finalization, submission, appraisal and communication of approvals for annual plans. Taking into account the experiences under the various programmes and schemes, the Committee recommends that the following time-lines should be strictly adhered to by the MoHFW (GoI), State Governments and districts:

S No	Activity	Time-line	Remarks
1	Finalization of District Action Plan for the next financial year	31st October *(All activities precedent to and necessary for preparing the DAP needs to be completed before this date).*	The plan must indicate the following details in respect of each major activity of the District Action Plan (ref: **Appendix-2.1**): a) allocation (including funds carried forward from earlier years) and actual utilization during the previous financial year b) allocation of funds in the current financial year c) actual utilization of funds (till 30th Sep) in the current financial year and d) expenditure expected during the remaining part of the current financial year.
2	Consolidation of District Action Plans and finalization of the State Programme Implementation Plan (PIP) for the next financial year	30th November	1. The State PIP must indicate the following details in respect of each major activity (Ref: **Appendix-2.1**): a) allocation (including funds carried forward from earlier years) and actual utilization during the previous financial year b) allocation of funds in the current financial year c) actual utilization of funds (till 30th Sep) in the current financial year and d) likely expenditure during the remaining part of the current financial year. 2. The PIP should also provide a break-up indicating: a) allocation proposed for centralized activities to be undertaken at the State level b) overall allocation proposed for each district

S No	Activity	Time-line	Remarks
3	Approval of plan by Governing Body and submission of State PIP to MoHFW	15th December	Approval of the State PIP by the Governing Body would be deemed to be the approval of the State Government. Therefore, if any state considers consultation or vetting of the State PIP from departments like planning, finance, PWD etc necessary, the consultation / vetting process should be got completed before submission of the PIP to the Governing Body. Proposals for changes in the PIP for the on-going financial year, if any, are to be submitted latest by September [please see remarks under item 10 below].
4	Appraisal and approval of State PIPs by NPCC, GoI	31st January	
5	Communication of GoI approval of the State PIPs	15th February	
6	Communication of the State approval of the District Action Plans to the districts.	28th February	1. The State PIP should be appropriately modified to reflect the decisions arrived at in the meeting of the NPCC. The resource envelopes of the DAPs should be accordingly conveyed to respective districts. 2. The communication of modifications in DAP, if any, by the State Society should be sufficient to start implementation of the DAP. Approval of the DHS to the modifications, if any, may not be necessary to start the implementation of the DAP. Such modifications in the DAP, if any, should, however, be included in the agenda of the next meeting of the DHS.
7	Submission of final State PIP incorporating NPCC directives/ recommendations to GoI	15th March	The final State PIP should include a copy of district-wise, activity-wise allocations.
8	Submission of UCs on provisional basis, for the just-concluded financial year to GoI	15th April	This should be based on the actual expenditure reported by all districts and the consolidation of these reports including expenditure at state level.

S No	Activity	Time-line	Remarks
9	Commencement of fund releases for the approved State PIP by GoI	15th April onwards	
10	Submission of mid-term revisions in Plan and Outlays for the ongoing financial year, if necessary, to the MOHFW	30th September	Considering that the planning process in the district has to start in the middle of the preceding year, mid course revisions in the plan may become necessary. If the revisions are substantial, the process should be taken up immediately after the commencement of the financial year. Otherwise, mid course corrections, if any, (which cannot be implemented by resorting to power of re-appropriation within the authorities of State / Implementation Agencies) should be taken up in the NPCC meetings in September / October.

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Chapter-3: Overarching principles governing delegation of administrative and financial powers

The Committee was tasked to define the delegation of administrative and financial powers at the level of:

a) State Health Society (SHS)
b) District Health Society (DHS)
c) Rogi Kalyan Samities (RKS)
d) Block Medical Office (BMO) / CHC / PHC
e) Sub Health Centre
f) Village Health and Sanitation Committee (VHSC)

Looking at the plethora of institutions and multiplicities of authorities within each, the Committee felt it necessary to lay down overarching governing principles based on which powers could be decentralized to various levels.

The Committee recommends that the States should be guided by the following five governing principles while formulating / finalizing the proposals for delegation / decentralization of administrative and financial authority / powers at various levels.

The Committee also emphasises that the recommended level of delegations suggested at various levels in this report are only the minimum. The States/UTs are at liberty to delegate administrative and financial powers even further, i.e., beyond the level recommended here, if the State/UT is satisfied that it would be in public interest.

Governing Principle-1:

All the departments having a role in the implementation of the State PIP should be represented in the State Health Society as the approval of the State PIP by the Governing Body would be deemed to be the approval of the State Government. Therefore, if a state considers consultation or formal vetting of the State PIP on file by departments like planning, finance, PWD etc necessary, this process should be got completed before submission of the PIP to the Governing Body

Similarly, the District Action Plan should be sent to the State headquarters after completing all required consultations and approvals, including the approval / endorsement of the Governing Body of the District Health Society.

Governing Principle-2:

Since a PIP is forwarded only after the approval of the State Health Society, the approval of the NPCC in the GOI on it may be deemed as Administrative Approval for that PIP. However, in case any activity was not included in the State PIP but was added to the PIP based on decisions arrived at in the meeting of the NPCC in the GOI, such activity should be taken up for implementation immediately. However, a note on the modifications in the State PIP agreed during the NPCC meeting should be included in the agenda of the next meeting of the State Health Society.

Similarly, administrative approval for the District Action Plan should be deemed to have been accorded after its endorsement by the State Health Society and implementation thereof should commence immediately. However, intimation of modifications in the DAP, if any, should be included in the agenda of the next meeting of the DHS.

Governing Principle-3:

The power to accord financial approvals/ sanctions should vest at the level where the funds have been devolved:

- For the funds to be spent at the State Health Society level for any activity included in the approved State PIP, the office bearers of the SHS should have full powers to sanction the expenditure in accordance with norms and no separate approvals of any State Government Department should be necessary.
- For the funds to be spent at the District Health Society level for any approved activity, the office bearers of the District Society should have full powers to sanction the expenditure in accordance with norms and no approval of the SHS or State Government should be necessary.
- For the funds to be spent by BMOs, CHCs/PHCs, Sub-Centres, VHSCs, etc. for approved activities, the functionaries concerned should be fully empowered to incur expenditure in accordance with the norms laid down in the approved plans. The functionaries concerned should refrain from seeking unnecessary administrative/financial approvals of the higher authorities

Governing Principle-4:

The change of allocation for activities under the approved plans should be governed by the following rules:

- Approving authority [the NPCC in the case of State PIP and the State Health Society in the case of DAP] should identify the ***core activities*** in the approved plan and communicate the same to the State or the district concerned as the case may be.
- The Executive Committee of the State / District Health Society should be authorised to enhance / reduce the allocation for the *core activities* by up to 10% of the approved allocation provided (a) the overall allocation for the approve plan remains the same and (b) the management costs do not exceed 6% of the total approved outlay.
- For the remaining activities, that is, the activities *not identified as core activities*, the Executive Committee of the State / District Health Society should be authorised to enhance / reduce the approved allocation provided that (a) the overall allocation for the approve plan remains the same, (b) the management costs do not exceed 6% of the total approved outlay. In all cases where the changes proposed go beyond 20%, the agenda notes for the relevant meeting of the Executive Body may be sent in advance to the MoHFW, GoI (in case of State Plan) or State Health Society (in case of District Plan), as the case may be, to enable them to provide their feedback .

Governing Principle-5:

The delegated powers for the office-bearers and authorities of the State Health Society and District Health Society should be same across all programmes and the framework of

delegation of these powers should also apply to the State's share contributed to the State Health Society under NRHM. However, procurement procedures (including Civil Works) for any programme should be in accordance with specific agreements entered into with funding agencies or donors, as the case may be.

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Chapter-4: Framework for Delegation of Administrative and Financial Powers at the State level

Chapter 4.1: Financial Powers of the Governing Body, Executive Committees, Programme Committees, and other office bearers of the State Health Society:

The Committee recommends that the delegated administrative and financial powers of the office bearers and staff of the State Health Society may be as indicated in Table-4.1 below.

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

Table-4.1

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

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

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

Item	Authority	Extent of power
C-6: Approval/sanction of payment of monthly remuneration/ honorarium / wages for approved contractual staff *<u>Note</u> : All contracts will be subject to review and renewal on an annual basis and will require approval of the Executive Committee.*	Convenor, Executive Committee (**Mission Director)**	Full powers to the extent of the budget in the approved State PIP.
	Member Secretaries/Jt. Secretaries, Programme Committees (**State Programme Officers**)	Full powers for the contractual staff specifically working under their programme.
C-7: Sanction of TA/DA and other admissible allowances *<u>Note-1</u>: TA/DA should be regulated in accordance with the bye-laws of the State Health Society which can be defined on the lines of the norms suggested in* ***Appendix 4.1.*** *<u>Note-2</u>: The Society funds can be used for payment of TA/DA only for the personnel who are drawing salaries from the State Health Society, unless otherwise provided in the specific programmeincluded under the NRHM.*	Vice Chair, Executive Committee (**Director-Health/FW)** or Convenor, Executive Committee (**Mission Director)**	Full Powers
	Member Secretaries / Jt. Secretaries, Programme Committees **(State Programme Officers**)/ State Programme Manager (**State PMSU**)	Full powers in respect of contractual staff working under him/her
C-8: Approval for hiring of Vehicles/Taxis for supervisory visits by state level programme officers or office bearers/officials of state health society. *<u>Note-1</u>**:** Provision for hiring is only available where vehicles are not available from the State Government or from the project/programme.* *<u>Note-2</u>: Hiring charges have to be met from the 6% management costs along with salaries, TA/DA and office expenses.* *<u>Note-3</u>: The state PIP should indicate the overall distribution of provisions for vehicle hiring at state, district and sub-district levels.* *<u>Note-4</u>: The State Health Society should create a panel of accredited taxi operators through open tendering for hiring vehicles.*	Chairperson, Executive Committee **(Principal Secretary/ Secretary)**	Full Powers subject to approved budget.
	Vice Chair, Executive Body (**Director Health/ FW**) or Convenor, Executive Committee (**Mission Director)**	Full powers, subject to approved budget and the condition that payments for any vehicle costing more than Rs. 1,000/- per day shall require the approval of Chairperson, Executive Committee.

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

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

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

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

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

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Chapter 4.2: Financial Powers of the Governing Body, Executive Committees, Programme Committees, and other office bearers of the District Health Society

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

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

The Committee recommends that the delegated administrative and financial powers of the office bearers and staff of the District Health Society may be as indicated in Table-4.2 below.

Table-4.2

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

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

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

Note-1: *All contracts will be subject to review and renewal on an annual basis and will require approval of the Executive Committee. Accordingly, proposals for review and renewal, where applicable, should be submitted at least one month before the expiry of existing contracts.* *Note-2: TA/DA should be regulated in accordance with the bye-laws of the District Health Society and the State Health Society has to provide generic norms and guidelines which the District Health Societies can adopt through a resolution. The generic norms and guidelines may be adopted on the lines of norms suggested in* ***Appendix 4.2****.* *Note-3: The Society funds can be used for payment of TA/DA only for the personnel who are drawing salaries from the District Health Society, unless otherwise provided under specific programme included under NRHM.*	Member Secretary of Programme Committee (**i.e. District Programme officers of various programmes)**	Full powers for the staff working specifically under their programme
C-8: Approval for hiring of vehicles/taxis for supervisory visits in the district *Note-1: Provision for hiring is only available where vehicles are not already available from the state government or from the project/programme.* *Note-2: Hiring charges have to be met from the 6% management costs along with salaries, TA/DA and office expenses* *Note-3: The DAP should indicate the distribution of provisions for vehicle hiring at district and sub-district level.* *Note-4: District Health Society should create a panel of accredited taxi operators through open tendering for hiring taxis. The block medical officers and other sub-district level programme managers should be authorised to hire vehicles from this panel. Approval of the Executive Committee should be obtained before operating the Rate Contracts concluded through tendering.*	CEO and Mission Director **(CMO)**	Full powers subject to approved budget
	Member Secretary of Programme Committee (i.e. **District Programme officers of various programmes**) and Block Medical Officers and other sub-district level functionaries.	Full powers subject to approved budget for the programme/ block / hospital under the DAP and the condition that payment for vehicles hired outside the Rate Contract referred to in Note-4 shall require approval of the CEO and Mission Director (CMO)

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

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

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

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

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Chapter-4.3: Financial Powers of the Governing Body, Executive Committees and other office bearers of the Hospital Management Societies (Rogi Kalyan Samities or equivalent)

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

The Committee recommends that the delegated administrative and financial powers of the office bearers staff of the Hospital Management Societies [Rogi Kalyan Samitis or equivalent] may be as indicated in Table-4.3 below.

Table-4.3

Item	Authority	Extent of power
A-1 : Approval of expenditure plan for the untied grants and annual maintenance grants received under NRHM A-2: Approval of expenditure plan for user fee collections and other receipts	Executive Committee	Full powers
B-1: Approval for procurement of goods including minor equipments, medicine, dressing material, injection, vaccine, etc. B-2: Approval for procurement of services ***(excluding auditor appointment, which would be done by the DHS)*** for specific tasks including outsourcing of support services. B-3: Approval for repairs and maintenance including minor civil works B-4: Approval for expenditure on all other activities envisaged under RKS mechanism and funded through the untied grant mechanism and/or maintenance grants	Chairperson, Executive Committee **(**Hospital Superintendent / MO-in-Charge)	Full Powers if expenditure is as per the plan approved by the Executive Committee. Otherwise, full powers upto the following monetary ceilings without prior approval of the Executive Committee: • Rs 1 lakh- District Hospital • Rs 50,000 – Sub-Divisional Hospital / CHC / Block PHC / Rural / Referral Hospital • Rs 35,000 – PHC Further expenditure shall require endorsement / approval of the above amounts by the Executive Committee. After endorsement, the ceilings indicated above shall stand recouped. Note : In case the Executive Committee (RKS) does not endorse the purposes for which funds have been used by the Chairperson (Exe. Comm), RKS, the matter may be placed before the Executive Committee of the District Health Society.

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

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

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

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Chapter-5: Management of funds by Block Medical Officers and Medical Officers in-charge of CHC/PHC in relation to regular programme funds under NRHM

Besides the untied / maintenance grants which shall go to the Rogi Kalyan Samitis, the Block Medical Officer (BMO) and Medical Officers in-charge of CHC / PHC will receive funds either for carrying out regular activities under various programmes or for further disbursement / distribution to lower institutions. These include funds, among others, for the following activities:

- Janani Suraksha Yojana.
- Untied Grants/annual maintenance grants to Sub-Centres and Village Health and Sanitation Committees
- Workshops for Block Level Mission team
- Constitution & Orientation of all community leaders on PHC and CHC committees
- Training of community health workers (ASHAs, AWW etc)
- ASHA support/mentoring mechanism
- Training of ANM, PHN, Staff Nurses etc
- Support for School Health Programmes.
- Improving physical infrastructure
- Ambulances for PHC/CHC
- National Disease control Programmes,
- Health melas, RCH Camp,
- Programme Management, etc.

Banking arrangement: The BMO and MO-in-Charge of CHC/PHC should have a separate bank account for all funds received for regular activities under various programmes. This Bank Account may be in the name of the institution itself or in the name of the BMO or the Medical Officer in-charge of CHC/PHC. This bank account may be operated by two joint signatories (e.g. BMO / Medical Officer in-charge and Accountant of the block PHC / CHC/ PHC). If this is not possible, operation by a single signature of the BMO / MO-in-Charge can also be permitted.

State Governments may issue a specific Government Order (GO) to put this system in place.

Records: A separate cash book should be maintained for the Bank Account in the name of the institution or the BMO /Officer in-charge of CHC/PHC, as the case may be. The Accountant posted at the BMO Office / CHC / PHC should maintain a separate ledger for each of the activities for which funds are being received.

Submission of ***Statement of Expenditure (SoE)***

- SoE should be submitted on a **monthly** basis within 5 days of the end of the month to the Block Medical Officer by the Medical Officer in-charge of the CHCs/PHCs within the jurisdiction of the BMO.

- The Block Medical Officer should consolidate all the SoEs received from the Medical Officers in-charge of the CHCs/PHCs within his/her jurisdiction and submit a consolidated SoE for the block to the District Accounts Manager within 10 days of the end of every month.
- In the States where the BMO mechanism does not exist, the SoEs may be sent directly to the District Accounts Manager.

Administrative Approval & Financial Sanction: The BMO/MO-in-Charge of the CHC/PHC should have full powers in relation to funds received for approved activities as per approved norms. **No approvals from a higher authority should be required or sought by the** BMO/MO-in-Charge of the CHC/PHC **for the approved activities funds for which have already been devolved to them .**

State Government may issue a specific Government Order (GO) to put the above directive in place.

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Chapter-6: Management of funds at the Sub-Health Centre level

Expected Funds Inflow: Sub-Centres shall receive NRHM funds under the following heads:

- Permanent Advance for performance related incentive to ASHA
- Annual Maintenance Grant of Rs 10,000/-
- Untied grant of Rs 10,000/- every year.
- Janani Suraksha Yojana.

The list is illustrative and not exhaustive.

Banking System: A bank account has already been prescribed, to be opened and operated under joint signature of the ANM and Sarpanch at the sub-centre level. The same may be utilised for all funds received by the Sub-Centre. The Account can be opened in any scheduled commercial bank/ Grameen Bank/Post Office.

Joint Signatories: Sarpanch and ANM

Records: ANM may maintain a separate register for each of the activities for which funds have been received, such as JSY, Untied Grant, Maintenance Grant, etc., showing the total funds received and expenditure made date-wise. These registers should be verified by Sarpanch at the close of every month.

Submission of Statement of Expenditure (SoE): The SoE may be submitted by the ANM on a **quarterly** basis within 5 days of the end of the quarter to the controlling MO in-charge. It would be desirable if, at the time of submission of SoE, ANM reconciles the expenditure with the bank statement. SoE can be submitted on the simple format for Untied Grant, Annual Maintenance Grant, JSY, etc. separately on plain paper stating as below:

'Certified that following amounts were utilised during the quarter ending ……., 200..

Activity	Amount utilized
Payment to beneficiaries of Janani Suraksha Yojana	
Payments to ASHAs	
Maintenance of Sub-centre	
Activities funded from the untied grants	
Others	
Total	

Signature ……. (ANM)

Administrative Approval & Financial Sanction*:* Full powers with Surpanch and ANM provided the items of expenditure are covered under broad guidelines concerning untied fund/annual maintenance grant/JSY, etc.

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Chapter -7: Management of funds by the Village Health & Sanitation Committee (VHSC)

Expected Funds Inflow: Every VHSC will receive an untied amount of Rs 10,000 every year which is to be used as per the guidelines issued in this regard.

Banking System: VHSC may open a joint bank account of (1) Gram Pradhan or Panchayat Secretary and (2) ASHA or ANGANWARI Worker in any scheduled bank/Grameen Bank/Post Offices.

Joint *Signatories:* ASHA/Health Link Worker/Anganwadi Worker along with the President of the VHSC/Pradhan of the Gram Panchayat.

Records*:* VHSC may maintain a simple register for 'Untied Grants to VHSC'. This register may be maintained by ASHA/MPW. This register can be verified by the Panchayat representative at the close of each month.

Submission of Statement of Expenditure (SoE): SoE may be submitted on **half yearly** basis by 5th October and 5th April respectively to the concerned ANM. It would be desirable if, at the time of submission of SoE, ASHA reconciles the expenditure with the bank statement. SoE can be submitted on a plain paper stating as below:

> **"Certified that an amount of Rs. ……. has been utilised during the half year ending 30th September……. / 31st March …….. from out of untied funds released to the Village Health and Sanitation Committee for the village ……"**
>
> The two joint signatories of the VHSC account should jointly certify this SoE.

Administrative Approval & Financial Sanction*:* The funds under Untied Grant should be spent after the approval of majority members of the Committee provided the expenditure is made for the activities approved by State Government.

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Appendix-1.1

The Guidelines on financial, accounting, auditing, fund flow and banking arrangements as approved by Empowered Programme Committee of NRHM

Issued vide Circular No.107/FMG/2005-06 dated 14th December, 2006

The National Rural Health Mission (NRHM) has provided an umbrella under which the existing Reproductive and Child Health Programme (RCH) and National Disease Control Programmes (NDCPs) have been repositioned. In addition, the Mission has tried to fill the gaps in the existing programmes with respect to infrastructure and service delivery through 'Additionalities under NRHM'. Under the Mission the States/UTs would reflect their requirements in a consolidated NRHM State sector Programme Implementation Plan (PIP) PIP having various sections for individual programmes under Parts - (A) RCH, (B) Additionalities under NRHM, (C) Immunization, (D) RNTCP (E) NVBDCP (F) Other NDCPs & (G) Inter-Sectoral issues. The funding would be provided on the basis of approval of these PIPs by GOI. When the programmes have been repositioned under one umbrella, it is pertinent that the financial processes are also restructured to reflect the aspirations of the Mission.

2. At present the funds to State Health Societies (SHSs) are disbursed from the Centre in a disjointed manner by each Programme Division sending grants individually. As a corollary, the reporting of utilization by SHSs is also done separately to each concerned Division. The fragmented approach is expected to pose problems in arriving at the total funds disbursed to State Health Societies and the total utilisation by them under the Mission at any given time at the Central level. Similarly, at the SHS and District Health Society (DHS) levels, it is difficult to find the fund utilisation details at a common point, with each Programme Officer managing his/her own funds. In this scenario centralised financial management of NRHM as a whole at all levels is, thus, not possible.

3. The roadmap for realigning the financial processes was, therefore, considered by the Empowered Programme Committee (EPC) of NRHM at its 5th Meeting on 9th October, 2006. It was decided to put in place the following financial management and fund flow processes at Central, State and District levels under NRHM. The guidelines with respect to State and District Health Societies will become effective from ***1st of April, 2007***.

4. While there are obvious advantages in financial integration through a common budget and common financial processes, the progress towards it can only be gradual. Many of the disease control programmes are funded by donors and therefore require separate accounts for the purpose of seeking reimbursements. Moreover, the workforce under the various vertical health programmes have worked hitherto in isolated manner. Bringing them into a common fold has necessarily to be a gradual step by step process.

5. **Arrangements at the Central Level:**

i. Director (RCH-Finance) will be redesignated as Director (NRHM-Finance).

ii. A 'NRHM-Finance Division' will be created to support Director (NRHM-Finance) with one Under Secretary, one Section Officer, two Accounts Officers, one Assistant, one LDC and one Group 'D'.

iii. The mandate of the Financial Management Group (FMG), presently looking after mainly RCH-Finance, would be expanded to look after the finances of NRHM. More consultants may be hired to strengthen the group to take additional responsibilities under NRHM. A hall of at least 700 sq. feet needs to be provided for the 'NRHM-Finance Division' and 'FMG' to function properly in its enlarged role. The secretariat will be fully automated in terms of computers, printers, fax machine, Xerox machine, STD telephone connectivity, etc. for interacting with States on day to day basis and for faxing Sanction Letters and monitoring expenditure reporting,

iv. All finance related manpower available with the National Disease Control Programmes (NDCPs) will be part of the larger FMG, though they will continue to be located within and report to their respective programme divisions. They, however, will hold regular consultation meetings with Director (NRHM-Finance) for financial monitoring of the NDCPs on a fortnightly/monthly basis.

v. The respective Programme Divisions would process their proposals for fund releases. The Sanction Orders would also be issued by the Programme Divisions concerned. After the issue of sanction letter the concerned Programme division will send the bill, through the concerned Cash Section, to the concerned PAO for issue of cheques. Thereafter the cheques along with the Sanction Orders would be handed over by the Programme Divisions to the FMG for transferring them to State Societies electronically.

vi. However, as regards the Mission Flexible Pool and RCH Flexible Pool, keeping all other processes outlined above intact, the Sanction Orders would be prepared by the respective Programme Divisions but would be issued by NRHM-Finance Division.

vii. All the concerned PAOs will be covered under the Office of CCA's Office Memorandum concerning electronic transfer of funds, presently applicable to PAO (Secretariat).

viii. The FMG will centrally transfer funds electronically to State Health Societies for all programmes under NRHM through the Interface Bank and maintain centralised data base of releases and utilisations under all components of the Mission Flexible Pool viz. parts (A) RCH, (B) Additionalities under NRHM, (C) Immunization and (D) RNTCP, (E) NVBDCP, (F.1) National Blindness Control Programme, (F.2) Iodine Deficiency Disorder Control Programme, (F.3) National Leprosy Eradication Programme, and (F.4) Integrated Disease Surveillance Programme.

ix. For NDCPs, State Health Societies would be required to send SOEs, UCs and relevant portion of Audit Reports to the respective Programme Divisions, in addition to the FMG.

Arrangement in States/UTs:

Advent of an integrated State/District Health Society

6. Most of the States/UTs have already merged their multiple societies to create integrated Health Societies at State and District levels. This is in tandem with the objective of creation of a single budget head for NRHM at the Central level and will ultimately pave the way for single window receipt of funds from Centre, single Financial Management Reporting to Centre, single Utilization Certificate to GOI, and a consolidated audit for all the programmes run by the SHS and DHS.

The establishment of Programme Management Support Units and their role in the new system

7. Creation of a common Programme Management Support Unit (PMSU) manned by professional staff would be the first step towards the goal of integration. PMSUs at State and District levels have already been established in most of the States and being established in rest of them. These PMSUs would support not only RCH but the entire gamut of activities under NRHM. The main features of the arrangements would be as follows:

i. A Financial Management Group (FMG) will be created in each PMSU. The FMGs of the PMSUs at SHS and DHS levels will do centralised processing of funds releases, accounting for the expenditure reported by subordinate units and monitoring of Utilisation Certificates and audit arrangements. They will also be responsible for collecting, compiling and submitting SOEs, FMRs, UCs, audit reports from the DHSs to SHSs and from SHSs to GOI.

ii. Various finance and accounts related personnel presently engaged under various programmes like RCH and individual NDCPs at State level and especially at District level should be made part of the larger FMG, though they will also continue to handle their respective duties within the programme divisions. They would continue to be located within their programme divisions, and report to their respective programme manager. Even though the funds for NDCPs would be kept in separate accounts, the pooled accounts and finance related manpower from respective programmes will assist the State Finance Manager/State Accounts Manager and District Accounts Manager in discharging the larger role of the FMG/PMSU.

iii. The FMGs of the PMSUs both at the SHS and DHS levels will also be responsible for managing all bank accounts under which funds are received under the NRHM.

THE DETAILED PROCEDURE TO OPERATIONALISE THE ABOVE ARRANGEMENTS:

8. **At State Health Society Level:**

To facilitate electronic transfer of funds, the state societies have been asked to open their bank accounts in the ICICI Bank. Many States have already done so. Some have not been able to do so because ICICI Bank does not have branches in that State. A few States have not opened their accounts even though ICICI Bank has its branches in the State. Till such time that all the State Health Societies have their account in ICICI Bank, each of the above three categories would have somewhat different arrangements. These are described below:

A. **Banking arrangements in States where State Health Societies have already opened their account in ICICI Bank:**

i. ICICI Bank allows the facility of a Group Account which can have separate sub accounts. Therefore, the States where SHS has its account in ICICI Bank (at present 17 States), the State Health Society will have one group bank account for all funds flowing from the Mission Flexible Pool pertaining to Parts (A) RCH, (B) Additionalities under NRHM, (C) Immunization and (D) RNTCP (E) NVBDCP and (F.1) National Blindness Control Programme, (F.2) Iodine Deficiency Disorder Control Programme, (F.3) National Leprosy Eradication Programme, and (F.4) Integrated Disease Surveillance Programme.

ii. However, at present the SHSs already have a single bank account for Parts (A), (B) and (C). This single bank account for Parts (A) RCH, (B) Additionalities under NRHM and (C) Immunization will continue and there is no need to open separate sub-accounts for them. The group accounts for individual NDCPs will be opened in conjunction with this main bank account in ICICI Bank.

iii. All funds transfers for all programmes under NRHM from GOI will be electronically credited into these bank accounts. To summarise, the funds for (A) RCH, (B) Additionalities under NRHM and (C) Immunization would be credited into one single bank account; while funds meant for (D) RNTCP (E) NVBDCP, (F.1) National Blindness Control Programme, (F.2) Iodine Deficiency Disorder Control Programme, (F.3) National Leprosy Eradication Programme, and (F.4) Integrated Disease Surveillance Programme would flow into their respective programme specific sub-account of the group account.

iv. The existing bank accounts being maintained for individual National Disease Control Programmes will be closed on 31st March 2007 after transferring the balance amount to the respective accounts in the group account of State Health Society.

B. **Banking arrangements in States where ICICI Bank is there but SHS have not opened their account with this bank:**

i. There are 8 States where the ICICI Bank, the Interface Bank of the MOHFW, GOI, is present at the State Capital. However, the State Health Societies have not opened their bank account in this bank despite instructions to do so by Government of India. These States are Bihar, Maharashtra, Jammu & Kashmir, Assam, Karnataka, Jharkhand, Goa, and Meghalaya. These States will immediately open the bank accounts of the State Health Society in ICICI Bank. The banking instruction detailed in points **A. (i) to (iv)** above will be applicable on these States.

C. **Banking arrangements in States where ICICI Bank does not have presence:**

i. There are 10 States/UTs where ICICI Bank is not present. These States/UTs are Mizoram, Arunachal Pradesh, Daman & Diu, Lakshadweep, Manipur, Nagaland, Dadra & Nagar Haveli, Andaman & Nicobar, Tripura and Sikkim. In case the bank, in which the main account of RCH-II / Additionalities under NRHM / Immunization is kept,

has the facility for opening of group accounts, sub-accounts for individual NDCPs should be opened in that bank under one group account. If this facility is not available in the bank then the State Health Society should open separate bank accounts for individual NDCPs in the same bank in which the main bank account is being maintained. In addition, the SHS should impress upon the bank to make the branch RTGS (Real Time Gross Settlement) enabled to facilitate electronic transfer of funds. The fund transfer for the Parts (A), (B), & (C) would take place to the single account meant for them. However, the transfer of funds for parts (D), (E) & (F) would take place in their individual accounts. The SHSs in these States would chose a bank which has RTGS (Real Time Gross Settlement) facility for electronic transfer of funds.

ii. As and when ICICI Bank opens a bank branch in these States, the State Health Societies are advised to open account in this bank and the processes outlined in points A (i) to (iv) above will be applicable. The bank is going to open its branches shortly (by February, 2007) at Dimapur (Nagaland), Selvassa (Dadra & Nagar Haveli), Gangtok (Sikkim) and Agartalla (Tripura).

D. **Issue of sanction & signing of cheques**

i. The GOI will shortly issue detailed generic guidelines on delegation of administrative and financial powers at each implementation level in the SHS. It will prescribe substantive delegation of powers to the State Programme Officers. Each State Programme Officer looking after individual National Disease Control Programmes and RCH, Immunization, Additionalities under NRHM, etc. will process the files for making expenditure under their respective programmes as in the existing system based on the delegated powers. If the expenditure is within their own powers, they may issue the sanction letter at their own level. However, if the instant expenditure is beyond their delegated powers, they will submit the files to the concerned authorities for taking required approvals. After approval, the Programme Division would issue sanction letters, a copy of which will be marked to the FMG functioning under the State PMSUs. Thus, the issue of sanction order would be the exclusive responsibility of the Programme Divisions.

ii. The issue of sanction orders and cheque signing process will be de-linked. Cheque signing will be an in-house affair of the Secretariat of the Mission Director (i.e., the State PMSU). The signing of cheques/electronic transfer would be done under joint signatory/authority for all the components under NRHM. The mechanism of the release of funds, whether for RCH-II or NRHM Additionalities or NDCPs would, therefore, be the same.

iii. Three Joint Signatories would be notified: (i) the Mission Director (in whatever capacity s/he is in the SHS); (ii) a member from the State PMSU (either the State Finance Manager or the State Accounts Manager or the State Programme Manager); and (iii) the in-charge of the Programme Division at the State level. (The authority of an in-charge of a Programme Division to sign a cheque/authorise electronic transfer of funds would be linked to his/her own programme/sub-account). Of these, two signatories would be sufficient with the

provision that the member of the State PMSU must be a signatory. However, in the States where the PMSUs are under the process of being established, the Joint Signatories may be the (i) Mission Director (in whatever capacity s/he is in the SHS) or his/her nominee and (ii) In-charge of the Programme Division.

iv. On receipt of the Sanction Letter the FMG of the State PMSU will issue cheques/Demand Drafts/electronic funds transfer through e-Banking within two working days. Funds to District Health Societies will be sent to the respective bank account maintained for individual programmes, i.e. for parts (A) RCH, (B) Additionalities under NRHM, (C) Immunization to the main bank account and for NDCPs to the individual bank accounts maintained for them.

v. The FMG will maintain separate ledger accounts for each activity separately for parts (A) RCH, (B) Additionalities under NRHM, (C) Immunization (D) RNTCP (E) NVBDCP (F) Other National Disease Control Programmes. Registers and ledgers for Parts (D) to (F) shall further be detailed under separate registers and ledgers under individual disease control programmes according to their respective guidelines and (F) would further be sub-divided into (F.1) National Blindness Control Programme, (F.2) Iodine Deficiency Disorder Control Programme, (F.3) National Leprosy Eradication Programme, and (F.4) Integrated Disease Surveillance Programme.

vi. All funds transfers to District Health Societies for all the programmes under NRHM will be centrally done by the State PMSU as per the approved NRHM PIP and Annual District Plans as approved by the Governing Body/Executive Body of the SHS.

vii. The FMG will compile the funds transfer/expenditure data centrally for all programmes. Wherever possible, the respective Programme Officers will be entitled to have electronic viewing rights to their bank account. In addition, they will get a printed copy of the bank statement. The FMG will also share the expenditure/funds transfers to districts details with all programme officers on a regular basis.

viii. All accounting for all programmes will be the responsibility of the FMG. It will also be responsible to send all the Financial Monitoring Reports, Utilisation Certificates and Audited Reports for entire NRHM to the Central FMG at GOI level. In case of NDCPs, the State FMG will also send FMRs, UCs, ARs etc as per the requirement of specific programmes to their respective programme divisions.

9. **At the District Health Society Level:**

i. The District Health Society will continue to have a single bank account for Parts (A) RCH, (B) Additionalities under NRHM, and (C) Immunization. In addition they will continue to have separate individual bank accounts for individual National Disease Control Programmes as is the arrangement in vogue.

ii. Wherever the ICICI Bank, the Interface Bank of the Ministry of Health and Family Welfare, GOI, is present at the District Head Quarters, all the bank accounts will be opened in ICICI Bank to facilitate gradual coverage of the e-Banking initiative of the Ministry.

iii. Wherever the ICICI Bank is not present, it would be ensured that all the accounts are opened in the same bank/branch of any other scheduled commercial bank, preferably having RTGS facility for smooth electronic transfer of funds. However, in the States/UTs where e-banking initiative of the MOHFW is being implemented or will be implemented, the instructions regarding the bank with which accounts have to be opened will be as per the requirements under e-banking initiative.

iv. All bank accounts will be managed by the FMG of the District PMSU, which will include (i) the Main Bank Account for parts (A) RCH, (B) Additionalities under NRHM and (C) Immunization; and all individual bank accounts pertaining to (ii) Revised National Tuberculosis Control Programme, (iii) National Vector Borne Disease Control Programme, (iv) National Blindness Control Programme, (v) Iodine Deficiency Disease Programme, (vi) National Leprosy Eradication Programme, and (vii) Integrated Disease Surveillance Programme

v. The FMG will maintain separate ledger accounts for each activity as per the specific guidelines of the programmes, separately for parts (A) RCH, (B) Additionalities under NRHM, (C) Immunization and (D) RNTCP (E) NVBDCP (F) Other National Disease Control Programmes including (F.1) National Blindness Control Programme, (F.2) Iodine Deficiency Disorder Control Programme, (F.3) National Leprosy Eradication Programme, and (F.4) Integrated Disease Surveillance Programme.

vi. The GOI will shortly issue detailed generic guidelines on delegation of administrative and financial powers at each implementation level in the DHS. It will prescribe substantive delegation of powers to the District Programme Officers within the approved plans. Each District Programme Officer looking after individual National Disease Control Programmes and RCH, Immunization, Additionalities under NRHM, etc. will process the files for making expenditure under their respective programmes, as in the existing system, based on the delegated powers. If the expenditure is within their own powers, they may issue the sanction letter at their own level. However, if the instant expenditure is beyond their delegated powers, they will submit the files to the concerned authorities for taking required approvals. After approval of their files, the Programme Officer would issue sanction order, a copy of which will be marked to the FMG functioning under the District PMSUs.

vii. There will be a single set of three Joint signatories common for all the programmes for operating these bank accounts under NRHM, out of which any two can jointly sign cheques / issue electronic instruction for e-banking to operate all the bank accounts of the DHS. These signatories will be (i) the CMO/CDMO/CS/CMHO (in whatever capacity s/he may be in the DHS); (ii) a member from the District PMSU (preferably the District Accounts Manager or District Programme Manager) and (iii) Programme Officer. Wherever the District PMSU is set up, one of the member of the DPMU must be one of the signatories.

viii. The FMG will compile the funds transfer/expenditure data centrally for all programmes. The respective Programme Officers will be entitled to either have electronic viewing rights to their portion of the bank account where the bank account is in the ICICI Bank or to have a printed copy of the bank statement made available to them by the FMG.

ix. All accounting for all programmes will be the responsibility of the FMG. It will also be responsible to send all the Financial Monitoring Reports, Utilisation Certificates and Audited Reports for entire NRHM to the State FMG, State/Central Programme Divisions as per Guidelines of specific schemes and to also share the same with the respective programme officers at the district level.

x. The FMG of District PMSU will liaise with the Block Programme Manager and Block Accountant and other grantee institutions to get the expenditure reports and Utilisation Certificates on a fortnightly/monthly basis for all the programmes under NRHM.

xi. The Block Programme Manager and Accountant will liaise with the Accountant of the CHCs/PHCs to get the expenditure reports and Utilisation Certificates on a fortnightly/monthly basis for all the programmes under NRHM.

10. **Audit arrangements**

i. Single (Common) Auditor would be appointed for the SHS and DHS from the list of auditors provided by GOI. This Auditor will be for all the programmes under NRHM at the SHS and DHS level. Therefore, selection of auditor for NRHM will be one time process, which will take care of the entire programme.

ii. The Auditor may bring out separate detailed part-reports or annexures (schedules containing cash flow details) for each of the programmes, as per the specific guidelines of the programmes. Each chapter or part-report (for each programmes) can be sent separately as and when they are complete so that the releases under those programmes are not withheld or delayed due to non-receipt of audit report. In addition to these individual part-reports, the auditor would furnish a complete audit report of SHS and DHS, which would contain separate chapters for various programmes.

11. These Guidelines will be implemented from 1.4.2007 and will be reviewed after a period of 6 months based on the feedback from the Programme Divisions and from the States on their experience of implementation of the above Guidelines.

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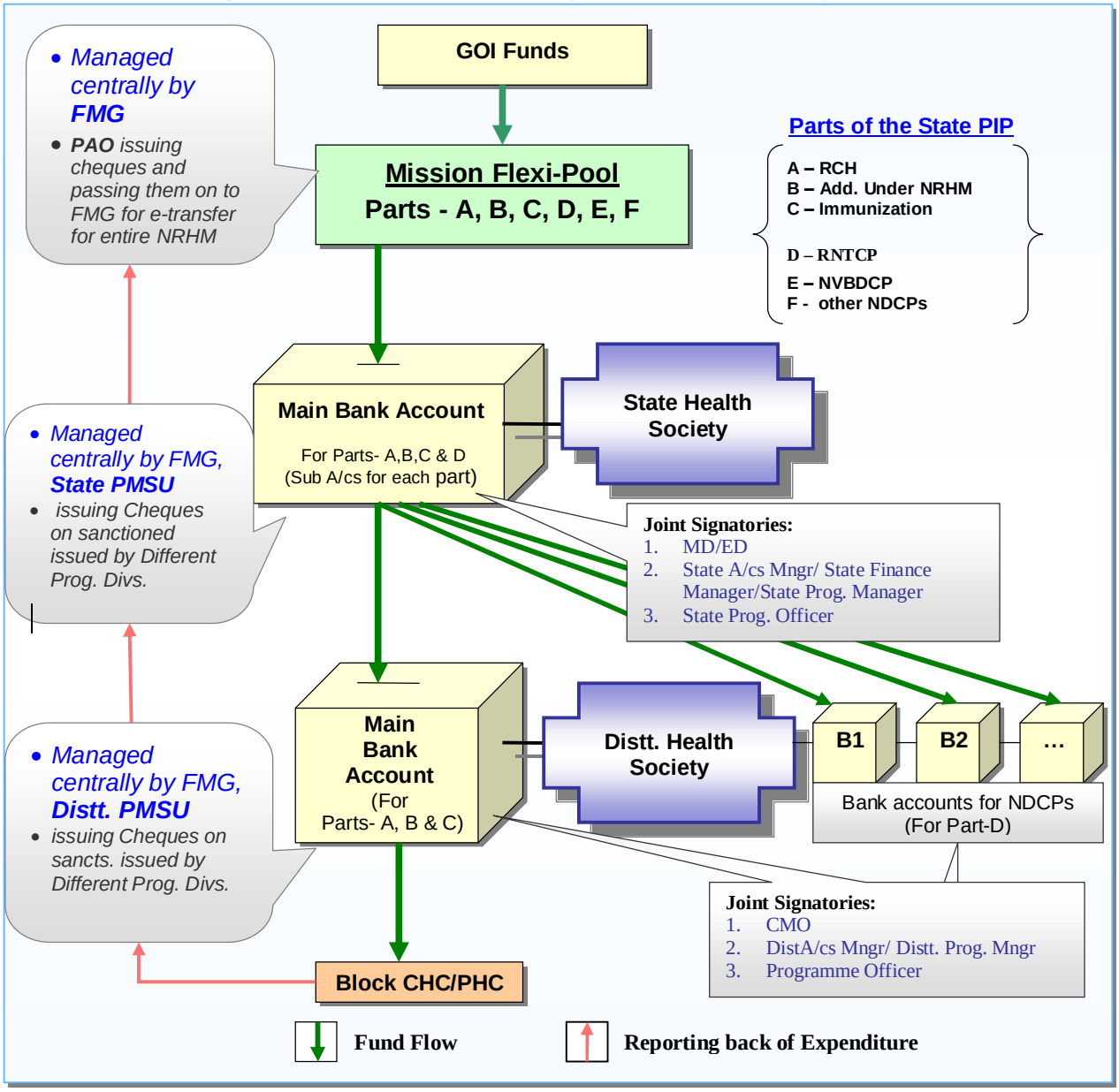
Encl: *Flow Charts – 1, 2 & 3.*

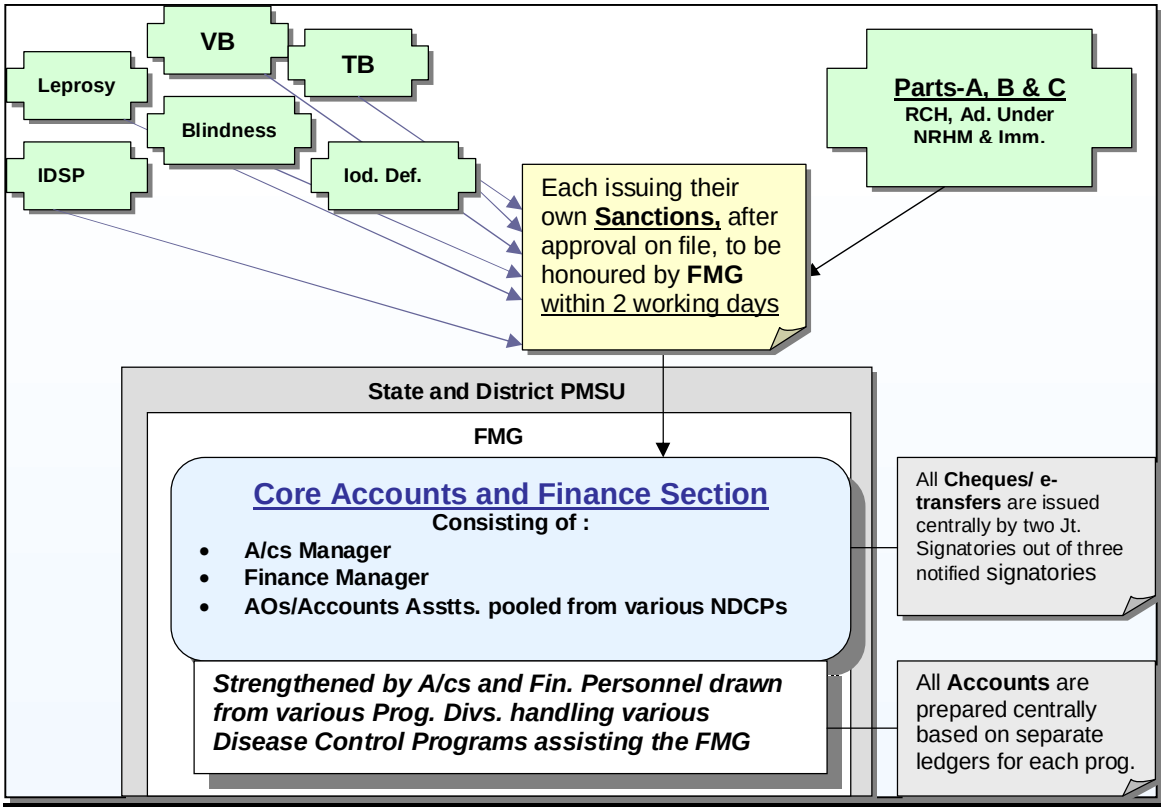
Flow Chart-1

Pictorial Representation of Fund Management in the new system



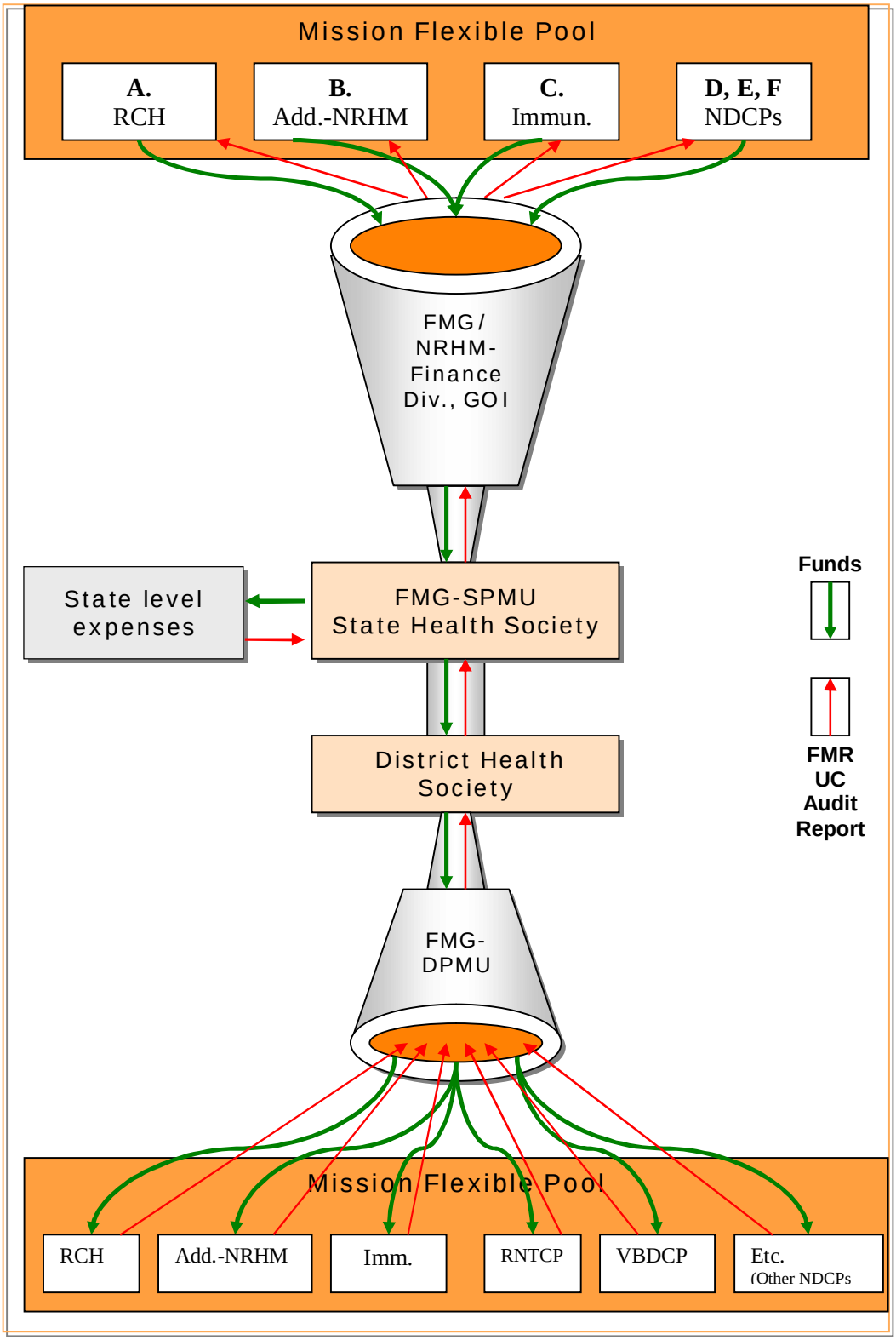
Flow-Chart-2:

Redefined Sanction Issuing and Cheque sighing/e-transfer processes in SHS and DHS levels



Flow Chart-3:

Proposed Funds Flow and Reporting Processes under NRHM



Appendix 1.2

Terms of reference and composition of the Committee for finalising financial guidelines and framework for delegation of administrative and financial powers under NRHM

Issued vide OM No. 118/RCH-Fin./2006-07 dated 24th November, 2006

The Terms of Reference

1. To study and suggest improvements for streamlining the system of management of funds being routed through the society route to States and UTs under NRHM for faster fund flow, quicker reporting of expenditure and to develop greater absorption capacities within the system.

2. To develop generic guidelines on administrative and financial delegation of powers to various bodies and functionaries of State and District Health Societies; Rogi Kalyan Samities in Rural Hospitals, CHCs & PHCs; Sub Centres and VHSCs.

3. While finalising the guidelines the Committee would focus its attention on the following broad principles:

    I. Bottlenecks and time taken in fund flow at each level are removed/minimised.

    II. The protracted system of administrative and financial approvals on file at each level is minimized.

    III. The Governing Bodies/Executive Bodies/Programme Implementation Committees at each level / VHSC are empowered to give the administrative approval while approving the Annual Action Plan/Programme Implementation Plan and the annual budgets for the forthcoming financial year.

    IV. After administrative approval, financial approvals may be given by various bodies and functionaries at various levels as per the delegated powers to them.

    V. For approved funds, the cheque signing authority may be vested with the functionaries directly instead of routing the files again to the approving authorities.

    VI. The accounting and expenditure reporting formats at the Sub Health Center and VHSC levels are simplified for better compliance.

4. The Committee may look into the existing guidelines on delegation of administrative and financial delegation in various states and may also undertake field visits to arrive at its recommendations.

The Composition

1. Shri B. P. Sharma, Jt. Secretary	Chairperson
2. Ms. Rita Teaotia, Jt. Secretary	Member
3. Ms. Subhra Singh, Mission Director, Rajasthan	Member
4. Shri H. K. Dwivedi, Mission Director, West Bengal	Member
5. Dr. Rajesh Rajora, Mission Director, Madhya Pradesh	Member
6. Shri U.S. Kumawat, Mission Director,	Member
7. Dr. Somil Nagpal, WHO RNTCP Consultant	Member
8. Shri Rajesh Kumar, National Consultant (Fin.)	Member
9. Shri J.P. Mishra, ECTA	Member
10. Shri P. K. Aggarwal, Director (RCH-Finance)	Member
11. Ms. Ganga Murthy, Economic Advisor	Co-Chair-cum-Member Secretary

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Appendix- 1.3

Details of the meetings / consultations held by the Committee

First meeting : 1st December, 2006 at Nirman Bhawan. The issues related to determination of level of Central Assistance to States and funds movement from States to districts were the main subjects of discussion in the first meeting wherein following points were agreed upon:

- The States should reflect in their the annual Programme Implementation Plan (PIP) (a) budget required for each of the major windows for Central Assistance such as RCH, additionalities under NRHM, Immunisation, RNTCP, NVBDCP, other NDCPs and inter-sectoral convergence, (b) a break of the **total** Central Assistance indicating (i) the overall budget required for activities to be implemented at the State level and (ii) (overall) district wise requirement of funds for the activities to be implemented at district and lower levels.
- There is a need to adopt a time schedule / calendar for preparation and submission of District Plans, their review and consolidation into State Plans and submission of State Plan to the MoHFW. The process of district and State budget preparation exercise followed under NDCPs may be suitably adopted in this regard.
- A calendar also needs to be prescribed for collection and consolidation of data on unspent balances by the States.
- Preliminary proposals provided to the Committee need to be validated through State consultations and the States of MP and UP were selected for a field visit in this regardd.

First State consultation: 7-9 December, Bhopal and Hoshangabad. During its MP visit, the Sub-committee members interacted with the officers from the Directorate including those of RCH and NDCPs, CMOs from 3 Districts and District Programme Managers (contractual staff with the District Health Society) from 3 districts. The team also interacted with Mr. M M Upadhyay, Principal Secretary (H&FW) and Dr. Rajesh Rajora, Commissioner (Health)-cum-Mission Director, Madhya Pradesh on the same day. The State level discussions were followed up by another feedback session organized by the Office of CMO, Hoshangabad on 9th December 2006, where the team met the CMO, RCHO and RNTCP Officer, Block Medical Officers and ANMs.

Second consultation meeting : 15-16 December, Lucknow. Although the UP visit was restricted to State level interactions, the State Government facilitated the visit by calling the CMOs, district programme officers, block medical officers and ANMs from the headquarter/neighbouring districts. The team also met Mr. A. K. Mishra, Principal Secretary (HFW) and Ms Renuka Kumar, Secretary (Family Welfare).

The first two consultation meetings in MP and UP brought out the following:

- Both States have used the generic guidelines on State Health Society (SHS) provided by the MoHFW and adopted written delegation of powers in the Society bye-laws. However, whereas UP has defined the delegation in terms of office bearers and staff of the society, MP has defined the same in respect of Health Commissioner and various officers of the Directorate who may or may not be an office bearer / staff of the Society.
- A good feature of the delegation in MP is that the SHS has also tried to empower the State Programme Manager (Contractual position) by giving him/her some

financial powers. Similarly, in the DHS, the DPM has been empowered to a certain extent.

- In MP, a comparison was also done with the financial and administrative powers available to the officers of directorate under the rules and regulations of the State Government. It was seen that under certain heads, the concerned officers have substantial power under State Government rules. The Officers of the Directorate were of the view that their delegated powers under the Society mechanism should be equal to or more than what is available under State Government rules.

- At the DHS level in MP, it was noted that the Governing Body is headed by the Minister-in-Charge of the District with the District Collector being the Vice Chair and the CMHO as the Member Secretary. The Executive Committee, on the other hand, is headed by the District Collector with the CMHO as the Vice Chairperson and District Programme Manager as the Member Secretary. However, while the composition of the Governing Body and Executive Body was amended [the MoHFW guidelines recommended the GB to be headed by District Collector and Executive Body headed by CMHO], corresponding changes were not made to the Delegation table recommended in the MoHFW guidelines. As a result, the CMHO has practically no delegated powers and the Sub-committee was informed of many instances where the files had to be sent to the District Collector for approvals and thereafter for signature on the cheque. There seemed a strong rationale in limiting the number of approvals being taken from the DCs and doing away with his/her signature on the cheques altogether. The MOHFW in its notification No.107/FMG/2005-06 dated 14th December 2006 has clearly advised the States to do away with the system of taking signature of the DCs on cheques. This provision is a welcome sign and is likely to lead to faster utilisation of funds.

- There is a need to mainstream the Divisional Additional /Joint Directors of Health & FW in the Society mechanism as the June 2005 guidelines from the MoHFW did not take into account the existing of this middle management tier. It was suggested that the Divisional Additional /Joint Directors may be made Co-Chairs of the Executive Committee of the DHS. This will not only achieve involvement of an important tier of the Health & Family Welfare Department, but may also mean meeting of the Executive Committees being convened regularly due to Divisional Additional /Joint Directors falling in the direct reporting channel of the H & FW Department.

- The matter of proper integration of the PMSU staff and the main line health and FW Department was also discussed in the meeting. A good innovation was noticed in MP. The State Government has appointed a Nodal Officer in each District who acts as an interface between the contractual staff of the PMSUs and the officers/officials of the CMHO Office.

- As regards Rogi Kalyan Samities (RKS) in MP, there was a general opinion that putting money into the account of RKS is easy but taking money out of it is cumbersome. It was generally felt that in the present disposition there is too much faith and reliance on the revenue administration undermining the structures and checks and balances available within the Health Department. It was represented by the participants that the officers from revenue administration may steer the GB and EC, but powers to spend funds on approved items and under a broad guidelines may be vested with the health administration. The GOI may reinforce its guidelines for RKS which seems more practical.

- As regards funds going to the Sub-Centres and VHSCs all participants in both the States supported smoother funds flow and simplistic reporting requirements.

- **The issue of untied funds:** It was expressed by the participants that criteria of annual untied funds to RKS, Sub-Centres, VHSCs, District Hospitals, CHC & PHCs should be finalised. If the annual funds to these entities are to be granted based on utilisation reports, then the concept of fixed annual untied grant cannot be fulfilled. However, if the utilisation criterion is altogether removed, the rationale of the grant may be undermined. Thus, it was suggested that untied grants to these entities may be given by a simple criteria that at least 50% of the last year's grant must have been utilised. It was also suggested that in order to keep the transaction costs within reasonable limits, the untied annual grant given to these bodies should be treated as expenditure in the books of accounts once they are released.

Second meeting : 23rd December, ECTA office, New Delhi. The deliberations focussed on refining / revising the draft proposals prepared by the Committee taking into account the feedback received during the first two consultation meetings. The Committee devoted substantial part of the discussions, in this regard, to matter related to civil works, procurement and how best to balance the need for decentralisation / delegation on the one hand and ensuring a minimum level of transparency / efficiency in the processes involved on the other. It was decided to continue the State consultation mechanism to further refine the proposals.

Third meeting : 3rd February, ECTA office, New Delhi. The deliberations focussed on refining / revising the draft proposals for the remaining sections which could not be completed in the second meeting. It was also decided that another round of consultation meetings be held before finalising the recommendations. The States of West Bengal and Rajasthan were agreed upon for this purpose.

Third State consultation: 12th February, Kolkata, West Bengal. There was a general endorsement of the revised proposals.

Fourth State consultation: 24th February, Jaipur, Rajasthan. There was a general endorsement of the revised proposals. However, the participants suggested that (a) the TA/DA norms should be applicable only to the society staff and (b) the number of bank / post office accounts involved for the Sub-centres and VHSCs poses a huge management challenge and the MoHFW may, therefore, consider allowing flexibility to the States in parking these funds in a single bank account with separate ledgers being maintained. This single bank account, it was suggested, can be operated by the MO in-charge of the PHC with the help of a full time accountant.

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Appendix-2.1

List of activities for which financial data is to be shown separately in the District Action Plan (DAP) and State Programme Implmentation Plan (PIP)

- Janani Suraksha Yojana (JSY)
- Routine Immunisation services
- Pulse polio immunization
- RCH flexi-pool
    - Maternal health (other than JSY)
    - Child health (other than routine immunisation)
    - Family planning services
    - Adolescent health
    - Urban RCH
    - Tribal RCH
    - Other components under RCH flexipool
- NRHM additionalities
    - Selection and training of ASHA
    - Procurement of ASHA drug kits
    - VHSC untied fund
    - Sub-centre untied fund
    - CHC upgradation of IPHS
    - Grants-in-aid to Hospital Management Societies / Rogi Kalyan Samitis
    - Mobile Medical Units
- Revised National TB Control Programme
- National Vector Borne Diseases Control Programme
- National Iodine Deficiency Disorder Control Programme
- National Leprosy Eradication Programme
- Integrated Disease Surveillance Programme

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o **Appendix-4.1**

Suggested TA/DA entitlements at the State Health Society level

	Category I State Programme Officers and State Government Officers (Class I) on deputation to State Health Society	**Category-II** State Government Officers (Class II) on deputation to State Health Society and full time contractual staff/ consultants of the State Health Society receiving monthly remuneration of Rs.15,000/- per month or more	**Category-III** Other contractual technical /clerical staff of the State Health Society receiving monthly remuneration less than Rs.15,000/- per month or any state government staff (Class III and IV) on deputation to State Health Society
For travel (outside state)	By air	By air, if distance by shortest route is more than 500 KM, else by 2nd AC Rail.	Rail: 3rd AC or AC Chair Car
For travel within the State	By air, if distance by shortest route is more than 500 KM, else by 2nd AC Rail, Office vehicle or Taxi	2nd AC Rail/ AC Bus / office vehicle	Sleeper Class by Train / non-AC Bus. Can travel in office vehicle where travelling along with entitled officers
Per-diem for travel outside state when hotel is not used	Rs.500/- per day	Rs.300/- per day	Rs.200/- per day
Per-diem for travel outside state when hotel is used	Rs.2000/- per day (subject to actuals with a ceiling of Rs 300 per day for food and beverages)	Rs. 1000/- per day (subject to actuals with a ceiling of Rs 200 per day for food and beverages)	Rs. 500/- per day (subject to actuals)
Per-diem for travel within state when hotel is not used	Rs. 200/- per day	Rs. 150/- per day	Rs. 100/- per day
Per-diem for travel within state when hotel is used	Rs. 750/- per day (subject to actuals)	Rs. 500/- per night (subject to actuals)	Rs. 300/- per night (subject to actuals)

Notes

1. Air travel, where admissible, should be undertaken in economy class only, utilizing lowest available fares under check fares or other discounted fares on any airline, by the shortest direct route.
2. Office vehicle or taxi, if admissible, should generally be used only where it is more economical or where direct train connection is not available. Taxi or office vehicle should generally not be used for distances greater than 300 kms.
3. The State Health Society should identify and negotiate standard discounted tariffs for its staff/employees with the State Tourism Corporation, guest houses of PSUs and budget hotels in the state to minimize travel related expenditure.
4. Travel for official purposes using own vehicle is permissible and may be reimbursed on per KM basis as per the rates approved by State Government in this regard.

Table-2: **Suggested TA/DA entitlements at the District Health Society level**

Entitlement	**Category I** Dsitrict Programme Officers and State Government Officers **(Class I)** on deputation to District Health Society	**Category-II** State Government Officers (Class II) on deputation to District Health Society and full time contractual staff/ consultants of the District Health Society receiving monthly remuneration of **Rs.15,000/- per month or more**	**Category-III** Other contractual technical /clerical staff of the District Health Society receiving monthly remuneration less than Rs.15,000/- per month or any state government staff (Class III and IV) on deputation to District Health Society
For travel (outside state)	By air, if distance by shortest route is more than 500 Km, else by 2nd AC Rail.	By 2nd AC Rail.	Rail: 3rd AC or AC Chair Car
For travel within the State	By 2nd AC Rail, Office vehicle or non-AC Taxi	By 2nd AC Rail, Office vehicle or non-AC Taxi	Sleeper Class by Train / non-AC Bus/Office vehicle if available.
For Travel within District	By Office vehicle, non-AC bus, non-AC Taxi, Rail (general class)	By Office vehicle, non-AC bus, non-AC Taxi, Rail (general class)	By Office vehicle, non-AC bus, Rail (general class)
Per-diem for travel outside State when hotel is not used	Rs.500/- per day	Rs.300/- per day	Rs.200/- per day
Per-diem for travel outside State when hotel is used	Rs. 1500/- per day (subject to actuals with a ceiling of Rs 300 per day for food and beverages)	Rs.1000/- per day (subject to actuals with a ceiling of Rs 200 per day for food and beverages)	Rs.500/- per day (subject to actuals)
Per-diem for travel to State Capital when hotel is not used	Rs.300/- per day	Rs.200/- per day	Rs.100/- per day
Per-diem for travel to State Capital when hotel is used	Rs.600/- per day (subject to actuals)	Rs.400/- per day (subject to actuals)	Rs.300/- per day (subject to actuals)
Per-diem for travel to places within the state other than State capital when hotel is not used	Rs.200/- per day	Rs.150/- per day	Rs. 100/- per day
Per-diem for travel to places within the state other than State capital when hotel is used	Rs. 400/- per day (subject to actuals)	Rs. 300/- per day (subject to actuals)	Rs. 200/- per day (subject to actuals)
Per-diem for travel within own district	As per state government TA/DA rules	a) As per state government TA/DA rules for Government employee. b) Rs.100 per day for Contractual employee	a) As per state government TA/DA rules for Government employee. b) Rs.75 per day for Contractual employee

Note: 1. Air travel, where admissible, should be undertaken in economy class only, utilizing lowest available fares under check fares or other discounted fares on any airline, by the shortest direct route.

2. Office vehicle or taxi, if admissible, should generally be used only where it is more economical or where direct train connection is not available. Taxi or office vehicle should generally not be used for distances greater than 300 kms.

3. Wherever available, the District Health Society should utilize the standard discounted tariffs for its staff/employees as negotiated by the State Health Society with the State Tourism Corporation, guest houses of PSUs and budget hotels in the state to minimize travel related expenditure.

4. Travel for official purposes using own vehicle is permissible and may be reimbursed on per KM basis as per the rates approved by State Government in this regard.

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