

SI 8.10H: Fund to be released for expenditure incurred every month if installment payment is delayed

1. The process will be invoked if the following conditions are fulfilled:
 - a. PIA fulfils all the conditions for release of 2nd and 3rd instalment as per processes given in Chapter 3.
 - b. Instalment money is not released by the due date by SRLM in case of an AAP state and by CTSA in case of non AAP state.
2. Heads of expenditure eligible for payment in the event of delay in release of an instalment is:
 - a. Food and to & fro entitlement of non-residential candidates
 - b. Post placement support (PPS) to placed candidates
 - c. Salary of trainers, master trainers and Q team members
3. The money will be paid by CTSA in case of a YPS and SRLM in case of an APS. CTSA will inform MoRD and state SRLM and SRLM will inform the Department of Rural Development of the state, CTSA, MoRD while making the payment.
4. Money will be paid in two ways:
 - a. **On reimbursement basis:** PIA pays the money as per schedule and then claims a reimbursement.
 - b. **On due basis:** In this case, the amount to be paid is estimated and submitted to CTSA/SRLM as described in sections 8.10.2 and 8.10.4.1. The money will be released to the PIA who in turn pays the amount to individuals.
5. **Cut off limit to decide whether money is to be paid on reimbursement basis or on due basis:** The cut off limit is fixed at 2 % of the total project cost. 2% refers to the maximum balance in the government money that the PIA has in the previous month, e.g. - if the payment has to be made in March balance of February will be considered. The government money would include all the Govt. funds received by PIA for the project purpose including interest credited in the project account but would not include any funds brought by the PIA from any other sources.
6. The following table shows how PIA should regulate and pay the money if balance amount is insufficient.

Head	Priority if government fund is limited	On Reimbursement basis or due basis
Food and to & fro entitlement of non-residential candidates	1 st priority	On reimbursement basis as long as fund is above a cut off limit
Post placement support (PPS) to placed candidates	2 nd priority	If fund is less than cut off limit then on due basis
Salary of trainers/master trainers and Q team members	3 rd Priority	Always on reimbursement basis

7. Payments for months starting from the month in which request was made and till the month when instalment becomes due (excluding the month on which instalment is due) will be made in one lot. This will be on reimbursement basis as PIA is anyway expected to make the payment till the instalment due date.
8. Payment will be made on reimbursement basis for all the heads in point 2 till the balance in designated account falls below cut off limit. If the available fund is insufficient to meet the expenditure in the month priority given in Table above should be followed. Thus, PPS is paid only after to and fro and transport allowance is paid and so on.
9. To make payment when expenditure is incurred on reimbursement basis:
 - a. PIA will get it certified by the periodic auditor as per the monthly verification process.
 - b. The certified amount would be verified by SRLM/CTSA as the case may be and reimbursed
10. To make payment when expenditure is incurred on due basis (applicable only to candidates entitlements):
 - a. In this case the periodic auditor will certify the due amount to be paid to the candidates as per monthly verification process.
 - b. CTSA/SRLM as the case may be will release the money for payment to the PIA
 - c. PIA should make the payment to the candidates and give confirmation certified by the periodic auditor that the money is paid.
 - d. The calculation of delays in payment in this case will start after 5 working days from the day money is released by CTSA to the PIA.

11. Payments will be scheduled as follows:
 - a. Payments will be made from the next month of the month in which due date for release of instalment falls. For example, if due date for release of instalment is 25th March the payments will start from April.
 - b. Payments for months starting from the month in which request was made and till the month when instalment becomes due (excluding the month on which instalment is due) will be made in one lot. For example, if the instalment request is made in 5th January and due date for release of instalment is 25th March then payment will be made for January and February in the month of April.
 - c. The payments for month in which instalment is due for release and all months after that will be released on a monthly basis. The payment will be released after completing monthly verification, each month as per schedules discussed in the process. For example, if 25th March is due date for release of instalment then from March onwards release will be done after completion of monthly verification for March.
12. The payments will be continued to be made till any one of the following conditions is fulfilled:
 - a. MoRD in case of YPS/Department of rural development of the concerned state government in case of APS gives a specific order for stopping the release of payment.
 - b. Till the money assigned for the instalment is exhausted
 - c. If any major penalties of termination of a project or higher are imposed after release of instalment on due date.
13. To reduce the instances of these types of payment the following precautions are suggested:
 - a. All payments under this process will be brought to the notice of MoRD and SRLM in case of YPS by CTSAs and to bring it to the notice of department of rural development of the state, CTSA and MoRD in case of APS by SRLM on a monthly basis.
 - b. All such payments should be included as a special item of discussion in the EC meetings of MoRD and in states.
14. All cases in which payment is not released within 3 months of expiry of due date (i.e. around 5-6 months after request for release of instalment) the following additional steps are suggested:
 - a. Permit PIA to make a written representation to the EC.
 - b. The representation should be considered by the EC within a month of its receipt - if required EC can be specifically convened only for this agenda item.
 - c. EC should resolve the issue after considering all the aspects.