

Annexure-VI

EXISTING PROCEDURE FOR VOLUNTARY AGENCY PROPOSALS

- Voluntary Agencies (VAs) which are in existence for at least last 3 years preceding the year of application, would be eligible under the scheme. The VAs should have their accounts audited by Chartered Accountant, atleast for last 3 years are eligible for applying for EGS & AIE projects.
- The eligible VAs are required to submit their application in a prescribed form, (copy of the form being used currently, is enclosed).
- The applications together with the relevant supporting documents, should be examined by a Pre-Sanction Appraisal Committee (PSAC) constituted by the State Society for this purpose. The Committee members should be conversant with the strategies of EGS & AIE.
- After PSAC has given its recommendation (format current in use is available with the State Governments), the proposal should be placed before the Grants-in-Aid Committee, which will be constituted as per the guidelines being issued to all the State/UT Governments.

Release of funds

Grants to the Voluntary Agencies for running the centers should be released in 2 instalments.

After approval of a project and receipt of intimation from the Voluntary Agency regarding commencement of the project, first instalment of grant may be released to the agency to facilitate setting up of the centers etc. Thereafter, next instalment of grants can be released on production of the following documents:-

1. Quarterly Progress Report for all the past quarters;
2. Written request for release of grants, *inter-alia* intimating that 75% or more of the grant already released have been spent.

For release of grants for the subsequent years, the Voluntary Agency has to provide the following documents:-

1. Audited accounts which should consist of (i) Utilisation Certificate (ii) Balance Sheet (iii) Receipt and Payment-Statement and (iv) Income and Expenditure Statement as well as Auditors Report;
2. Annual Progress Report;
3. QPRs of any of the quarters for which such documents has not yet been submitted;
4. Written request for release of grants.

The grant sanctioning authority should examine the Utilisation Certificates and other documents to see that the grants already released from the preceding year has already been utilized during the stipulated period, **for the purpose for which it was sanctioned**. While examining the Utilisation Certificate it should be carefully examined that the Utilisation Certificate give intimation regarding actual receipt of all the instalments pertaining to the project period to which the audited accounts relates irrespective of date of release of such instalments. The UC should also indicate the total of expenditure incurred by the agency for the project during the particular period. Before sanctioning release of the subsequent grant, the grant sanctioning authority should issue an Utilisation Certificate in the format enclosed.

Details of all income and expenditure should be mentioned in the Income and Expenditure Statement on accrual basis and Receipt and Payment Statement on actual basis. Expenditure incurred on assets should be indicated in the Receipt and Payment Statement, as also mention of the assets created should be made in the Balance Sheet.

While examining the audited accounts of the agency, it should be made sure that the norms fixed expenditure to be incurred on non-negotiable postulates are not breached. Details regarding payment made to a Voluntary Agency should be entered, project-wise into a payment register project-wise against the name of the agency.

On receipt of a Sanction and before actual release of grants, the agency should give an undertaking that they will abide by the terms and conditions of the sanction of the agency to act as authorized signatory on behalf of the agency. The agency should also be asked to produce a bond for the entire amount of grant pertaining to a project year. During the currency of the project period, only those documents from the agency should be accepted, which are signed by the authorized signatory.

Reference to Central Government under EGS and AIE

The project proposals where per child cost is more than the norms indicated in the guidelines and all proposals having innovative initiatives and regarding setting up of district resource units (DRUs), will be required to be referred to the Central Government, pending therewith recommendations of the PSAC and the State Government Concerned.

Release of grants to the Voluntary Agencies for running DRUs will continue to be the responsibility of this Department.