



## **FINANCIAL BYE – LAWS**

National Institute of Agricultural Extension Management  
Rajendranagar, Hyderabad-500 030

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## **FINANCIAL BYE-LAWS**

Under Rule 4 (ii) (vii) of the Rule of the National Institute of Agricultural Extension Management (MANAGE) the General Council hereby makes and adopts the following Bye-Laws:

### **CHAPTER-I**

#### **PRELIMINARY**

##### **SHORT TITLE AND COMMENCEMENT**

1. (a) These Bye-Laws shall be called the National Institute of Agricultural Extension Management (MANAGE) (Financial) Bye-Laws, 1992.
- (b) They shall be deemed to have come into force from the date approved by the General Council or a subsequent date as specified by General Council.

### **CHAPTER-II**

#### **PREPARATION OF BUDGET ESTIMATES**

##### **GENERAL PROCEDURE**

2. Not later than 1<sup>st</sup> October of each year the Director General shall have prepared detailed Budget Estimates of receipt and expenditure of the Institute for the ensuing financial year and submit them to the Executive Council. The Budget Estimates as finally accepted by the Executive Council will be placed before the General Council of the Institute for approval, at the time of Annual Meeting. The approved Budget shall, thereafter, be submitted to the Government of India for sanction of Government Grants.

##### **FORM OF THE BUDGET ESTIMATES**

3. (a) The Budget Estimates will be prepared in the prescribed form to show the Annual Estimates of receipts and expenditure under various heads of account. The heads of classification shall be according to the sources of

income and main heads of expenditure called primary units of appropriation. Suggestions of the Government of India for modifications, if any, in the forms of Budget Estimates shall be duly taken into account.

- (b) The Budget Estimates shall include:
- (i) Actual receipts and expenditure of the preceding financial year;
  - (ii) Original Budget Estimates for the current financial year;
  - (iii) Revised Budget Estimates for the current financial year;
  - (iv) Reasons for variation between the Budget Estimates and the Revised Estimates;
  - (v) Proposed Budget Estimates for the ensuing financial year; and
  - (vi) Reasons for variation between the Revised Estimates for the current financial year and the Budget Estimates for the ensuing financial year.
- (c) Brief details of individual items of expenditure of capital nature of more than five lakh rupees in value shall be brought out in the Budget Estimates.

NOTE:

- (i) A statement showing provision under different sub-heads (called Secondary Units of Appropriation) under the relevant primary units shall be appended to the Budget Estimates.
- (ii) The figures in the Budget Estimates shall be expressed in thousand of rupees.

4. All proposals for expenditure, which involve introduction of a new principle or practice likely to lead to increased expenditure in future shall be specially highlighted in the budget proposals.

**COMMUNICATION OF THE APPROVED BUDGET ESTIMATES**

5. A copy of the Budget Estimates as approved by the General Council of the Institute shall be sent to the Department/Ministry, Government of India, dealing with the Institute, for sanction and release of Government Grants.

**APPROPRIATION AND REAPPROPRIATION**

6. The funds provided in the approved Budget Estimates shall be deemed to be at the disposal of the Director General who will have full powers to appropriate moneys therefrom to meet expenditure provided that no funds of the Institute shall be appropriated to meet expenditure on a new service not included in the approved budget, or any item not approved by the competent authority under these bye-laws.

**POWERS TO SANCTION EXPENDITURE PROVIDED FOR IN THE BUDGET**

7. (a) Within the budget allotment, the Director General may sanction the incurring of expenditure subject to the limits of power conferred on him from time to time. Administrative approval wherever required. Director General shall be the authority to issue such administrative approval, subject to the following conditions:
- (i) that excess expenditure over the original estimates of the sanctioned scheme beyond 10% should have the approval of the Executive Council: in case of excess expenditure over the original estimates of the sanctioned scheme up to 10% a report to the Executive Council may be stipulated and submitted.
  - (ii) that re-appropriation shall not be allowed to meet expenditure on a service or new instrument of service not included in the approved budget.

- (iii) that no re-appropriation be allowed so as to augment provision under the primary units, salaries, wages, office expenses and other charges, taken together for the entire budget without prior consent of the Ministry dealing with the Institute.
  - (iv) that no appropriation from or to the primary unit of appropriation about deputation or travel abroad of scientist over and above the approved budgeted amount should be allowed.
- 7. (b) The Director General shall have powers to re-appropriate funds from one Primary or Secondary Unit to another provided that no re-appropriation shall be made:
  - (i) between “CAPITAL” and “REVENUE” heads;
  - (ii) from the provision made for any specified new item of expenditure for any other purpose;
  - (iii) from funds provided under “PLAN “ heads to “NON-PLAN” heads.
- 8. In special circumstances where, in his opinion, an immediate decision on any matter requiring the approval of the Executive Council is essential, the Director General may, within the ambit of operation necessary and efficiency of the Institute or to meet an emergency take decision on behalf of the Executive Council provided that a report shall be made to the Executive Council at its next meeting and its ex-post facto approval obtained.
- 9. A sanction to expenditure will not become operative until funds have been provided to cover it.

## CONTRACTS

10. The Director General shall in respect of Contracts have full power:

- (i) to sanction expenditure and execute appropriate contracts, on scheme, project or work the total outlay on which does not exceed Rupees Twenty Five Lakhs.
- (ii) to sanction expenditure and execute contracts for purchase of stores and equipment.

For purchase of stores and equipments from Foreign Agencies/Countries and/or execution of contracts/agreements thereof, Ministry's approval must be obtained. As for the purchase of equipments, particularly computers from Foreign Suppliers, these purchase should be made invariably in consultation with Department of Electronics, as is being done by all Government Departments. Calling of tenders, finalization of contracts etc. should also be done in consultation with that department.

- (b) The Director General shall obtain prior approval of the Executive Council for;
  - (i) schemes for projects of value exceeding Rupees Twenty Five Lakhs and;
  - (ii) acquisition of land and buildings, before sanctioning expenditure thereon and executing appropriate contract;

Provided that the approval of the Executive Council shall not be required to sanction excess expenditure upto ten per cent over the estimates originally approved either by the Executive Council or by the Director General, but it will be enough if in cases where the excess expenditure over the original estimates of sanctioned scheme is upto 10%, the matter is placed in the next Executive Council for information.

Previous consent of the Ministry of Agriculture should be obtained in the following cases:

- (i) any purchase or contract exceeding rupees one crores worth.
- (ii) any negotiated or single tender contract exceeding Rs.30 lakhs in value.

- (iii) any indent for stores of a proprietary nature, the value of which exceeds Rs.20 lakhs.
  - (iv) any agreement or contract for technical collaboration or consultancy services with Foreign Firms or Foreign Governments.
- (c) The Director General shall, as far as practicable, adopt the appropriate standard forms in use in Government of India for entering into various contracts. It shall be open to the Director General to seek legal advice, where necessary.

### **INVESTMENT**

11. Subject to such general or special directions as the Executive Council may give; the funds of the Institute may be invested in the following manner.
- (a) In Promissory Notes, Debentures, Stock or Other Securities of the Government of India or of any State Government.
  - (b) In Stock or Debentures of, or Shares in, Companies the interest whereon shall have been guaranteed by the Government of India or by a State Government.
  - (c) In fixed/call deposit with the State Bank of India or with any of the Nationalized Banks.
  - (d) In bonds or deposits with Railways and Public Sector Undertakings of the Central Government.
  - (e) In the savings scheme of the Indian Postal Department and Unit Trust of India.
  - (f) In such other manner as the Executive Council may authorize.

Provided that for investments under (b) and (f) prior approval of Government of India is obtained.



**CHAPTER-III**  
**FINANCIAL MANAGEMENT AND CONTROL**

12. The Director General shall in the financial management and control of the Institute be assisted by a Financial Adviser or such Officer so designated by Director General.
13. The Financial Adviser or such Officer designated by Director General shall be in-charge of all accounting of receipts, payments, Provident Funds, Investment, Budget, Audit and allied matters of the Institute. He shall, in particular -
- (i) advise the Director General on all matters falling within the field of delegated powers;
  - (ii) establish and maintain a system of financial control governing the allocation and use of funds;
  - (iii) keep himself closely associated with the formulation of schemes and important expenditure and income proposals, from their initial stages;
  - (iv) associate himself with evaluation of progress/performance in the case of projects and other continuing schemes and see that the result of such evaluation studies are duly taken into account in the budget formulation;
  - (v) watch settlement of audit objections, Inspection reports, etc.
  - (vi) organize effective Internal Audit:
    - (1) to ensure accuracy in accounts and in other basic records;
    - (2) to review systems and procedures as have a financial bearing, to reduce costs, promote efficiency, and safe guard the interests of the Institute.

- (vii) The Financial Advisor or such Officer designated by the Director General shall examine and advise Director General in every case of re-appropriation of funds.
14. The Director General shall be competent to have bank accounts opened, for keeping the funds of the Institute at such places as may be considered necessary.
15. (a) All moneys shall be received in the name of the National Institute of Agricultural Extension Management (MANAGE) and shall, without undue delay, be credited in full into the bank account. Before crediting, such moneys shall not be utilized direct to meet expenditure, or kept apart from the accounts.
- (b) Notwithstanding the provision in sub-clause (a) all moneys received as fees from sponsoring agencies in respect of:
- (i) Consultancy research projects/research studies undertaken by the Institute with the approval of the Director General at the request of the Government of India, State or Union Territory Government or any Quasi-Government or Non-Government Organization or an International Organization and with such Financial Assistant towards the cost of the research studies as may be settled between the Director General and the sponsoring agency and;
  - (ii) Consultancy training programmes (training programmes, seminars or workshops or any variant of these) organized by the Institute with the approval of the Director General at the request of (i) any agency other than the Ministries and Departments of the Government of India, State or Union Territory Government or (ii) an international agency, on such terms and conditions as may be agreed to between the Director General and the agency and on payment of fees to the Institute towards the costs of such programmes.

Shall without undue delay be credited in full into a separate account called the “Consultancy Account” of the Institute distinct and separate from the account referred to in sub-clause (a).

Expenditure on such consultancy research projects and consultancy training programmes shall be met out of the Consultancy Account. Before Crediting, such moneys shall not be utilized direct to meet expenditure or kept apart from the accounts.

16. The Director General or such other officer (one and only one officer) subordinate to Director General may be declared and authorized by him as Drawing and Disbursing Officer (DDO) for the drawal of moneys from the bank and making payment. This is subject to the conditions that the ultimate responsibility for the correctness, regularity and propriety of moneys drawn and disbursed by the DDO/SO authorized by the Director General, will rest with Director General.
17. The Director General shall ensure that all income and debts due to the Institute are correctly and properly assessed, realized and credited to the account of the Institute and that sufficient safeguards exist to secure that refunds and repayments on whatever account, where due, are made in time.
18. All payments from the funds of the Institute shall be subject to full checks of the nature of pre-audit. An expenditure on account of use of services like electricity, water etc. in excess of the specified limits, if any, shall not become irregular if such incurring of expenditure is otherwise in order and has been incurred with due regard to the operational necessities and efficiency of the Institute.

**CHAPTER-IV**  
**ACCOUNTS AND AUDIT**

19. (a) The primary accounts of the Institute shall, unless otherwise directed by the Government of India, be maintained in the following registers in the forms in use in the Government of India or as adapted to suit local conditions.

- (i) Cash Book
- (ii) Register of Cheque Books
- (iii) Register of Receipt Books
- (iv) Acquittance Rolls/Register
- (v) Register of Valuables
- (vi) Register of Investments
- (vii) Register of Bank Reconciliation
- (viii) Register of Government Grants
- (ix) Register of Liabilities
- (x) Register of Assets
- (xi) Stock Register of (a) Consumable Articles and (b) Non-Consumable Articles
- (xii) General/Contributory Provident Fund Accounts
- (xiii) Register of Consultancy Receipts
- (xiv) Register of Benevolent Fund Account
- (xv) Register of Development Fund Account
- (xvi) Stock Register of Publications
- (xvii) Library Accession Register
- (xviii) Pay Bill Register
- (xix) Expenditure Control Register
- (xx) Any other register the maintenance of which is considered necessary in day-to-day work.

(b) Notwithstanding the provisions of clause (a), such changes in the maintenance of registers as may be necessary may be introduced due to

computerization of accounts or simplification of accounting procedure in the Ministries in the Government of India.

20. The accounts of the transactions for each month shall be compiled in a monthly abstract of receipts and payments under the prescribed heads of accounts. The monthly abstracts will show the figures for the current month as well as progressive totals to end of the month. This Abstract will be submitted to Director General monthly for review. A copy of such abstract will be sent to the concerned Ministry of Government of India.
21. As soon as practicable after the accounts of a financial year are closed but not later than the end of June following, the Director General shall cause to be compiled and prepared the Annual Accounts of the Institute as on 31<sup>st</sup> March for the preceding year, consisting of:
  - (1) Receipts and Payments Accounts;
  - (2) Income and Expenditure Accounts; and
  - (3) Balance Sheet.
22. The Director General shall immediately after the preparation of the Annual Accounts (as on 31<sup>st</sup> March) submit them to the Auditors of the Institute i.e, Comptroller and Auditor General of India (CAG) for audit and certification.
23. Subject to the provision of any law for the time being in force applicable to the Institute the Auditors will audit receipts and expenditure of the Institute and report on the receipts and expenditure of the Institute and report on the receipts and expenditure audited by them. For discharging these duties, the Auditors shall have right of access, after giving reasonable previous notice, to the books, accounts, and other records of the Institute.
24. The Director General shall submit the Audit Certificate along with the Audit Report, if any, of the Auditors as well as the Annual Accounts and replies of the Institute to the Audit observations contained in the Audit Report to the Executive Council and the General Council, for approval. These documents shall thereafter,

be forwarded, along with the observations, if any, of the General Council to the Department / Ministry of the Government of India dealing with the Institute.

25. The Director General shall be competent to lay down such procedures and issue such instructions for the due observance of these bye-laws as may be necessary from time-to-time.

**CHAPTER-V**  
**SECURITY DEPOSITS**

26. A Private person or a firm contracting with the Institute to supply stores, render services or to execute a work shall be required to furnish security for the due fulfillment of the contract. A suitable provision shall be incorporated in the agreement.
27. Every employee of the Institute who is entrusted with the custody of cash or stores shall be required to furnish security, for such amount as the Director General may prescribe and to execute a Security Bond setting forth the conditions under which the Institute will hold the security and may ultimately refund or appropriate it.
28. Notwithstanding anything contained in bye-laws 26 & 27 above, security need not be required to be furnished in cases where exemption is given by Director General.
29. (a) The Security taken from an employee or a private person or a firm shall be in one or more of the following forms.
- (i) Cash:
  - (ii) Promissory Notes and Stock Certificates of the Central Government or State Government:
  - (iii) Post Office Cash Certificates, National Savings Certificates, Treasury Savings Deposit Certificates, National Plan Savings

- Certificates, 12 year National Defence Certificates and 10 year Defence Deposit Certifications;
- (iv) Post Office Savings Bank pass Book;
  - (v) Bonds or Debentures issued by State Financial Corporations;
  - (vi) Deposit Receipts of all Scheduled Banks;
  - (vii) Fidelity Bond from any of the subsidiaries of the General Insurance Corporation of India;
  - (viii) 10 years Social Security Certificates; and
  - (ix) Any other form of Security approved by Government of India for acceptance in Government Departments.

The acceptance of these securities shall be governed by the same conditions as are applicable in the Government of India.

- (b) The Director General or an officer subordinate to him, duly authorized by the Director General, may accept security.
  - (c) The Director General or a sub-ordinate officer, duly authorized by Director General may be made the custodian for Post Office Savings Bank Pass Book, Deposits/Receipts of Banks, Fidelity Bonds and Security Bonds or Agreements.
  - (d) Custody of Promissory Notes and Stock Certificates, Municipal Debentures or Post Trust Bonds, Post Office Cash Certificates shall be in accordance with rules followed in Government Departments.
30. (a) No Security Deposits shall be repaid or re-transferred to the depositors or otherwise disposed of except in accordance with the terms of his security bond of agreement. The Director General shall while returning any security to the depositor, invariably obtain his acknowledgement duly signed and witnessed. When an interest bearing security is returned or re-

transferred the acknowledgement shall set forth full particulars of the security.

- (b) Security deposits taken from an employee of the Institute shall be retained at least for six months from the date he vacates his post but a security bond shall be retained permanently or until it is certain that there is no further necessity for keeping it.

**CHAPTER – VI**  
**ADVANCES**

- 31. The Director General may sanction advances to the employees of the Institute subject to the availability of funds.
  - (i) for purchase of conveyance (i.e., motor cars, motor cycles, scooters, bi-cycles) and table fans;
  - (ii) for construction of houses, purchase of ready build houses/flats, and purchase of plots for construction of houses.
  - (iii) on the eve of important festivals or on occasions like natural calamities etc. provided that the terms and conditions governing these advances shall be those applicable to the employees of the Government of India.

Timely recovery of these advances specified at (i) to (iii) above together with interest due thereon, if any, shall be watched by the Director General.



### **OTHER SPECIAL ADVANCES**

32. (a) The Director General shall be competent to sanction advances for making security deposits with State Governments, State Electricity Boards, Corporations, Municipalities, etc., as the case may be. A record of all such deposits shall be kept to watch receipt of interest, if due, from time-to-time, and final refund of the deposits when due.
- (b) The Director General shall be competent to sanction advance payments to firms, suppliers, contractors, etc. for services to be rendered or supplies to be made subject to the same terms and conditions as are applicable for sanction of similar advances by the Government of India.

### **CHAPTER – VII**

#### **POWERS OF DIRECTOR GENERAL**

33. The Director General of the Institute shall exercise as head of department, the powers as prescribed by the Rules of National Institute of Agricultural Extension Management (MANAGE) and by these laws and such other powers as may be delegated to him by the Executive Council from time-to-time.
34. The Director General may delegate any of the power vested in him under these bye-laws to any of the officers of the Institute provided that no powers are delegated in respect of ;
- (a) Incurring of Capital Expenditure of any other nature not provided for in the approved budget;
- (b) Re-appropriation of funds;
- (c) Write-off of losses; and
- (d) Incurring of capital expenditure on purchase of Furniture and Office Equipment costing more than Rs.25 thousands, in each individual case.

35. The National Institute of Agricultural Extension Management (MANAGE) (Financial) Bye-laws will come in to force from the date of approval by General Council.

Provided that any order issued, any action taken or any powers exercised before coming into force of the National Institute of Agricultural Extension Management (MANAGE) (Financial Bye-Laws), and all sanctions, order, declaration or other action taken before the commencement of these bye-laws shall continue to be operative and in force even after the commencement of these bye-laws, unless specifically cancelled or revoked by the authority who accorded such sanction or took such action.

**COMMENTS ON THE DRAFT FINANCIAL BYE-LAWS OF MANAGE**

Chapter-II( - Preparation of Budget Estimates Bye-Law 3(b) :

The word “Annual” should be substituted by “Actual”.

Bye-Law-VI, Page-4 :

The following may be added after “in the approved budget”

“Or any item not approved by the Competent Authority under these Bye-Laws”

Chapter-IV – Accounts and Audit Bye-Law 22, Page-14 :

The word “Comptroller” may be substituted in place of “Controller” in forth line of the Bye-Law.

Chapter-V – Security Deposits, Bye-Law 29, Page-16 :

The following may be added below 29 (a) :

The acceptance of these securities shall be governed by the same conditions as are applicable in the Government of India.

Chapter-VI, Bye-Law-31, Page-18 :

The proviso below sub-para (iii) is applicable to all the sub-paras (i), (ii) and (iii)

Chapter-VII, Bye-Law 34, page-29 :

The following may be added as 34 (a) : Incurring of Capital Expenditure of any other nature not provided for in the approved budget.

Chapter-II, Preparation of Budget Estimates, Bye-Law 7(a)(i) page :

In case of excess expenditure over the original estimates of the sanctioned scheme up to 10%, a report to the Executive Council may be stipulated and submitted.

Chapter-II, Preparation of Budget Estimate, Bye-Law 10 (b), page :

The system of reporting additional expenditure suggested with reference to rule 7 can be considered in respect of the proviso to Rule 10 (b).

Chapter-VI, Bye-Law 31 (ii), Page-18 :

It is felt House Building Allowance is not for the repair of Houses; therefore bye-law 31(ii) may be suitable modified.

Chapter-VII, Bye-Law-33, page-19 :

The word “THAT” appearing in the 2<sup>nd</sup> line of Rule 33 may be deleted.

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