



Policy and Procedures

for

**Revision of Demand List and Inter-Schools Transfer of
Conditional Grants Funds from PTC Bank Accounts**

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SCOPE OF POLICY & PROCEDURES

This policy and procedures are limited to the Conditional Grants funds at the District level, covering revision and adjustments in conditional grants funds of pre & post release of funds to Parent Teacher Councils for provision of missing facilities in schools. This policy is to be followed only if the Re-adjustment of Conditional Grant funds is required. The policy and procedures does not relate to any other matter of conditional grant

This policy is established to ensure consistency across the Khyber Pakhtunkhwa in the revision/adjustment process with regards to funds released for construction of missing facilities in all categories of schools working under the administrative and functional control of Elementary & Secondary Education Department of the province. In spite of extreme care and diligence in allocation of funds to various schools, cost duplication and cost overlapping still occurs; therefore, this policy & procedure are devised to provide requisite flexibility to district education offices, so that funds can be protected from wasteful expenditure or lapse by the end of financial year.

EXISTING ACCOUNTING ARRANGEMENTS FOR ALLOCATION AND RELEASE OF CONDITIONAL GRANTS FUNDS

1. E&SED send request to FD for release of CG funds

The funds for Conditional Grant are allocated under Grant 39 – “District Non Salary”. Once the list of schools is finalized by ESED for the release of funds, a request is sent to Finance Department for the release of funds. The request is made through a letter mentioning district wise funds to be released.

2. PFC (FD) issue letter to State Bank of Pakistan, Karachi to transfer the funds from A-I to A-IV of respective districts

ESED compiles district-wise list of schools containing number and cost of missing facilities to be provided in a certain year. Provincial finance department releases funds to district governments for further release of conditional grants funds to concerned District Education Offices. This is done by sending a letter to the State Bank with a request to transfer the funds from the provincial Account I to Account IV of the respective districts.

3. E&SED shares FD release letter and district wise breakup with all relevant districts

On the release of funds to district government, ESED also shares the list of schools with DEOs to whom funds are transferred. DEOs request DOFP/Deputy Commissioner for allocation and release of funds to the concerned Cost Centers/DDOs. On approval by DC, conditional grant funds are being released to concerned cost centers as requested by DEO.

4. Approval of allocated funds from District Council

Upon the receipt of the letter from the State Bank and Finance department regarding the release of funds, the District F&P will request the Deputy Commissioner for the approval of the same. The DC of the concerned district request the District Nazim for the approval of the supplementary grant from the District Council. When the approval is received from the District Council, the office of DC issues a release approval letter to the District F&P.

5. Punching of allocated funds to education heads by district F&P after seeking formal approval from DC

Funds are transferred to the DEO account under the budget head “A03970- Others”. The District F&P after receiving the release approval intimates the District Education Office (DEO) that the funds for Conditional Grant are released. It would also request to submit the list of schools with allocations for the funds to be transferred to PTC accounts.

6. F&P Scrutinizes list of schools provided by DEO

DEO/concerned DDO submits a simple receipt bill to AG/DAO with supporting list of schools containing bank a/c details and amount of funds to be released to PTC. The list is scrutinized and final list is submitted to DC office for approval.

7. Sanction/Release issued by DC on list of schools

The DC office approves the list already scrutinized by the District F&P and issues the sanction letter for the final list of schools which are to receive the Conditional Grand funds.

8. Approved PTCs list is submitted to DAO for processing

The approved PTC list along with their Bank details is submitted to the District Account Office/AG Office by the DEO for further processing.

9. The AG/DAO issues bank wise Cheques along with list of PTC/schools, Account title and amount

AG/DAO make direct transfers to PTC bank accounts or issue cheques in the name of PTCs against the final list.

10. DEO collects the Cheque from AG/DAO and submit to relevant banks for further transferring of fund to relevant PTC account

When cheques are received from the DAO/AG Office, the DEO submits all the cheques to banks for funds to be transferred.

11. Release of funds to PTC bank accounts from by DAO

DEO submits a simple receipt bill to AG/DAO with supporting list of schools containing bank a/c details and amount of funds to be released to PTC. AG/DAO make direct transfers to PTC bank accounts or issue cheques in the name of PTCs.

12. If any re-adjustment is to be made, P&D (Education) concerned will seek approval from the Directorate and DC office

If after the release of Conditional Grant funds to the PTCs, any re-adjustment of funds is required, the DEO has to get the approval of ESE Directorate as well as the DC office.

INSTITUTIONAL ARRANGEMENT FOR REVISION OF DEMAND LIST AND INTER-SCHOOLS TRANSFER OF CONDITIONAL GRANTS FUNDS FROM PTC BANK ACCOUNTS

For review and approval of revision/re-adjustment of conditional grants fund in Districts, a Conditional Grants Fund-Readjustment Committee shall be constituted in the District Education offices with following composition and Terms of Reference:

Composition and Terms of Reference of Conditional Grants Fund-Readjustment Committee:

Composition:

- a) District Education Officer (Chairman)
- b) Deputy District Education Officers
- c) Sub-Divisional Education Officers(Concerned)
- d) Assistant District Education Officer P&D
- e) Budget & Accounts Officer (Secretary)

Terms of Reference:

- a) Committee is the sole approving authority of inter-school transfer of conditional grants funds in the district education offices
- b) Committee will be constituted and will carry out its work, only if there is a need of Re-adjustment of Conditional Grant funds. It will not be engaged in any other matter whether or not related to conditional grant.
- c) Committee shall meet immediately after two weeks of release of funds from Provincial Finance Department to District Government A/C IV and review list of schools provided by ESED Secretariat in support of conditional grants funds release and make revision on need basis accordingly keeping in view ground facts
- d) Committee shall meet after one month of release of funds from DAO to PTC to review progress of conditional grants funds and reasons for the savings/non utilization from the school. A list shall be prepared of schools where funds are no more needed and also identify a list of schools to transfer these unspent funds on case to case basis.
- e) Nominate SDEOs/ASDEOs at tehsil Level to supervise inter-school funds transfers through handing/taking of cross cheques between PTCs
- f) Submit reports to Director ESE and ESRU on conditional grants progress with updated list of school-wise revised funds transfers
- g) Committee will ensure that during the funds allocation to construction of missing facilities from the District ADP, the school list provided has not received funds previously from the provincial conditional grant programme. Only clear list of schools is to be provided for District ADP.

PROCEDURES FOR REVISION OF DEMAND LIST AND INTER-SCHOOLS TRANSFER OF CONDITIONAL GRANTS FUNDS FROM PTC BANK ACCOUNTS

The District Education Office (DEO) may need to make adjustment in conditional grants funds based on immediate requirements in different schools prior to release of funds or where funds released to a certain school are no more required either due to technical non-feasibility of construction or non-initiation of required work. Revision/re-adjustment of conditional grant funds at district education offices shall be made in two stages on need basis.

1. Revision of Demand List before release of Conditional Grant funds to PTCs
2. Inter-school transfers after release of Conditional Grant Funds to PTCs
3. Funds diversion from one facility to another within the same PTC

1. Revision of Demand List before release Conditional Grant to PTCs

The Conditional Grants Re-Adjustment Committee under chairmanship of DEO has the mandate to review pre & post release of funds activities and to make necessary adjustments for optimal use of the funds to provide missing facilities in schools. This committee, however, will be constituted only if there is a need of Re-adjustment of Conditional Grant funds. It will not be engaged in any other matter whether or not related to conditional grant. For the efficient disbursement of each conditional grants funds tranche from provincial government, DEOs should initiate and lead the process to proposed list by ESED Secretariat to make sure funds are allocated to the schools according to their need. Following mechanism shall be followed for review and revision of Schools list for funds release to PTCs.

Step-1: Sharing of ESED School list for Conditional Grant Tranche

Upon receipt of the Conditional Grant funds release letter from the E&SE department with supporting list of schools, the DEO shall circulate the release order along with schools list to the concerned committee members for review. List of primary schools and middle schools shall be reviewed respectively by SDEO and DDEO, for high/higher secondary schools DEO may assign this role to ADEO (P&D).

A timeline to two weeks to be provided to complete the verification and a meeting of Conditional Grant Fund-Readjustment Committee will be convened after that. The templates for the Summary of Facilities Surrender and Re-allocation Proposal (Annex-I), Facilities surrender List (Annex-II) and Facilities Re-allocation List (Annex-III) shall be used for review and revision of Schools List.

Step-2: Review of list by DDEOs/SDEOs/ADEO (P&D)

All the concerned DDEOs/SDEOs/ADEO (P&D) shall review Schools list falling under their jurisdiction and verify the requirement against the School Improvement Plans available at schools. They shall also ensure that the school has not been provided funds for the construction of the proposed facilities from any other source. A list on prescribed format (Annex-II) shall be compiled of all those schools where the requirement for the specified missing facility is not verified or not needed. Funds allocated to these schools shall be re-allocated to other schools in same jurisdiction where need has been identified or to be surrendered to Committee for re-allocation of these funds to schools falling other jurisdictions within the same district. DDEOs/SDEOs/ADEO (P&D) shall also prepare a new list of schools where funds re-allocation has been

proposed. All the concerned officers shall submit Summary of Facilities Surrender and Re-allocation Proposal (Annex-I), Facilities surrender List (Annex-II) and Facilities Re-allocation List (Annex-III) to DEO office within two weeks.

Step-3: Committee meeting

On receipt of proposal for revision/re-allocation, DEO shall convene a meeting to review and approve the revised proposals. Committee shall critically review the proposals for revision/re-allocation along with lists of facilities surrendered and re-allocation proposed. Committee shall mutually agree and approve the re-allocation proposal, in case of some funds remained un-allocated DEO shall allocate funds to most needy area.

Step 4: Approval of final list for disbursement

On approval of re-allocations by the committee, a new list of schools will be prepared by the District Education Office with detail of facility requirement and funds provided, and would be submitted to the Deputy Commissioner for approval and release of funds. DEO shall submit final list to E&SE Directorate and ESRU for record.

2. Inter-school transfers after release of Conditional Grant Funds to PTCs

It is pertinent to mention once again that the Conditional Grant Re-adjustment committee will be engaged only if there is a need of Re-adjustment of Conditional Grant funds. It will not be engaged in any other matter whether or not related to conditional grant. Once a robust scrutiny and revisions has been made by following the procedure mentioned in “*Revision of School List before release Conditional Grant to PTCs*” and funds transferred to PTC bank accounts, there is a very low likelihood that funds at school level may still need to be re-adjusted. In such case, following steps shall be followed;

Step-1: Progress review of Conditional Grant Funds

After the transfer of conditional grant funds to PTC accounts, DEO/DDEOs/SDEOs will monitor the construction work at regular interval to monitor the progress. If a school is unable to start construction work within two months of the funds transfer, concerned DDEO/SDEO/ADEO (P&D) shall inquire PTC for delay reason. In such case where issues are not resolvable, the concerned official shall make a list of such schools with delay reason and submit to DEO with a request to convene a committee meeting.

Step-2: Call for CG Fund-Readjustment Committee Meeting

On receipt of request for committee meeting, B&A Officer shall call for Conditional Grant Fund-Readjustment Committee meeting with a request to all member to submit their requests for readjustment if any. In case of readjustment is required, all the concerned members shall prepare proposed list of inter-school transfers on prescribed format (Annex-IV) and submit to DEO Office

Step-3: Committee meeting

Committee in its meeting shall review all inter-school transfer proposals containing schools list with facilities cost and number (if necessary) from where funds surrender being proposed and schools where funds to be transferred. All the inter-schools fund transfers shall be discussed and approved case to case basis. The approved list of inter-schools transfer of funds shall be prepared on prescribed format (Annex-IV).

Step-4: Preparation of cross cheques by PTCs

Based on approved list for inter-school transfers, concerned PTCs shall be directed to prepare cross cheque(s) in the name of specified school's PTC and submit to B&A Officer. In case of funds from a school will be transferred to more than one schools, PTC shall prepare separate Cross cheque for each receiving school. PTC shall hold photocopies all the cheques issued for inter-school transfer in their record.

Step 5: Handing/taking over of cheques and recording of transfer of funds

The record for all the inter-school transfer will be kept by the Budget & Account Officer on the prescribed format (Annex-V). B&O shall maintain copy of cheques issued to concerned PTC with signature of fund receiving PTC Chairman or Secretary.

3. Funds diversion from one facility to another with in the same PTC

If a PTC is provided funds for the construction of a missing facility, it is possible that the construction of another missing facility deemed more important by the PTC may be required utilizing the same funds. Under this scenario, the PTC has to seek approval from the committee prior to the start of construction. This can be done in the following steps;

Step-1: Requesting the concerned DEO/DDEOs/SDEO for the approval of the funds diversion

The concerned PTC would request the concerned DEO/DDEOs/SDEO through a letter for the approval of the diversion of CG funds from one facility to another.

Step-2: Call for CG Fund-Readjustment Committee Meeting

On receipt of request for CG Fund-Readjustment committee meeting, the respective manager would review the request, prepare a case and request the secretary (B&A Officer) to put this in the agenda of the committee meeting. The B&A officer would add the case of diversion of CG funds in the agenda.

Step-3: Committee Meeting

In the meeting, the committee shall review the case and approve based on the following conditions;

- The facility for which the diversion of funds is requested, is among the approved list of missing facilities set by the ESED for a financial year.
- To make sure the requested facility is not financed already in the last three financial years. For Additional Classrooms and Group Latrine, the committee will make sure if the requirement is justified through its enrolment.
- The cost of construction for the new facility does not exceed the cost of facility which was originally financed.

Step-4: Approval Letter

The committee based on the conditions mentioned in step 3, would approve the case submitted. The letter of approval will be sent to the PTC with a request of surrendering an excess amount left after the construction of the new facility. The excess amount, once surrendered, will be re-adjusted to another needy schools following the steps mentioned in scenario 2.

Record keeping for conditional grants at District Education Office:

Following record shall be maintained for conditional grants release to PTCs and inter-school transfer of funds:

- i. Notification of district level Conditional Grants Fund-Transfer Committee with defined TORs
- ii. Funds release order from provincial finance department to District Government A/C IV
- iii. Master list of schools from ESED for provision of funds for missing facilities for each tranche
- iv. Minutes of meeting and revised list of school in case of pre-release from DOFP & AG/DAO duly updated in Conditional Grants MIS
- v. Progress Reports containing reason for non-utilization of funds
- vi. Proposal by SDEOs/DDEOs for inter-school transfers including list of school from where funds to be transferred out and schools where funds to be transferred in with details of facilities;
- vii. Final approved list of inter-schools transfers to be made including details of amount and number of cheques to be issue by a certain school
- viii. Final list of funds transfers after handing/taking over of cheques; and
- ix. Availability of photocopy of each cross cheque issued for transfer with due acknowledgement of receipt from receiving schools with District Education Office. All schools surrendering or receiving funds should have Photostat copy of their relevant cross cheques with due acknowledgement of receipts.

ANNEXES

Annex-I: Summary of Facilities Surrender and Readjustment before Release of Funds to PTCs

Office of the.....

Conditional Grants Tranche Ref:

Date:

SUMMARY OF FACILITIES SURRENDER AND READJUSTMENT BEFOR RELEASE OF FUNDS TO PTCs

Description	CLASSROOM		ELECTRICITY		WATER		TOILET		BOUNDARY WALL		SOLAR PANEL		TOTAL AMOUNT
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	
Total Amount & Number of Facilities received from ESED													
Total Amount & Number of Facilities Surrendered													
Total Amount & Number of Facilities re-allocated													
Un-allocated Amount & Number of Facilities surrendered													

Name and Signature of the Official

Annex-II: List of Facilities Surrendered before Release of Funds to PTC

Office of the.....

Conditional Grants Tranche Ref:

Date:

LIST OF FACILITIES SURRENDERED BEFOR RELEASE OF FUNDS TO PTC														
EMIS	SCHOOL NAME	CLASSROOM		ELECTRICITY		WATER		TOILET		B WALL		SOLAR PANEL		TOTAL AMOUNT
		#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	
	Total													

Name and Signature of the Official

