

Revision of the Manual on Financial Management and Procurement

Sl.No	Para No of the Revised Manual	Existing provision	Revised/New provision	Justification
Chapter II – Planning process – Information need and collection of information				
1	9.21	-	Information on Resource persons for BRC/URC/CRC indicating number of schools, number of eligible BRPs, BRPs proposed, BRPs sanctioned under DPEP, number of BRPs eligible under SSA should be provided in the format given in Table 21.	New Table was introduced by Planning Unit.
2	9.22	-	Information on Computer Aided Learning (CAL) indicating number of Govt. UPS, number of UPS under CAL, number of beneficiaries, number of teachers trained on CAL and number of UPS to be covered during the year should be provided in the format given in Table 22.	New Table was introduced by Planning Unit.
3	9.23	-	Information on NPEGEL indicating the number of EBB, total number of MCS and number of girls enrolled in MCS should be provided in the format given in Table 23.	New Table was introduced by Planning Unit.
4	9.24	-	Information on KGBV indicating numbers sanctioned (model-wise), operational, enrollment, social category wise enrollment, status of construction of buildings should be provided in the format given in Table 24.	New Table was introduced by Planning Unit.
5	9.25	-	Each State should provide year-wise information on Financial Status on release of funds, opening balance, other receipts, expenditure etc. since the inception of SSA, NPEGEL and KGBV should be provided in the format given in Table 25.	New Table was introduced by Planning Unit.
Chapter III – Budgeting				

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Perspective plan and annual plans				
6	19.1	Each SSA district has to prepare a Perspective Plan up to 2009–2010 based on the data collected through household survey, micro planning exercise etc. For this purpose, the revenue district as on 31-3-2002 is taken as the unit of planning at the district level. Plans in respect of subsequently bifurcated districts would be included in the original un-bifurcated districts.	Each SSA district has to prepare a Perspective Plan up to 2009–2010 based on the data collected through household survey, micro planning exercise etc. For this purpose, the revenue district as on 31-3-2002 is taken as the unit of planning at the district level. Plans in respect of subsequently created districts would be included in the Annual Work Plan & Budget (AWP&B) subject to the approval of the Project Approval Board (PAB) at national level.	PAB approves plans for new revenue districts. Hence, the existing provision for planning based on revenue district as on 31.03.2002 is not effective and the same needs revision
7	19.4	Software for costing of AWP&B for the interventions, its physical and financial target proposed, the progress overview and spill over of the previous year has been devised at the national level and has been shared with all States for preparation of AWP&B. The format of the costing table is given in Annex-I.	Costing of AWP&B for the interventions, its progress overview, spill over of the previous year, physical and financial target proposed, has been devised in spreadsheet at the national level and has been shared with all States for preparation of AWP&B. The format of the costing table is given in Annex-I.	The earlier software for costing of AWP&B has become redundant and now the costing of AWP&B is being carried out in spreadsheet. Hence, the Para is revised.
8		Users' Manual for the preparation of costing part of AWP&B in the software has also been formulated at national level and shared with all States along with the software.	–	Since the earlier software for costing has become redundant Para No. 19.5 is deleted.
Civil Works				
9	26.1		<i>Following new item is added</i> Separate toilets for girls KGBV building	Separate Toilets for Girls and KGBV building are now being provided under SSA

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10	26.6	The PAB has fixed an average of Rs. 15000/- and Rs. 20,000/- for drinking water facilities and toilet respectively	The unit cost for toilet and drinking water facilities shall be as per the unit cost prescribed by Total Sanitation Campaign (TSC) and Drinking Water Mission (DWM) respectively	PAB has in practice been approving higher unit cost for toilet and drinking water as per need and hence this Para is revised.
11	27.3	Repairs beyond Rs. 5000/- can always be taken up by sourcing of other funds such as community contribution, Panchayat funds, State Government funds, other Centrally sponsored scheme like PMGY, Employment Guarantee Programme etc.	Maintenance beyond the limit of maintenance grant for schools can always be taken up by sourcing of other funds such as community contribution, Panchayat funds, State Government funds and Central Government funds.	Since the maintenance grant is provided as per the number of classrooms in a school this Para is revised. PMGY and Employment Guarantee Programme, NREGA etc. are not providing any funds for school maintenance.
12	27.15	Data on number of existing Government schools having their own building and schools requiring maintenance and repairs should be furnished.	Disaggregated data on number of existing Government schools having their own building and Government schools in urban areas running in rented buildings with up to 3 class rooms and more than 3 class rooms and schools requiring maintenance and repairs should be furnished.	Disaggregated data on schools with upto 3 classrooms and more than 3 classrooms is needed.
State Component Plan under SSA				
13	45.6	-	AWP&B for the State component indicating detailed activities and cost estimates shall be prepared along with the AWP&B for the districts.	States are preparing the State component plan but provision is not available in the Manual and hence, included now.
Progress Overview and Spill Over activities				
14		The format for the preparation of progress overview and spill over plan is given in Annex-IV.	-	As a combined costing sheet format for progress overview, spill over and fresh proposal is given in Annex-I, Annex-IV is Deleted.
15	48.6	Methodology of Appraisal: The EE Bureau would brief the Appraisal	Methodology of Appraisal: The EE Bureau would brief the Appraisal Team initially and	This Para is revised as per the existing procedure of desk appraisal

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		Mission initially and Terms of Reference would be provided to the Mission to facilitate its task. At this point, it would be decided whether the plan would be desk appraised or if a field visit is needed. In case a field visit is needed the Mission would visit the State, some districts and other sub district formations like BRC, CRC, schools etc. During the field visit, the Mission would interact with the community members and understand the problems. A wrap up meeting of the Mission would then be held at the State level to discuss its findings. After the visit the Mission would prepare the Appraisal Report and submit it to the EE Bureau.	Terms of Reference would be provided to the Team to facilitate its task. In case a field visit is needed, the Team would visit the State, some Districts and other sub-district formations like BRC, CRC, schools etc. During the field visit, the team would interact with the community members and asses the problems. A wrap up meeting of the team would then be held at the State level to discuss its findings. Necessary corrections, if any, suggested by the team would be considered by the State and the revised AWP&B submitted to MHRD. The Team would carry out the appraisal of the AWP&B based on the guidelines on the preparation of AWP&B issued by MHRD every year, data and information provided in the plans. After analyzing the progress over view and proposal of each intervention, the Team would prepare the Appraisal Report for consideration of the PAB of SSA at the national level.	of AWP&B.
16	50.2	-	The State-wise dates for actual submission, appraisal and approval of the AWP&Bs shall be based on the time schedule prescribed by MHRD every year, in accordance with the budget calendar indicated above.	It is not always possible to strictly adhere to the budget calendar. Since flexibility is needed, the existing provision is modified.
Chapter IV - Accounting				
17	72		<i>New provision is made as under:</i> Only one savings bank account should be opened for each major component of the SSA scheme i.e.	As per MHRD's letter no. F13-2/2007-EE.14 (Pt.) dated 25 th May, 2007, States were urged to open only one bank account for the project

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			SSA, NPEGEL and KGBV at SPO, DPO, Block, and Cluster level. At the VEC/School level, there can be one savings bank account for SSA, NPEGEL and KGBV. In exceptional cases, more than one savings bank account can be opened at any level, only after an authorization of the Executive Committee of the State SSA Society.	one bank account for the project unless other wise provided for in the guidelines of NPEGEL, KGBV etc.
18	74.2	-	The adjustment of advances should be included in the financial year to which the grant relates.	In order to have more clarity on the utilization of funds, this provision is made
19	74.3	-	The advances released to VECs/SMCs for undertaking certain activities such as civil works/Teaching Learning Equipment (TLE) which remains unspent at the end of the year shall be carried over to next year as spillover activities based on the approval of the PAB.	In order to have more clarity on the utilization of funds, this provision is made
20	75.1 (item No. 9)	Contingency Grants to BRC/CRC.	Annual Grants to BRC/ CRC	All annual grants to BRCs/ CRCs are released at a time and as such all grants are included now.
Cash Book				
21	79.2	Cash book should be maintained under double entry system.	Cash book should be maintained under double entry system. However, as an exception, single entry system shall be followed at Cluster and VEC/School level.	It is not possible to maintain double entry system of cash book at Cluster and VEC/School level. Simple cash book is sufficient. Hence, an exception is made in this Para.
22	79.4	Separate cashbook should be maintained for each financial year.	Separate cashbook should be maintained at State/District/Block level for each financial year and separately for SSA, NPEGEL and KGBV.	NPEGEL and KGBV are added.
23	79.17	-	In case computerized accounting software is in	Maintenance of manual cash book is

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			use, the cash book need not be maintained manually. However, print out of the daily cash transactions should be taken and pasted in cash book after attesting each entry by the Head of Office/DDO.	not needed while the accounting software is in use. Hence, a new provision is added in this Para.
Staffing Structure				
24	85.2		<p><i>Following new provision is added in the existing Para:</i></p> <p>“The Executive Committee may consider appointing an Accountant at block level or for a group of blocks based on the quantum of accounting work involved. These Accountants would provide resource support in accounting to cluster and VEC/school level.”.</p>	9 th JRM on SSA has made a recommendation for providing an Accountant at block level. Based on this, a provision for Accountant at block level is made in this Para to improve the accounting system
Capacity building of Accounts and Audit staff				
25	86.2	-	A minimum of 5 days training to accounts and audit staff is mandatory in a year. The accounts staff so trained at district level will provide training to block level staff, who in turn will provide training to staff at cluster and VEC/school level.	In MHRD’s letter No. 15/5/2003-SSA(PR) dated 13th April 2007, States were urged to provide a minimum of 5 days compulsory training to accounts and audit staff. Hence, a provision is made in this Para.
Re-appropriation of funds				
26	88.3	(iv) Re-appropriation between items classified under management costs can be done with the approval of the Executive Committee, provided it is within the total management costs approved for that year and such re-appropriation	(iv) Re-appropriation between items classified under management costs can be done with the approval of the Executive Committee, provided it is within the total management costs approved for that year and such re-appropriation is within the same head of account, i.e., one non-recurring head to another non-recurring head and one	Expenditure on grants-in-aid cannot ordinarily be considered as a capital expenditure and shall not, except in cases specifically authorized by the President on the advice of C&AG be debited to a capital head in terms of Rule 90 of GFR, SSA is being

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		is within the same head of account, i.e., one revenue head to another revenue head and one capital head to another capital head. Re-appropriation from a revenue head to capital head and vice-versa is not permissible.	recurring head to another recurring head. Re-appropriation from a recurring head to non-recurring head and vice-versa is not permissible.	implemented through grants-in-aid and as such need not classify the expenditure under capital and revenue as clarified vide MHRD's letter No. 15/5/2003 dated 7 th September, 2009.
27	88.5	-	Inter district re-appropriation of funds shall not be permitted.	States frequently seeking inter district re-appropriation which is not permitted.
Chapter VIII – Internal control and internal audit Supervision and Monitoring				
28	101.5	<i>First sentence is revised as under:</i> “While continuous monitoring would be an ongoing process, this would be supplemented through the sending of two supervision missions every year to the States”	<i>First two sentences are revised as under:</i> “While continuous monitoring would be an ongoing process, this would be supplemented through two supervision missions every year. While the January Mission would undertake monitoring through field visits in States, the July Mission would undertake a desk review”.	JRM is undertaking field visits only once in a year and not visiting States twice a year. While the January Mission would undertake monitoring through field visits in States, the July Mission would undertake desk monitoring. This position is made clear in this Para.
Chapter VIII – Auditing – Audit by the CA Firm				

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29	106.6	-	<p>States which have a large number of districts may engage more than one CA firm for conducting the annual audit. Such States should engage a lead CA firm at the State level to consolidate the various district audit reports and other accounting documents furnished by the CA firms from the districts and render a consolidated annual audit report and other connected accounting documents for the State SSA programme as a whole. The responsibilities and duties of the lead CA firm at the State level would need to be specified, by suitable modifications in the Terms of Reference prescribed in Annex-XVI, in order to safeguard the following: -</p> <p>(a) Review of the Audit Reports pertaining to the districts received from other CA firms and suggests modifications, if any.</p> <p>(b) Preparation of the consolidated annual audit report and management letter of the State as a whole based on the annual audit reports received from other CA firms and certification thereof.</p> <p>(c) Preparation of the consolidated Annual Financial Statement, Balance Sheet, Income and Expenditure Account, Receipt and Payment and certification thereof.</p> <p>(d) Certification of the consolidated annual Utilization Certificate for submission to Government of India.</p>	<p>In MHRD's letter No. 15/5/2003-SSA(PR) dated 26th April 2007, States with more districts were urged to engage a lead auditor by suitably modifying the TOR. Based on this, a new provision is made in this Para.</p>

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30	106.7	-	At the commencement of the annual audit, all CA firms engaged in district-wise audits should be informed of the role of the lead auditors as above.	
31	106.13	The State Government would comment on the audit report received from the implementing society and forward it to Government of India for acceptance.	The State Government would comment on the audit report received from the implementing society and forward it to Government of India for acceptance by 1 st November every year.	The date for submission of audit report to GOI was not indicated in this Para. Now it is provided in this Para.
32	106.16		<i>The following provision is added in this Para:</i> “Funds released from Government of India and State Government during March should be accounted for in the same financial year on the basis of sanctions issued, even though these funds have actually been received in the next financial year. In order to make such adjustment, corrections are allowed in “March Supplementary Accounts”.	New addition to this Para regarding the accounting of funds released during March but received in the subsequent financial year is made based on MHRD’s letter No. 15/5/2003-SSA(PR) dated 9 th September 2008.
33	106.17	The Utilisation Certificate must be prepared strictly on the basis of the Receipts and Payments account and the opening and closing balances in both Receipts and Payments account.	The Utilization Certificate must be prepared strictly on the basis of actual expenditure, separately indicating with opening and closing (cash and bank) balances as shown in the Receipts and Payments Account.	More clarity was needed on the expenditure included in UCs. Outstanding advances will not be included in the expenditure. Accordingly, this Para is modified.
External audit calendar				
34	109.1	<i>The following time table for submission of audit report is amended</i> 4. Submission of audit report to SPO	Time table is revised as under: Annual Account 4. By 30 th September of every year	In actual practice States are not submitting the audit reports and annual reports in time. Hence, the submission of annual report is advanced to 1 st November, instead of

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		Desirable by September every year. 5. Approval of Annual Report and audited accounts Desirable by November every year 6. Despatch date to GOI	5. By 15 th October of every year 6. By 1 st November of every year	1 st December.
Pursuance of audit objections				
35	110.5	Audit compliance will be reported to Government of India by the State Implementing Society on a regular basis.	Audit observation/objection compliance will be reported to Government of India by the State Implementing Society regularly on a quarterly basis in the format given in Annex. XXIII.	MHRD's letter No. 15/2/2004-SSA (PR) dated 15th July, 2004.
Chapter IX – Procurement Procedure Procurement in SSA				
36	111.1	<i>The following portion of this Para is amended:</i> “It was decided by the EE Bureau that procurement under SSA may be carried out as per the respective State Government procedures/Rules. However, in case the State Implementation Society is already following a procedure under DPEP, the same may be adopted by it for procurement under SSA also. The choice of the procurement procedure i.e., whether State guidelines or the existing DPEP procedures, may be decided by the Executive Committee of the State Implementation Society. This	<i>The following portion of this Para is revised:</i> “It is mandatory to follow the procurement procedure prescribed in this Manual for all the procurement under the SSA scheme (including NPEGEL and KGBV). The States may follow the financial ceiling prescribed by each State for various methods of procurement. MHRD may prescribe financial ceilings for different methods of procurement from time to time. In such cases, the financial ceilings prescribed by MHRD shall prevail and should be adhered to.	The existing provision in this Para is creating confusion in following the procurement procedure. Societies are following State procurement procedure and not following the procurement procedure prescribed in the Manual. Since it is mandatory to follow the procurement procedure prescribed in the Manual more clarity is needed. Hence, this Para is modified.

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		choice may be exercised by the Executive Committee either for the entire procurement to be done by the Society in toto or for each item of procurement on a case-to-case basis”.		
Levels of procurement – School/Community/KGBV level				
37	112..2..2		School/KGBV related items to be procured: Following new items are added: (i) All civil works, except buildings for BRCs, SIEMAT, Hostels in Government upper primary schools and KGBV buildings. (ii) Furniture to Government upper primary schools. Procurement of furniture to be done by VEC/SDMC/equivalent bodies for rural/urban areas. (ix) Additional teaching learning materials and other items required under Learning Enhancement Programme (LEP). (x) Items required for KGBV.	KGBV, Hostels in Govt. UPS, furniture to Govt UPS, repair to school buildings, LEP, etc are added.
38	112.2.5		District Level Following new items are added: (x) Additional teaching learning materials and other items required under Learning Enhancement Programme (LEP). (xi) Civil works construction of hostel in existing Government upper primary schools and KGBV buildings.	Construction of hostel buildings in Govt UP school and KGBV buildings and procurement of LEP items are added

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39	112.2.6		State level Following new item is added: (xvii) Additional teaching learning materials and other items required under Learning Enhancement Programme (LEP)	LEP items are added
40	113	Procurement Plan (c) Procurement plan shall be prepared every year for proper monitoring and execution. (d) The procurement schedule shall be sent to the EE Bureau, GOI along with the AWP&B every year. (e) The procurement schedule shall be prepared contract wise.	Procurement Plan (c) Procurement plan shall be prepared every year by the State / UT, within one month of the approval of the AWP&B by the PAB of SSA. This will facilitate proper monitoring and execution of the procurement plan. (d) The procurement plan shall be uploaded in the States' SSA website and intimation sent to the EE Bureau, GOI every year. (e) The procurement plan schedule shall be prepared contract wise.	This Para is modified as per the existing procedure.
41	115.1	Open Tenders Civil works for the construction of BRCs and SIEMAT and also goods could be procured under contracts awarded in accordance with the procedures prescribed under open tenders.	Open Tenders Civil works for the construction of BRCs, Hostel in existing Government upper primary schools, KGBV buildings and SIEMAT and also goods could be procured under contracts awarded in accordance with the procedures prescribed under open tenders.	Construction of hostel buildings in Govt UP school and KGBV buildings are added
42	121.1	Procurement through communities In SSA, it is mandatory to carry out construction of all civil works except BRC and SIEMAT through community participation. In places where the community is in a	Procurement through communities In SSA, it is mandatory to carry out construction of all civil works except BRC, Hostel in existing Government upper primary schools, KGBV buildings and SIEMAT through community participation. In places where the community is in a position to construct BRC, Hostel and	Construction of hostel buildings in Govt UP school and KGBV buildings are added

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		position to construct BRC, the same will also be entrusted to the community	KGBV buildings, the same will also be entrusted to the community.	
Tables				
43	Table 1 to 19	Table1 to 25		In the existing Manual Tables 1 to 19 are available. The planning unit has modified some of these tables and included tables upto 25. All the 25 tables are placed in the revised Manual.
Annexures				
44	Annex I	Annex I	Software for costing of AWP&B.	Costing sheet of AWP&B including expenditure and spill over activities in spreadsheet is placed below
45	II	SSA financial norms	Financial norms of SSA, NPEGEL and KGBV.	The SSA, NPEGEL and KGBV financial norms have been revised by issue of the revised SSA framework and accordingly, Annex.II is revised and placed below.
46	III	NPEGEL financial norms	Deleted	The existing Annex. III relating to financial norms of NPEGEL is now combined in Annex. II and the same is deleted.
47	IV	Software format for expenses and spill over	Deleted	The existing Annex. IV relating to Expense and Spill Over based on the costing software has become redundant and the same combined in Annex. I. The same is therefore deleted.
48	V	Register of Fixed Assets	Register of Fixed Assets	The existing Annex. V is now revised as per Form GFR – 40 and

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				placed below.
49	XIII	-	Financial Performance	Quarterly report on financial performance is taken from the State which is now included.
50	XIV	-	Status of Financial Indicators	Quarterly report on status on financial indicators is taken from the State which is now included.
51	XVIII	TOR for appointment of CA Firm for statutory audit.	TOR for appointment of CA Firm for statutory audit. <i>New provisions added:</i> (£) The CA should point out expenditures activity-wise that exceeded the budget allocation. (i) The C.A. firm appointed for the audit should also look into the position of audit compliance of previous audit objections raised, if any. The audit report should include a separate Para in this regard. (k) The total number of VECs covered in audit should be indicated in the audit report.	KGBV, NPEGEL and some new clauses are added and the revised Annex. XVIII is placed below.
52	XIX	Utilization Certificate	Utilization Certificate	KGBV is added and the format is modified to indicate State releases and other receipts and the revised Annex. XIX is placed below..
53	XX	Consolidated Annual Financial Statement	Consolidated Annual Financial Statement	KGBV and new activities, opening balance and closing balance of outstanding advances are included and the revised Annex. XX is placed below

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54	XXI	Consolidated Balance Sheet	Consolidated Balance Sheet	KGBV is included in liabilities side and closing balance is substituted by current liabilities. In the asset side computer is included in fixed assets and outstanding balances included in closing balances. Revised Annex. XXI is placed below.
55.	XX	Consolidated Income and Expenditure Account	Consolidated Income and Expenditure Account	KGBV and new activities are included and the revised Annex. XX is placed below.
56.	XXIII	Consolidated Receipt and Payments Account	Consolidated Receipt and Payments Account	KGBV and new activities and outstanding advances are included and the revised Annex. XXIII is placed below.
57.	XXV		Quarterly Report on the position of outstanding audit objections	New Annex. XXV is added to obtain status of audit objection compliance in terms of MHRD's letter No. 15/2/2004-SSA (PR) dated 15th July, 2004. The New Annex. XXIII is placed below.

5. PAB may kindly approve the revision of the Manual as proposed above.