

**BY-LAWS OF THE ASSAM SOCIETY FOR COMPREHENSIVE FINANCIAL
MANAGEMENT SYSTEM (AS-CFMS)**

I. Short Title, Extent and Commencement:

1. These shall be called as By Laws of the Assam Society for Comprehensive Financial Management System (AS-CFMS).
2. They shall extend to all the activities of the AS-CFMS.
3. They shall come into force with effect from the date of adoption by the AS-CFMS Governing Body.

II. Definitions and Abbreviations:

In these bylaws the following abbreviations are used:

1. "Administrative Department" or "AD" means the Administrative Department of the Implementation Agency
2. "AWP" means the Annual Work Plan.
3. "DDO" means Drawing and Disbursing Officers of the implementing Agency.
4. "FY" means the Financial Year.
5. "GB" means the Governing Body of the AS-CFMS.
6. "HoD" means Heads of Department of the Implementing Agency/s of Govt. of Assam.
7. "EC" means the Executive Committee of the AS-CFMS.
8. "PIU" means the Project Implementation unit.
9. "SPD" means State Project Director of the AS-CFMS.
10. Other terms used in the by-laws will have the same meaning as assigned in the Memorandum of Association or the Rules and Regulation of AS-CFMS.

III. Financial Aspects:

1. SPD, with approval of the President, AS-CFMS, shall have the powers to open Bank Accounts, as may be necessary, in any Scheduled Commercial Bank(s) only in the name of the AS-CFMS. All the Bank Accounts opened shall be placed before the EC in the immediately next meeting for appraisal of the members.
2. All these accounts shall be operated under the joint signatures as approved by the President.

IV. Preparation and Approval of AWP & Issuance of administrative Approval (AA):

1. The Annual Work Plan (AWP) for a FY including planned activities which have been accorded technical sanction by the implementing agency or in respect of which Project Reports of AS-CFMS are available for the implementing Departments concerned for a year is to be submitted by the Administrative Department to the SPD, AS-CFMS by 31st October of the year preceding the FY. The format and contents of the AWP will be prescribed by the AS-CFMS.
2. SPD shall review all the individual AWPs and shall consolidate these into AWP of the society and present these before the meeting of the EC with his/her recommendations. EC shall review the consolidated AWP and the individual AWPs, if needed, and shall accord its approval with or without modifications. The consolidated AWP as approved by the EC shall then be placed in the immediately next meeting of the GB for approval.
3. Based on the approval of the AWP by GB, General Administrative Approval (AA) to all the programs/activities on the AWP will be accorded by the SPD of AS-CFMS to each implementing agency.
4. On approval of the AWP by GB, the Implementation Agency(s) shall be competent to do procurement for activities included in the approved AWP.

5. However, procurement actions may be initiated by the line departments/agencies ahead of approval of AWP by GB, but after approval of President, EC.
6. Procurement shall be done as per the Guidelines of the AS-CFMS projects in general in as much as these are framed not inconsistent with the procurement guidelines of the project financing agencies like World Bank, ADB etc. who are funding the specific projects.
7. For various training programs outside the state for officials of the implementing agency(s) under the AS-CFMS, approvals and coordination of the same by the AS-CFMS shall follow the following norms:
 - a) All proposals relating to officials below Director Level other than the HoDs, of the implementing agencies for training/exposure/study tour outside the State agreed under AS-CFMS projects/annual Training Plan approved in the AWP should be submitted by the HoDs through the SPD to the President, Executive Committee, AS-CFMS for approval along with a list of officials proposed for such training outside the State. President however may consult the concerned Administrative Commissioner/Secretary, if need be.
 - b) In case of HoDs proposing themselves for training outside the State, the proposals shall come to the SPD, AS-CFMS for obtaining approval of President, Executive Committee, AS-CFMS and Chief Secretary to the Government of Assam. However, the HoDs shall obtain the approval from their administrative head (Commissioner & Secretary) before moving AS-CFMS for such proposals.

V. **Sanction Procedure:**

1. Based on the Administrative Approval (AA) accorded to the programs/activities included in the AWP, HoDs will move the AS-CFMS directly for sanction as per the items listed in the AWP for which AA has been accorded.
2. However, sanction for activities which are not included in the approved AWP for whatsoever reason, shall be routed through the Administrative Department. The AA/Sanction to such activities shall however be accorded by the SPD with approval of EC, if the amount is more than Rs.10,00,000 (Rupees ten lakh). In other cases, SPD with approval of President, EC shall be competent to issue AA/Sanction to such activities. Such AA/Sanction proposals shall however, either be based on the provisions in the AS-CFMS projects or with specific approval of the Project Funding Agency. The amended AWP shall then be placed in next GB meeting for post-facto approval.
3. For the programs included in the approved AWP for AS-CFMS projects, Financial Sanctions shall be accorded as per the delegation of financial powers delineated below:
 - a) All programs upto Rs.1,00,00,000/- (Rupees one crore) shall be sanctioned by the SPD, AS-CFMS.
 - b) All programs above Rs.1,00,00,000/- (Rupees one crore) and upto Rs.10,00,00,000 (Rupees ten crore) shall be sanctioned by the SPD only after the approval of the President, AS-CFMS.
 - c) All the programs above Rs.10,00,00,000/- (Rupees ten crore) and upto Rs. 25,00,00,000/- (Rupees twenty five crore) shall be sanctioned by the SPD only after approval of the Executive Committee which shall meet as and when required.
 - d) All sanctions above Rs.25,00,00,000/- (Rupees twenty five crore) and upto Rs. 50,00,00,000/- (Rupees fifty crore) shall be sanctioned by the SPD only after the approval of the Chairman, AS-CFMS.

- e) All sanctions above Rs. 50,00,00,000/- (Rupees fifty crore) shall be placed before the GB for its approval. However, the GB shall be at liberty to delegate financial powers to the Chairman (Chief Minister) or President (Chief Secretary).
- f) Subject to 'Delegation of Financial Powers' (DFP) Rules of the Government of Assam, individual schemes upto Rs.10,00,000 (Rupees ten Lakh) may be sanctioned by the Head of implementing agency/s associated with the AS-CFMS projects with confirmed intimation to the SPD (in the form of a sanction order). HoDs however shall accord the sanction strictly as per the standard format to be circulated by the SPD. For this purpose, AS-CFMS shall issue necessary circulars declaring the authorized HoDs to issue such Financial Sanctions under AS-CFMS and also prescribing the detailed norms to be followed by the HoDs, while according such sanctions.

VI. Procedure for Management of funds:

- a) **Linking to Utilization:** The release of the funds from AS-CFMS in installments to various implementation agencies shall be linked to the utilization of funds released to them in the previous installments, either in the form of Utilization Certificate (UC) in case of State funded CFMS-Projects or through Statement of Expenditure in case of Externally Aided CFMS-Projects (EAP) including a statement showing commitments/liabilities, and projections.
- b) **Fund Flow to the implementing entities/agencies of the CFMS-Projects:**
 - i. The AS-CFMS would disburse/authorize the funds to the duly opened dedicated Bank Accounts of the duly identified Field

Officers (DDOs) of the State Government responsible for the implementation of the individual CFMS-Projects, under parent-child banking system. Fund shall be released/authorized to the Child Accounts directly by the AS-CFMS with intimation to the Commissioner and Secretary of the Administrative Department and DDOs shall submit the original vouchers to AS-CFMS.

- ii. **Parent-Child Banking System:** For efficiency of management of funds, the AS-CFMS would follow the Parent-Child banking system, under which the commercial bank accounts of the implementing entities/agencies of the CFMS-Projects would be the Child Accounts and the respective commercial Bank accounts of the individual CFMS-Projects, maintained by AS-CFMS would be the Parent Accounts.
- c) The grants-in-aids released to the AS-CFMS for implementing activities of the CFMS-Projects by the implementing entities/agencies shall not be diverted for establishment expenditure of the AS-CFMS. The AS-CFMS shall obtain grants-in-aid for establishment expenditure separately out of the funds earmarked for establishment expenditure budgeted under Finance Department.
- d) The AS-CFMS shall be responsible for submission of Utilization Certificate for the Grants-in-Aids released to it, in the form of Utilization Certificate (UC) in case of State funded CFMS-Projects or through Statement of Expenditure in case of Externally Aided CFMS-Projects (EAP) showing reimbursement claim submitted to the funding agency of EAP, including a statement showing commitments/liabilities, and projections.

- e) Any interest earned by the AS-CFMS on un-utilized funds will be utilized by AS-CFMS for activities within the AWP or even outside the AWP by adhering to the sanction procedures accordingly.
- f) Since disbursement of funds from AS-CFMS shall happen through parent-child banking system, SPD shall ensure that the Accounts of the funds received and disbursed are maintained centrally within the AS-CFMS. Original bills, vouchers, sanctions and supporting documents will be submitted by DDOs to the AS-CFMS within 10 days from close of the month or at the time of requisition of funds, whichever is earlier.

VII. Sanctions and Expenditures of AS-CFMS:

1. SPD, AS-CFMS shall have the powers to sanction and release payments for individual expenditure upto Rs.20,00,000/- (Rupees Twenty Lakh).
2. For individual expenditure above Rs.20,00,000/- (Rupees Twenty Lakh) and upto Rs 50,00,000 (Fifty lakhs) SPD, AS-CFMS shall sanction and release payments after approval of the Vice President, Executive Committee.
3. For individual expenditure above Rs.50,00,000/- (Rupees Fifty Lakh) SPD, AS-CFMS shall sanction and release payments after approval of the President, Executive Committee.
4. SPD, AS-FCMS shall have full powers in respect of drawl of salaries and travelling expenses within the country for the establishment of the society. For her/his own travel outside the states, SPD shall obtain the approval of the President, Executive Committee. For travel outside the country, existing procedures of the Government of Assam shall be followed.

VIII. Audit and Accounts:

1. The SPD shall maintain or cause to be maintained proper accounts of the AS-CFMS based on generally accepted accounting standards and principles.
2. A firm or firms of Chartered Accountants will be appointed to conduct the Internal Audit of the AS-CFMS on terms of reference approved by the EC.
3. The annual accounts of the society, expenditure related to the funds released by AS-CFMS, shall be audited by Independent External Auditors of the AS-CFMS hired by Society (registered, reputed, professional auditing agency, Chartered Accountants), within such time and on terms of reference approved by the GB.
4. The Annual Accounts of the expenditure in this regard may also be audited by the Accountant General, Assam.
5. The SPD will prepare an Annual Report of the performance and activities of AS-CFMS and publish it after approval of the EC.

IX. **Amendments:** These By-Laws can be amended with the approval of the Executive Committee through a resolution passed in a meeting. The approved amendments will be placed before the next meeting of the Governing Body.
