

# **NATIONAL INSTITUTE OF RURAL DEVELOPMENT**

Rajendranagar, Hyderabad - 500 030.

## **FINANCIAL BYE-LAWS**

Under Rule X(vii) of the Rules of the Institute, 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 Rural Development (Financial) Bye-laws.
- (b) They shall be deemed to have come into force on the 1st November, 1956.

### **CHAPTER II**

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

##### **General Procedure**

2. Not later than 1st September of each year, the Dean shall have prepared detailed budget estimates of receipts and expenditure for the ensuing financial year. The Dean shall submit the budget estimates in the first instance to the Finance Committee in the first week of September and then to the Executive Council together with the recommendations of the Finance Committee in the 2nd week of September in each year. Budget estimates as finally accepted by the Executive Council will be placed before the General Council of the Institute in the third week of September at the time of Annual Meeting. The approved budget shall be submitted to the Government of India in the first week of October for sanction of Government grants.

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

3. (a) The estimates will be prepared in the prescribed forms to show the annual estimates of income and expenditure under various heads of accounts (Heads of classification to be fixed according to the source of income and main heads of expenditure; the suggestions, if any, of the Government of India in this regard, shall be taken into account).
- (b) The estimates shall include:-
  - i) Actual receipts and expenditure of the preceding year in round rupees;
  - ii) Original budget estimates for the current year;
  - iii) Revised budget estimates for the current year rounded to the nearest hundred rupees;
  - iv) Proposed budget estimates for the ensuing year rounded to the nearest hundred rupees; and
  - v) explanation of the variations between budget estimate and the revised estimate.

### Amendments as approved by Government of India

Director General and the sponsoring agency and (ii) consultancy training programmes (training programmes, seminars or workshops or any variant of these organised by the Institute with the approval of the Director General on the request of (1) any agency other than the Ministries and Departments of the Government of India, State or Union territory government or (2) 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 utilised direct to meet expenditure or kept apart from the account.

No new scheme of expenditure shall be included in the Budget unless it has been specifically approved by the Executive Council.

### COMMUNICATION OF THE ESTIMATES

After the estimates have been finally approved by the General Council of the Institute a copy of the sanctioned estimates shall be sent to the Comptroller and Auditor General of India or any person authorised by him and to the Department of Community Development, Ministry of Food, Agriculture, Community Development and Cooperation, Government of India, New Delhi for sanction of Government grants.

### APPROPRIATION

5. The funds of the Institute shall not be appropriated for expenditure on any item which has not been approved by competent authority under these Bye-laws.

7. The funds provided in the sanctioned estimates shall be deemed to be at the disposal of the Dean, who will have full power to appropriate sums there from to meet expenditure on each item which has been approved by the competent authority.

8. For purposes of financial control, the allotment shall be divided into main heads known as units of appropriation. The primary units of appropriation will ordinarily be as per Appendix. The General Council may, on the advice of the Government of India make changes in the list of units of appropriation.

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

9. (a) Within the Budget allotments, the Dean and any other officer or officers of the Institute may sanction the incurring of expenditure, subject to the limits of powers conferred on them from time to time by the Executive Council.

(b) A sanction to expenditure will not become operative until funds have been provided to cover it.

10. The Dean may sanction within the primary unit an additional grant for any approved scheme upto the following financial limits:

- |     |   |     |           |
|-----|---|-----|-----------|
| i)  | Where the cost of the approved scheme is Rs.50,000 or below | ... | Rs. 5,000 |
| ii) | Where the cost of the approved scheme exceeds Rs.50,000     | ... | Rs.10,000 |

Provided such grant is not inconsistent with the nature and object of the scheme itself and is also not more than 20% of the cost of the approved scheme. The additional grant thus sanctioned will be reported to the Executive Council by the Dean.

11. (a) The Dean shall have powers within the scope of the allotment to re-appropriate funds from the primary unit of appropriation to another provided the item of expenditure does not exceed Rs.10,000/- and the re-appropriation has not the effect of increasing the original grant by more than 10%.

Provided that no re-appropriation can be made which has the effect of increasing the total provision for pay of officers and pay of establishment.

12. The Dean may re-appropriate funds from one secondary unit of appropriation to another within a primary unit.

13. The Dean shall have powers to sanction non-recurring expenditure of an emergent and inescapable character not exceeding Rs.10000/-. The expenditure so incurred shall be placed before the Executive Council at its next meeting.

14. Except as provided for in Bye-law 13, no expenditure on items not provided for in the Budget shall be incurred without the prior approval of the Executive Council.

#### CONTRACTS

15. All contracts shall be executed on behalf of the Institute by the Dean provided that the Executive Council may authorise any officer or officers of the Institute to execute contracts involving a financial consideration not exceeding Rs.10,000/-.

16. The Dean may finally approve the form and substance of all contracts involving consideration not exceeding Rs.10,000/-.

17. The draft of all contracts involving financial consideration exceeding Rs.10,000/- shall be submitted to the Legal Adviser of the Institute for his advice as to the correctness of their form. If the consideration exceeds Rs.50,000/-, the Finance Committee shall also be consulted. Such contracts as are not covered by bye-law 15 will require the approval of the Executive Council before execution.

#### INVESTMENT

18. 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 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.
- (d) In such other manner as the Executive Council may authorise.

All investments of the funds of the Institute shall be made in the name of the Institute. All purchases, sales or alternations of such investments shall be effected on the authority of the Dean; and all contracts, transfer deeds or other documents necessary for purchasing, selling or altering the investments of the Institute's funds shall be executed by the Dean. The safe custody of these documents will remain in the personal charge of an officer authorised by the Dean in this behalf and will be verified once in six months with the Registrar of Securities maintained under this bye-law and a certificate of verification will be recorded by the Dean.

#### **DRAWAL OF FUNDS**

- (a) The D.G. of the Institute will be the drawing officer of the Institute funds and funds will be drawn from the bank by the D.G.
- (b) The Executive Council may authorise any other officer of the Institute who may in the absence of the D.G. act as drawing officer.
- (c) Where the amount to be withdrawn does not exceed Rs.2,000/-, such withdrawal may be made under the signature of an officer authorised by the D.G. to do so. A weekly statement of amounts so withdrawn shall be submitted to the D.G.
- (d) Cheque books will remain in the personal custody of the officer authorised by the D.G.

### **CHAPTER III**

#### **FINANCIAL MANAGEMENT AND CONTROL**

##### **Receipts and Payments**

- (a) All moneys shall be received in the name of 'National Institute of Rural Development' and shall without undue delay be credited in full into the account of the Institute kept at the State Bank of India, Hyderabad. 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 organisation and with financial assistance towards the cost of the research studies as may be settled between them.

23. All monetary transactions shall be entered in the Cash Book as soon as they occur and attested by the officer authorised by the D.G. in token of check: The Cash Books shall be closed daily and completely checked and attested by the said officer. At the end of each month, the officer in charge shall verify the totalling in the Cash Book, check up the balance in the Cash Book with the actual cash on hand and record a signed and dated certificate to that effect. He shall also carry out a surprise check occasionally of the cash on hand record the result of the check.
24. When money are paid into the Bank the Officer in charge shall compare the Bank's receipts on the challan or in the pass book with the entries in the Cash Book before attesting it and satisfy himself that the amounts have been actually credited into the Bank. The balances shown in the monthly statement received from the Bank should be reconciled with the balances in the Cash Book and suitable reconciliation statement recorded in the Cash Book.
25. A receipt shall be granted to the payer for each receipt of money. The receipt shall be signed by the Officer in charge or other authorised officer who shall satisfy himself at the time of signing the receipt and initialling its counterfoil that the amount has been properly entered in the Cash Book.
26. The blank receipt books shall be kept under lock and key in the personal custody of the Registrar or other officer authorised by the D.G., and a record of the books in stock and brought into use from time to time shall be kept in a register over the initials of the officer in charge or other authorised officer. Counterfoils of used Receipt Books shall also be kept in the personal custody of the officer in charge or other specified officer.
27. All payments on behalf of the Institute shall be made by cheques except for petty sums not exceeding Rs.200/- which may be made in cash from the amount of imprest sanctioned for the purpose.
28. All payment by the Institute shall be made on bills or other documents duly prepared and passed for payment by a pay order by the D.G. or such other officer as may be authorised in this behalf.
29. The Finance Officer of the Institute shall be responsible for the proper maintenance of all accounts of the Institute and the D.G. shall be generally responsible to the Executive Council in this respect.

## CHAPTER IV

### ACCOUNTS AND AUDIT

30. The Accounts of the Institute will be maintained by the D.G. in the manner and the form prescribed by the Government of India or in these bye-laws. In this, he will be assisted by the Finance Officer.
31. The primary accounts of the Institute shall, unless otherwise directed by the Government of India, be maintained in the following register under the prescribed forms:

- 1) Cash
- 2) Grants-in-aid from Government
- 3) Contributions from other sources
- 4) Other receipts such as sales of publications, etc.
- 5) Pay of Officers and Establishment
- 6) Travelling Allowances
- 7) Dearness Allowance, H.R. and C.A.

- 8) Other charges, such as contingencies, leave salaries, pensions and Contributory, Provident Fund contributions, etc.
- 9) Contributory Provident Fund Accounts of the employees
- 10) Securities and other Capital Investments
- 11) Stock of cheque books
- 12) Stock of receipt books
- 13) Stock of furniture and office equipment
- 14) Stock of stationery
- 15) Stock of publications
- 16) Register of buildings and other immovable property
- 17) Library accession register
- 18) Miscellaneous stocks, and
- 19) Other registers prescribed from time to time by the D.G.

2. The accounts of the transactions for each month shall be compiled by the Finance Officer in a monthly abstract of receipts and payments under the prescribed heads of accounts. The monthly abstract will show the figures for the current month as well as progressive totals to the end of the month. This abstract will be submitted to the D.G. monthly for review.

The Finance Officer will apply a check of the nature of pre-audit to all payments from the funds of the Institute and will maintain an observation/objection book in which he will record all observations/objections which he may raise against the proposed expenditure. This book should be submitted to the D.G. with the replies of the officer-in-charge of the Administration, for recording his orders thereon. Payments on such items shall only be made if D.G.'s orders permit them.

3. The Auditors of the Institute will be the Comptroller and Auditor General of India or any person authorised by him in this behalf. It will be the right of the Auditors to bring to the notice of the Executive Council of the Institute any expenditure from the funds of the Institute incurred in contravention of the Memorandum of Association or of the Bye-laws (if the reply of the D.G. is not satisfactory to the Auditors).

4. On the written request of the Auditors, the D.G. shall cause to be produced for their inspections or for any officer deputed by them in this behalf, any books, accounts, vouchers and other necessary documents and papers pertaining to the Institute.

#### ANNUAL ACCOUNTS AND RESULTS OF AUDIT

5. As soon as practicable, after the accounts for a given year are closed but not later than end of June, the Dean (Director General) will cause to be compiled and prepared the annual accounts for the preceding year of the funds of the Institute, showing:

1. Receipts and Payments Accounts;
2. Income and expenditure accounts; and
3. Balance Sheet

He shall submit the annual accounts duly prepared by him to the auditors of the Institute for audit.

6. The accounts of the Institute will be audited annually by the Auditors. The cost of the audit undertaken by the Institute's auditors will be charge on the funds of the Institute and shall be payable by the Institute to the Comptroller and Auditor General of India.

37. The Auditors will then prepare an annual audit report on the accounts of the Institute including the audited accounts which will contain such comments, general or special, as they may consider necessary on the financial position of the Institute and on the results of their audit. They shall then show their audited report to the D.G. of the Institute for acceptance of facts.

38. On receipt of the Audit Report together with the audited accounts and the balance sheet, the Executive Council will submit the same to the General Council of the Institute for consideration. The observations of the General Council will be communicated to the Ministry of Food, Agriculture, Community Development and Cooperation along with a copy of the Audit Report. The Auditors shall also forward a copy of their report direct to the Ministry (of Food, Agriculture, Community Development and Cooperation, Government of India).

## CHAPTER V

### SECURITY DEPOSITS

39. A private person or firm contracting with the Institute to supply stores, render services or to execute a work shall be required to furnish security for the due fulfilment of the contract. A suitable provision shall be incorporated in the agreement. The security shall be in the form of:

- 1) Cash
- 2) Post Office, Cash Certificates, National Saving certificates, National Plan Saving certificates
- 3) Promissory notes/stock certificates of Government
- 4) P.O. Savings, Bank Pass Books
- 5) Deposit receipts of scheduled banks; or
- 6) Fidelity bond from Insurance companies in form prescribed by Government (in the case of Government servants only).

The security deposits shall be deposited with the tender documents and pledged in favour of the D.G. The custody of securities and other bonds shall be with the D.G. or any other officer authorised by him in this behalf. Security Deposits taken from an employee of the Institute shall be retained for six months from the date he vacates his post but a security bond shall be retained permanently or until it is certain there is no further necessary for keeping it.

No saving deposit shall be repaid or retransferred to the Depositor or otherwise disposed of except in accordance with the terms of his security bond or agreement. While returning any security to the depositor the D.G. or the officer authorised by him shall invariably obtain his acknowledgement duly signed and witnessed.

40. The cashier and the Store Keeper shall furnish such security deposit either in the form of "Fixed Deposit Receipt" drawn on any Scheduled Bank of India, or National Savings Certificate or National Plan Bonds pledged in favour of the Dean, or Fidelity bond from an Insurance Company for such sum as may be decided by the Dean: The Security Deposit shall remain with the Institute and shall be released to expiry of six months from the date and Cashier/Storekeeper ceases to be so employed unless it is withheld by the order of the D.G.

## CHAPTER VI

41. Loans for the purchase of motor cars, motorcycles/scooters and bicycles may be sanctioned by the D.G. to the employees of the Institute under the same terms and conditions as those applicable to Central Government servants. Relevant registers for payments and recoveries of such advances will be maintained by the D.G.

12. The D.G. can sanction an advance on the eve of important festival or on other occasions as sanctioned by Government of India to its employees. The sanction of advance shall be subject to same terms and conditions laid down by Government of India from time to time.

## **CHAPTER VII**

### **POWERS OF D.G.**

13. The D.G. of the Institute shall exercise powers as prescribed by these bye-laws and such other powers as may be delegated to him by the Executive Council from time to time.

14. The D.G. may delegate any of the powers 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) Re-appropriation of funds from the secondary unit or to another under a primary unit or from one primary unit of appropriation to another;
- (b) incurring of capital expenditure on purchase of furniture and office equipment for more than Rs. 10,000/- in each individual case.
- (c) incurring of capital expenditure of any other nature such as buildings, vehicles, etc., and
- (d) write-off of losses; Exercise of the powers delegated are subject to observance of the budget provision as approved by the D.G. under the relevant sub-head and detailed heads of account.

