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## UNIT 5 FINANCIAL MANAGEMENT AND ACCOUNTS AND COMPUTING AT SUB-CENTRE

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### 5.0 INTRODUCTION

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The Government of India has launched the National Health Mission (NHM) to carry out the necessary architectural correction in the basic health care delivery system. The Plan of Action includes increasing public expenditure on health, decentralisation and district management of health programmes, as well as induction of management and financial personnel into district health system.

As a result of decentralisation, most of the NHM funds are flowing down to the blocks and units below it, like CHCs/ PCHs, Sub-centres and VHSCs. The success of decentralisation experiment would depend on the strength of the management capacities built at each level.

In many states the sub-centre is also maintaining the books of accounts for the VHSCs under its jurisdiction (like in Rajasthan), hence the unit also includes guidelines for such situations. In other states the funds for VHSCs are transferred directly to the VHSC bank accounts and not routed through the sub-centre. In such cases the sub-centre only collects expense information and consolidates the same along with its SoE.

Sub-centre receives funds from blocks to carry out specified activities. They are supposed to report their activities to their supervisory unit which could be Block/CHC/PHC. In case they are also maintaining books of accounts for VHSC's within their jurisdiction, they are supposed to consolidate the activities of the VHSC in their monthly SoE and accordingly report to the block.

This unit is aimed at building capacity your capacity in maintaining proper accounting records of the funds received at the sub-centre.

## 5.1 OBJECTIVES

After going through the unit, you should able to describe:

- the activities for which funds are received and spent at the sub-centre under the National Health Mission (NHM);
- the mechanism for accounting; and book keeping requirements as per the Important Accounting Principles and Policies under the National Health Mission (NHM) such as–Books of Accounts to be maintained, Basic Accounting Entries, Accounting Process and Internal Controls, Payments and Expenditure, Fixed Asset, SoE reporting format and Utilisation Certificate (UC) reporting format; and
- basics tools for financial management such as the budget and audit.

## 5.2 ACTIVITIES FOR WHICH FUNDS ARE RECEIVED AND SPENT

The following table summarises the activities under which the sub-centre receives money from the blocks/ supervisory unit.

Sl. No.	Activities for which funds are received by the Sub-centre from the Block /Supervisory unit	Purpose
A.	RCH Flexipool	
1.	JSY Payments to Mothers & ASHAs	Received from blocks for disbursement to JSY beneficiaries and ASHAs.
2.	Any Other (to be specified)	
B	NRHM Additionalities	
1.	Untied Funds at Sub-centres	Received from blocks
2.	Untied fund for VHSC	Received from blocks for all the VHSCs under its jurisdiction
3.	Annual Maintenance Grants (AMG) at Sub-centres	Received from blocks
4.	Any Other (to be specified) Others	

### 5.2.1 Janani Suraksha Yojana (JSY)

The guidelines as provided by MoHFW is available at the following link [http://mohfw.nic.in/janani\\_suraksha\\_yojana.htm](http://mohfw.nic.in/janani_suraksha_yojana.htm)

## **Purpose**

The purpose of this scheme is to provide cash assistance with antenatal care during the pregnancy period, institutional care during delivery and immediate post-partum period in a health centre by establishing a system of coordinated care by field level health worker (ASHAs).

Under this scheme cash assistance is provided to women from below BPL families, for enabling them to deliver in health institutions. The purpose of the scheme is to encourage institutional deliveries which would in turn help to bring down MMR and IMR.

## **Eligible Amounts**

Several States have come out with their own variations of the JSY keeping in mind the contextual requirements for their State.

E.g in the state of Rajasthan

Payment to beneficiary

At CHC/ PHC — Rs. 1000

At Sub-centre — Rs. 1400 + 300 (for transportation)

Payment to ASHAs

Rs. 200 (100 and 100 after 2 days)

## **Fund Flow**

Funds are received from the Block for the said activity.

### **5.2.2 Untied Funds for Sub-Centre**

The guidelines as provided by MoHFW is available at the following link [http://mohfw.nic.in/NRHM/Documents/Guidelines\\_of\\_untied\\_funds\\_NRHM.pdf](http://mohfw.nic.in/NRHM/Documents/Guidelines_of_untied_funds_NRHM.pdf)

#### **Purpose and Eligible Amounts**

As a part of the NHM programme untied fund to the tune of Rs. 10000 is provided to each sub-centre annually. The purpose of the fund is to provide for urgent yet discrete requirements at the sub-centre so as to increase their workability and at the same time ensure their functionality.

Besides the usual recurring cost support to the sub-centres, they also would be given an Annual Maintenance Grant (AMG) of Rs. 10,000 per annum (applicable only to those sub-centers which are functioning in Government buildings). The fund would be kept in a joint account to be operated by the ANM and the local Sarpanch.

#### **Guidelines for use of sub-centre (SC) funds under NHM**

- As part of the National Health Mission, it is proposed to provide each sub-centre with Rs.10,000 as an untied fund to facilitate meeting urgent yet discrete activities that need relatively small sums of money.
- The fund shall be kept in a joint bank account of the ANM and the Sarpanch.
- Decisions on activities for which the funds are to be spent will be approved by the Village Health Committee (VHC) and be administered by the ANM. In areas where the sub-centre is not co-terminus with the Gram Panchayat (GP) and the sub-centre covers more than one GP, the VHC of the Gram Panchayat where the

SC is located will approve the Action Plan. The funds can be used for any of the villages, which are covered by the sub-centre.

- Untied Funds will be used only for the common good and not for individual needs, except in the case of referral and transport in emergency situations.

**Suggested areas where Untied Funds may be used include:**

- Minor modifications to sub-centre – curtains to ensure privacy, repair of taps, installation of bulbs, other minor repairs, which can be done at the local level.
- Ad hoc payments for cleaning up sub-centre, especially after childbirth.
- Transport of emergencies to appropriate referral centres Transport of samples during epidemics.
- Representation to women’s self-help group etc. on these committees etc. will enable the Committee to undertake women’s health activities more effectively.
- Notwithstanding the above, the overall composition and nomenclature of the Village Health and Sanitation Committees is left to the State Government as long as these committees were within the umbrella of PRIs.
- Purchase of consumables such as bandages in sub-centre.
- Purchase of bleaching powder and disinfectants for use in common areas of the village.
- Labour and supplies for environmental sanitation, such as clearing or larvicidal measures for stagnant water.
- Payment/reward to ASHA for certain identified activities.

Untied funds shall not be used for any salaries, vehicle purchase, and recurring expenditures or to meet the expenses of the Gram Panchayat.

**5.2.3 Untied Funds for Village Health and Sanitation Committees (VHSC) under the Sub-Centre**

The guidelines as provided by MoHFW are available at the following link [http://mohfw.nic.in/NRHM/Documents/Guidelines of untied funds NRHM.pdf](http://mohfw.nic.in/NRHM/Documents/Guidelines%20of%20untied%20funds%20NRHM.pdf)

Every VHSC to get Rs 10000 per year as untied funds.

Guidelines regarding constitution of Village Health and Sanitation Committees and utilisation of untied grants to these committees.

The NRHM implementation has been planned within the framework of Panchayati Raj Institutions [PRIs] at various levels. The Village Health and Sanitation Committee envisaged under NRHM is also within the overall umbrella of PRI.

**Composition of the Village Health and Sanitation Committee**

To enable the Village Health and Sanitation Committee to reflect the aspirations of the local community especially of the poor households and women, it has been suggested that:

- At least 50% members on the Village Health and Sanitation Committee should be women.
- Every hamlet within a revenue village must be given due representation on the Village Health and Sanitation Committee to ensure that the needs of the weaker

sections especially Scheduled Castes, Scheduled Tribes, Other Backward Classes are fully reflected in the activities of the committee.

- A provision of at least 30% representation from the Non-governmental sector.
- Representation of women self help groups

### **Orientation and Training**

Every Village Health and Sanitation Committee after being duly constituted by the State Governments needs to be oriented and trained to carry out the activities expected of them.

### **Village Health Fund**

Every such committee duly constituted and oriented would be entitled to an annual untied grant of Rs.10,000/-, which could be used for any of the following activities:

- As a revolving fund from which households could draw in times of need to be returned in installments thereafter.
- For any village level public health activity like cleanliness drive, sanitation drive, school health activities, ICDS, Anganwadi level activities, household surveys etc.
- In extraordinary case of a destitute women or very poor household, the Village Health and Sanitation Committee untied grants could even be used for health care need of the poor household.
- The untied grant is a resource for community action at the local level and shall only be used for community activities that involve and benefit more than one household. Nutrition, Education and Sanitation, Environmental Protection and Public Health Measures shall be key areas where these funds could be utilised.
- Every village is free to contribute additional grant towards the Village Health & Sanitation Committee. In villages where the community contributes financial resources to the Village Health and Sanitation Committee untied grant of Rs.10,000/-, additional incentive and financial assistance to the village could be explored. The intention of this untied grant is to enable local action and to ensure that Public Health activities at the village level receive priority attention.

### **Maintenance of Bank Account**

The Village Health and Sanitation Committee fund shall be credited to a bank account, which will be operated with the joint signature of ASHA/Health Link Worker/Anganwadi Worker along with the President of the Village Health and Sanitation Committee/Pradhan of the Gram Panchayat. The account maintenance of this joint account shall be the responsibility of the Village Health and Sanitation Committee especially the ASHA/AWW [wherever no ASHA]. The Village Health and Sanitation Committee, the ASHA/AWW shall maintain a register of funds received and expenditure incurred. The register shall be available for public scrutiny and shall be inspected from time to time by the ANM/MPW/Gram Panchayat.

### **Accountability**

- Every Village Health and Sanitation Committee needs to maintain updated Household Survey data to enable need based interventions.
- Maintain a register where complete details of activities undertaken, expenditure incurred etc will be maintained for public scrutiny. This should be periodically reviewed by the ANM/Sarpanch.

- The Block level Panchayat Samiti will review the functioning and progress of activities undertaken by the VHSC.
- The District Mission in its meeting also through its members/block facilitators supporting ASHA [wherever ASHA's are in position] elicit information on the functioning of the VHSC.
- A data base may be maintained on VHCSs by the DPMUs.

### Check Your Progress 1

- 1) List the activities under which the sub-centre receives money from the blocks/ supervisory unit.

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- 2) List the guidelines for use of the untied funds for sub-centre.

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- 3) List the guidelines for the use of untied funds for Village Health and Sanitation Committee.

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## 5.3 ACCOUNTING AND BOOK KEEPING REQUIREMENTS

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Let us now read about accounting and book keeping requirements.

### 5.3.1 Important Accounting Principles and Policies to be Followed

- Accounting shall be done on cash basis i.e. a transaction shall be accounted for at the time of receipt or payment only.
- The books of accounts of the sub-centre shall be maintained on double entry book keeping principles.
- Period – Accounting period followed shall be the financial year of the Government of India i.e. 1st April to 31st March.

### 5.3.2 Books of Accounts to be Maintained

Following books should be manually maintained by the accountant:

- Columnar Petty Cash book

- Bank Register
- Ledger book (Units currently maintaining ledgers may continue maintaining it as a good practice.)
- Fixed Asset/ Stock register
- JSY Register

#### **Columnar Petty Cash Book (Format Provided in Annexure I)**

- The sub-centre should maintain a columnar petty cash book.
- Petty Cash book to be updated weekly and duly signed by the ANM 4.2.3. Bank Register (Format Provided in Annexure II).
- Sub-centre should maintain a bank register to record receipt and payment of funds through cheque respectively.
- It is to be closed monthly and duly signed by the ANM.

#### **Ledgers (Format Provided in Annexure III)**

Following points should be taken care of while maintaining ledger book:

Ledger accounts in the prescribed format are to be maintained. Accounting should be done and ledgers prepared under the following account heads (heads may be added / deleted based on state specific customisation):

- Grant in aid for JSY
- Grant in aid for untied fund for Sub-centre
- Grant in aid for untied fund for the respective VHSC under the sub-centre (One ledger account for each VHSC)
- Expenditure incurred out of JSY (Payment to beneficiaries)
- Expenditure incurred out of untied fund for Sub-centre
- Expenditure incurred out of untied fund for VHSC (One ledger account for each VHSC)
- Interest Earned

Once the vouchers are entered in cash / bank book, they should be immediately entered in the appropriate ledger folios (along with referencing to cash book serial number and voucher serial number)

All the ledger accounts shall be closed at the end of the month. Totals would be done for each ledger head and a SoE prepared. Discrepancies, if any, will be rectified and reconciled.

#### **Fixed Asset and Stock Register (Format Provided in Annexure IV)**

A fixed asset/ stock register is to be maintained to include the following items. It may be broken into three parts:

- Consumables purchased out of untied funds – like stationery, etc.
- Items of fixed nature purchased out of untied fund (like furniture, almirah, etc for the sub-centre). Assets transferred from the block are also to be recorded.
- Stock of free supplies (medicines or consumables, etc.) received from blocks

## JSY Register

A register to keep the record of JSY beneficiaries is to be maintained. Register should capture all relevant information with respect to the beneficiary. (Information like Name, Age, Complete address, No of children, Finger print column, Name of husband, etc are required to be captured)

### 5.3.3 Basic Accounting Entries

At the time of receipt of funds from the Block for advance against a particular activity, the following entry is to be passed:

Bank A/c     Dr

To, Grant-in-Aid for (Activity for Which Fund has been received)

(Three activities under which grants-in-aid is received are-JSY, Untied fund for Sub-centre and Untied fund for various VHSCs under it)

At the time of withdrawing money from the bank the following entry is to be passed

Cash A/c     Dr

To, Bank A/c

At the time of incurring of expenditure the following entry is to be passed:

Expenditure Head A/c     Dr

To, Bank/ Cash A/c

(The three categories of expenditure include payments for – JSY, from Untied fund for Sub-centre and Untied fund for various VHSCs under it)

For Interest earned on bank account the following entry is to be passed:

Bank A/c     Dr

To, Interest Earned on Bank A/c

For unspent grant against a particular activity returned to the supervising Block/ BCHC

Grant-in-Aid for

(Activity for Which Fund has been received) A/c     Dr

To, Bank A/c

(Three categories of grant-in-aid may be returned – JSY, Untied fund for Sub-centre and Untied fund for various VHSCs under it)

### 5.3.4 Accounting Process and Internal Controls

#### *Cash/ Bank Book*

- Sub-centre should withdraw cash as required and not have heavy cash in hand
- Cash book is to be updated on a weekly basis
- Physical cash should tally with the figure of cash as per books
- Bank pass book / bank statement to be updated regularly (monthly inspection by BAM during the monthly meeting may be conducted)



- Bank Account to be opened and operated under joint signature of the ANM and Sarpanch in any scheduled commercial bank / Grameen Bank/ Post office. Following points to be noted w.r.t the same: Private bank accounts should not be allowed to be maintained; In areas where bank availability is a problem, account should be maintained in post office.
- Interest income should be clearly identified and reported in the SoE/ UC on timely basis.
- All cheques shall be signed by the two signatories as authorised by the Governing/ Executive body of the Society in line with defined guidelines.
- Cheque books, new, used or currently under use shall be kept in the personal custody of ANM who is the authorised signatory on the cheques.
- Acknowledgement of a cheque issued and received shall be obtained from the payee.
- While making payments through cheque, its number should invariably be noted in the cash book for cross checking.
- All cash/cheques/Demand Drafts etc. received should be deposited into bank as far as possible on the same day itself, otherwise on the next working day positively.
- Bank reconciliation statement should be prepared as per the Format (appended under Annexure V). Following points should be followed in this regard:

BRS should be prepared on a monthly basis (by the 10th of the following month)

Separate BRS should be prepared for each bank account

BRS should be reviewed and signed by the Supervisory Medical Officer

Outstanding entries should be followed up

Proper explanation by the ANM to be given in case of any unreconciled entries

### **5.3.5 Payments and Expenditure**

- All vouchers/ bills/ invoices to be scrutinised thoroughly before making payments
- All vouchers to be filled properly and should be complete in all respects
- All vouchers / bills / invoices to be scrolled (serial numbered) and entered in cash / bank book with appropriate referencing
- All vouchers to be supported with appropriate documentary evidence (vouchers to be prepared only when adequate supporting are in place)
- All supporting documents in originals should be defaced as 'PAID & CANCELLED' with details of cheque number and date
- All expenditure made should be in accordance with the approval of the sanctioning authority in line with delegation of power as prescribed by the State
- Expenditures to be debited to the correct account head
- The sub-centre should endeavour to make all payments only by crossed account payee cheque. Bearer cheque can be given to JSY beneficiaries if it is not practical/ time consuming to open their bank accounts. Normally payments by cash should be discouraged, however if that is not practical, payment by cash may be made, subject to directives / limits prescribed by the State.
- Any payment above Rs. 2500/- must necessarily be made through crossed Account payee cheques only.

### 5.3.6 Fixed Asset

Annual physical verification of fixed assets, if any, purchased out of untied grants should be conducted by block accountant with major discrepancies in physical verification, if any, reported to the BMO.

### 5.3.7 SoE Reporting\*

#### Format of SoE Reporting and Provided in Annexure VI

- The sub-centre should ensure that by the 25th of the month it collects the monthly SoE from the VHSCs under its jurisdiction, if applicable to the sub-centre. (The ANM should review the SoE along with books of the VHSC to ensure correct reporting).
- However, it was observed in many cases, that the ANM of the supervising sub-centre was examining the books and preparing a quarterly / six-monthly SoE for the VHSCs under its jurisdiction. So the states may appropriately customise the reporting frequency from the VHSC based on their requirements.
- Further by the 26th of the month it should submit its monthly SoE (along with monthly SoEs received / collected from the VHSCs) to the block/ supervisory units.
- Even if in a particular month there is no expense at the sub-centre, a nil SoE report should be submitted to the block/ supervisory units.

In case any funds are also received under National Disease Control Programmes (NDCPs) at Sub-centre level, SoE reporting for the same also needs to be made by the sub-centre. Format similar to the SoE format (appended as Annexure V) can be used to report expenditure under them.

\***Note:** In case of untied funds given to Sub-centre as advance, only funds reported by sub-centre as ‘actually spent’ under SoE shall be booked as expenditure. Hence, timely and accurate SoE reporting by sub-centre is very important.

### 5.3.8 Utilisation Certificate (UC) Reporting

#### Format Utilisation Certificate is Provided in Annexure VII.

- The sub-centre is required to submit the UC annually (Duly signed by the ANM of the sub-centre) along with the vouchers.
- The ANM should review the UC (along with books of accounts) prepared by the ASHA of the VHSCs under its jurisdiction for correctness and counter sign the same before submitting / forwarding it to the block / supervisory unit.
- As per GFR requirements, Utilisation Certificate also needs to be submitted for any funds received under NDCPs. Above format can also be used for the same.

Summary of Reporting Requirements for Sub-centre.

S. No.	Activity	Frequency	Cut-off Date
1	Collection of SoEs from the VHSCs*	Monthly	25 <sup>th</sup> of the Month
2	Submission of monthly SoE (including all vouchers) to the supervisory unit	Monthly	26 <sup>th</sup> of the Month
3	Submission of UCs (including the vouchers)	Annually	30 <sup>th</sup> April of the following year

\* Wherever Sub-centres are controlling the VHSCs.

**Check Your Progress 2**

- 1) List the Important Accounting Principles and Policies to be followed at the sub-centre.  
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- 2) List the names of the Books of Accounts to be maintained at the sub-centre.  
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- 3) List any five guidelines for operating Cash/ Bank Book at the sub-centre.  
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- 4) List any five guidelines for Payments and Expenditure at the sub-centre.  
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## **5.4 PREPARING A BUDGET**

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Let us now discuss the budget in detail:

**Definition of budget**

- A financial statement or plan for future activities in your health centre.
- It is frequently used to help control future activities.

**Characteristics of budget**

- It is prepared in advance.
- It focuses on the future i.e., it is future oriented.
- It is expressed in quantitative forms, physical or monetary unit or both.

**Uses of budget**

- It brings about the efficiency.
- It serves as a benchmark for controlling ongoing activities.
- It helps in reducing wastages and losses by revealing them in time for corrective actions.

### Steps in preparing budget

- List out the activities you wish to carry out in your sub-centre for the next year.
- For each of the activity, mention number and money etc required.
- Add the total costs and this is your budget for the sub-centre in the next year.

### Preparing for the budget of the sub-centre

Name of the Activity	Number of the Activity (A)	Estimated Money Required per Activity (B)	Total Money for the Activities (AXB)	Remarks

### Check Your Progress 3

1) What is a budget?

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2) What are the steps in preparing budget?

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## 5.5 AUDIT

Auditing is a systematic examination of the books and records related to finances.

### Scope of Audit

- To check the arithmetical accuracy of the accounts
- To check the books of accounts with the help of all the relevant vouchers, invoices, correspondences, minute books, etc.
- To verify the assets and liabilities shown in the balance sheet.
- To report to the client on the basis of his findings.

### Objectives of Audit

- Ensuring the correctness and completeness of accounts.

- Ensuring regulations of expenditure by examination of accounts.
- Looking into the honesty of financial transactions to detect errors and frauds.
- Ensuring that the funds expended by institution have produced the desired results.

**Audit Process**

- Audit is done by the auditors identified.
- They will visit you and ask for various records and documents related to the activities you have carried out in the given financial year.
- The various records and vouchers related to the account as you have maintained at your sub-centre (mentioned above) will be examined by them.
- The suggestion for the improvement in future will be given by them.

**Check Your Progress 4**

1) What is audit?  
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2) What is the scope of audit?  
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**5.6 LET US SUM UP**

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The Government of India has launched the National Rural Health Mission to carry out the necessary architectural correction in the basic health care delivery system. As a result of decentralisation, most of the NRHM funds are flowing down to Sub-centres and VHSCs.

The success of decentralisation experiment would depend on the strength of the management capacities built at this level.

The activities under which the sub-centre receives money from the blocks/ supervisory unit are – Janani Suraksha Yojana, Untied Funds for Village Health and Sanitation Committees (VHSC) under the sub-centre, Untied Funds for Sub-centre.

The guidelines for use of the untied funds for sub-centre are :

- As part of the National Health Mission, it is proposed to provide each sub-centre with Rs.10,000 as an untied fund to facilitate meeting urgent yet discrete activities that need relatively small sums of money.
- The fund shall be kept in a joint bank account of the ANM and the Sarpanch.
- Decisions on activities for which the funds are to be spent will be approved by the Village Health Committee (VHC) and be administered by the ANM. In areas where the sub-centre is not co-terminus with the Gram Panchayat (GP) and the

sub-centre covers more than one GP, the VHC of the Gram Panchayat where the SC is located will approve the Action Plan. The funds can be used for any of the villages, which are covered by the sub-centre.

- Untied Funds will be used only for the common good and not for individual needs, except in the case of referral and transport in emergency situations.

The guidelines for the use of untied funds for Village Health and Sanitation Committee.

- As a revolving fund from which households could draw in times of need to be returned in installments thereafter.
- For any village level public health activity like cleanliness drive, sanitation drive, school health activities, ICDS, Anganwadi level activities, household surveys etc.
- In extraordinary case of a destitute women or very poor household, the Village Health and Sanitation Committee untied grants could even be used for health care need of the poor household.
- The untied grant is a resource for community action at the local level and shall only be used for community activities that involve and benefit more than one household. Nutrition, Education and Sanitation, Environmental Protection and Public Health Measures shall be key areas where these funds could be utilised.

The Important Accounting Principles and Policies to be followed at the sub-centre.

- Accounting shall be done on cash basis i.e. a transaction shall be accounted for at the time of receipt or payment only.
- The books of accounts of the sub-centre shall be maintained on double entry book keeping principles.
- Period – Accounting period followed shall be the financial year of the Government of India i.e. 1st April to 31st March.

The Books of Accounts to be maintained at the sub-centre:

- Columnar Petty Cash book
- Bank Register
- Ledger book (Units currently maintaining ledgers may continue maintaining it as a good practice.)
- Fixed Asset/ Stock register
- JSY Register

The guidelines for operating Cash/ Bank Book at the sub-centre:

- Sub-centre should withdraw cash as required and not have heavy cash in hand
- Cash book is to be updated on a weekly basis
- Physical cash should tally with the figure of cash as per books
- Bank pass book / bank statement to be updated regularly (monthly inspection by BAM during the monthly meeting may be conducted)
- Bank Account to be opened and operated under joint signature of the ANM and Sarpanch in any scheduled commercial bank / Grameen Bank/ Post office. Following points to be noted w.r.t the same: Private bank accounts should not be allowed to be maintained; In areas where bank availability is a problem, account should be maintained in post office

The guidelines for Payments and Expenditure at the sub-centre

- All vouchers/ bills/ invoices to be scrutinised thoroughly before making payments
- All vouchers to be filled properly and should be complete in all respects
- All vouchers / bills / invoices to be scrolled (serial numbered) and entered in cash / bank book with appropriate referencing
- All vouchers to be supported with appropriate documentary evidence (vouchers to be prepared only when adequate supporting are in place)
- Any payment above Rs. 2500/- must necessarily be made through crossed Account payee cheques only.

The budget is a financial statement or plan for future activities in your health centre. It is frequently used to help control future activities. The steps in preparing budget are:

- List out the activities you wish to carry out in your sub-centre for the next year.
- For each of the activity, mention number and money etc required.
- Add the total costs and this is your budget for the sub-centre in the next year.

The Audit is a systematic examination of the books and records related to finances. The scope of audit is:

- To check the arithmetical accuracy of the accounts
- To check the books of accounts with the help of all the relevant vouchers, invoices, correspondences, minute books, etc.
- To verify the assets and liabilities shown in the balance sheet.
- To report to the client on the basis of his findings

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## 5.7 MODEL ANSWERS

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### Check Your Progress 1

1) Janani Suraksha Yojana

Untied Funds for Village Health and Sanitation Committees (VHSC) under the sub-centre

Untied Funds for Sub-centre

2) The guidelines for use of the untied funds for sub-centre are :

- As part of the National Health Mission, it is proposed to provide each sub centre with Rs.10,000 as an untied fund to facilitate meeting urgent yet discrete activities that need relatively small sums of money.
- The fund shall be kept in a joint bank account of the ANM and the Sarpanch.
- Decisions on activities for which the funds are to be spent will be approved by the Village Health Committee (VHC) and be administered by the ANM. In areas where the sub-centre is not co-terminus with the Gram Panchayat (GP) and the sub-centre covers more than one GP, the VHC of the Gram Panchayat where the SC is located will approve the Action Plan. The funds can be used for any of the villages, which are covered by the sub-centre.
- Untied Funds will be used only for the common good and not for individual needs, except in the case of referral and transport in emergency situations.

- 3) The guidelines for the use of untied funds for Village Health and Sanitation Committee are:
- As a revolving fund from which households could draw in times of need to be returned in installments thereafter.
  - For any village level public health activity like cleanliness drive, sanitation drive, school health activities, ICDS, Anganwadi level activities, household surveys etc.
  - In extraordinary case of a destitute women or very poor household, the Village Health and Sanitation Committee untied grants could even be used for health care need of the poor household.
  - The untied grant is a resource for community action at the local level and shall only be used for community activities that involve and benefit more than one household. Nutrition, Education and Sanitation, Environmental Protection and Public Health Measures shall be key areas where these funds could be utilised.

### Check Your Progress 2

- 1) The important Accounting Principles and Policies to be followed at the sub-centre are:
- Accounting shall be done on cash basis i.e. a transaction shall be accounted for at the time of receipt or payment only.
  - The books of accounts of the sub-centre shall be maintained on double entry book keeping principles.
  - Period - Accounting period followed shall be the financial year of the Government of India i.e. 1st April to 31st March.
- 2) The names of the Books of Accounts to be maintained at the sub-centre are:
- Columnar Petty Cash book
  - Bank Register
  - Ledger book (Units currently maintaining ledgers may continue maintaining it as a good practice.)
  - Fixed Asset/ Stock register
  - JSY Register
- 3) The five guidelines for operating Cash/ Bank Book at the sub-centre are:
- Sub-centre should withdraw cash as required and not have heavy cash in hand
  - Cash book is to be updated on a weekly basis
  - Physical cash should tally with the figure of cash as per books
  - Bank pass book / bank statement to be updated regularly (monthly inspection by BAM during the monthly meeting may be conducted)
  - Bank Account to be opened and operated under joint signature of the ANM and Sarpanch in any scheduled commercial bank / Grameen Bank/ Post office. Following points to be noted w.r.t the same: Private bank accounts should not be allowed to be maintained; In areas where bank availability is a problem, account should be maintained in post office
- 4) The five guidelines for Payments and Expenditure at the sub-centre are:
- All vouchers/bills/invoices to be scrutinised thoroughly before making payments



- All vouchers to be filled properly and should be complete in all respects
- All vouchers / bills / invoices to be scrolled (serial numbered) and entered in cash / bank book with appropriate referencing
- All vouchers to be supported with appropriate documentary evidence (vouchers to be prepared only when adequate supporting are in place)
- Any payment above Rs.2500/- must necessarily be made through crossed Account payee cheques only.

### Check Your Progress 3

- 1) Budget is :
  - A financial statement or plan for future activities in your health centre.
  - It is frequently used to help control future activities
- 2) The steps in preparing budget are:
  - List out the activities you wish to carry out in your sub-centre for the next year.
  - For each of the activity, mention number and money etc required
  - Add the total costs and this is your budget for the sub centre in the next year.

### Check Your Progress 4

- 1) Audit is :

Auditing is a systematic examination of the books and records related to finances
- 2) The scope of audit is:
  - To check the arithmetical accuracy of the accounts.
  - To check the books of accounts with the help of all the relevant vouchers, invoices, correspondences, minute books, etc.
  - To verify the assets and liabilities shown in the balance sheet.
  - To report to the client on the basis of his findings

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## 5.8 REFERENCES

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- 1) The guidelines for the Janani Suraksha Yojana, MoHFW, Government of India, New Delhi, It is available at the following link :  
[http://mohfw.nic.in/janani\\_suraksha\\_yojana.htm](http://mohfw.nic.in/janani_suraksha_yojana.htm)
- 2) The guidelines for NHRM, MoHFW , Government of India, New Delhi, it is available at the following link:  
[http://mohfw.nic.in/NRHM/Documents/Guidelines\\_of\\_untied\\_funds\\_NRHM.pdf](http://mohfw.nic.in/NRHM/Documents/Guidelines_of_untied_funds_NRHM.pdf)
- 3) Model accounting handbook for sub centres, MoHFW , Government of India, 2011, New Delhi , it is available at the following link  
<http://www.mohfw.nic.in/showfile.php?lid=868>
- 4) The framework for implementation of NHM, MoHFW, Government of India, New Delhi, it is available at the following link:  
[http://nrhm.gov.in/images/pdf/NHM/NHM\\_Framework\\_for\\_Implementation\\_08-01-2014\\_.pdf](http://nrhm.gov.in/images/pdf/NHM/NHM_Framework_for_Implementation_08-01-2014_.pdf)

## 5.9 ANNEXURE (I – VIII)

Refer the following eight Annexures pertaining to the various records maintained and prepared at sub-centre as given below:

Annexure-1, Format of Columnar Petty Cash Book

Annexure-II, Format of Bank Register

Annexure-III, Format of Ledger Account (for those sub-centres already preparing ledger books)

Annexure IV, Format of Asset Register

Annexure- V, Format of Bank Reconciliation statement

Annexure VI, Format of SoE Reporting from Sub-centres

Annexure VII, Format for Utilisation Certificate (UC) Reporting

Annexure-VIII, ASHA incentives under various National Health Programmes

### Annexure-1, Format of Columnar Petty Cash Book

Sr. No.	Date	Particulars (Including party name, activity head, etc.)	Receipts (A)	Total Cleaning Expenditure of the sub centre(B)	Minor modifications and repair	Transport of emergencies	Payment/ Reward to ASHA	Other Expense	Daily Balance (C= A-B)

**Note:** Note: Cash book should be serially page numbered and authenticated by the supervisor

\* Illustrative expense heads have been mentioned here, however, additional heads can be added as per requirement

**Annexure-II, Format of Bank Register**

Receipts				Payments			
Date	Particulars (Details of the source)	Amount (Rs.)	Sr. No.	Date	Particulars (Details of the activity for which amount is spent)	S. No.	Amount (Rs.)
	Grant-in-aid for VHSC untied fund				Cash Withdrawal		
	Cash Deposit				Payment for (Explanation of the activity for which payment has been made)		
	Interest Received						
	Monthly Total (A)				Monthly Total (B)		
<b>Balance (A-B)</b>							

S.No. Serial Number of the Invoice / voucher



**Annexure-IV, Format of Asset Register**

Date	Voucher Sr. No.	Particular	Location	Assets Quantity (Number)				Assets Cost (Rupees)				
				Beginning of year	Addition	Deletion/transfer	End of year	Beginning of year	Addition	Deletion/transfer	End of year	



## Annexure- V, Format of Bank Reconciliation Statement

Financial Management,  
Accounts and Computing at  
Sub-Centre

Bank Reconciliation statement for the month of \_\_\_\_\_

Name of Sub-centre :

Bank Account No.

Name of Bank

Balance as per the cash book ( as on the date)

Add:

- i. Cheques issued but not yet presented for payment
- ii. Credit entered made in the bank pass book but not yet shown as cash

Total

Less:

- i. Amount sent to bank but not yet credited in the saving account of the unit
- ii. Bank charges debited in the bank account but not yet accounted for in the cash book

Total

Balance as per the pass book

Prepared by

Examined by

Date

ignou  
THE PEOPLE'S  
UNIVERSITY

**Annexure-VI, Format of SoE Reporting from Sub-centres**

Sr. No.	Activity	A	B	C	D= (B+C)	E	F	G= (E+F)	H=(A+D-G)
		Opening balance (Begging of Financial year)	Amount received (In current financial year) till the previous month	Amount received during the month	Total amount received (in current financial year) till date	Expenditure (in current financial year) till the previous month	Expenditure during the month	Total expenditure ( In current Financial year) till date	Unspent balance
1.	JSY								
a	Paid to beneficiaries								
b	Paid to ASHA								
2.	Untied fund of Sub-centre							*Please fill note-1	
3.	Untied fund for VHSC								
a	VHSC-1								
b	VHSC-2								
c	VHSC-3								
4.	Annual maintenance grant for sub-centre							**Please fill note-2	

**Note 1:** Out of the amount of Rs.10, 000 sanctioned for the year (Reporting Year) towards Untied Fund for Sub-centre, only Rs. \_\_\_\_\_, has been utilised and the remaining utilisation of Rs. \_\_\_\_\_ relates to the previous years.

**\*\*Note 2:** of the amount of Rs.10, 000 sanctioned for the year (Reporting Year) towards Annual Maintenance Grant for Sub-centre, only Rs. \_\_\_\_\_ has been utilised and the remaining utilization of Rs. \_\_\_\_\_ relates to the previous years.

**Annexure-VII, Format for Utilisation Certificate (UC) Reporting  
( Form No. GFR-19A)**

**Financial Management,  
Accounts and Computing at  
Sub-Centre**

Name of the sub-centre

Reproductive Health Programme Phase-II

Utilisation certificate for the year

Dated

Sanction Letter No. and Date	Opening Balance	Funds Received in Current Year	Expenditure in Current Year	Balance if Any

Further certified that I have satisfied myself that the conditions, on which the grant-in-aid was sanctioned, have been duly filled and that I have exercised the following checks to see that the money actually utilised for the purpose for which it was sanctioned.

- 1.
- 2.
- 3.

Signature of ANM

Supervisory Medical Officer in charge



**Annexure-VIII, ASHA incentives under various National Health Programmes**

Sl. No.	Heads of Compensation Maternal Health	Amount in Rs./case	Source of Fund and Fund Linkages	Documented in
1	JSY financial package (NEW uniform package)			MOHFW Order No. Z 14018/1 2012/-JSY JSY section Ministry of Health and Family Welfare-6th. Feb. 2013
	a. For ensuring antenatal care for the woman	300 for Rural areas 200 for Urban areas	Maternal Health- RCH Flexi pool	
	b. For facilitating institutional delivery	300 for Rural areas 200 for Urban areas		
2	Reporting death of women (15-49 years age group) by ASHA to Block PHC Medical Officer. (New Revised incentive)	200 for reporting within 24 hours of occurrence of death by phone	Health Sub-Centre Un-tied Fund	MOHFW-OM - 120151/148/2011/ MCH; Maternal Health Division; 14th Feb. 2013
II	Child Health Undertaking six (in case of institutional deliveries) and seven (for home deliveries) home- visits for the care of the new born and post-partum mother	250	Child Health- RCH Flexi pool	HBNC Guidelines –August 2011
III	<b>Immunisation</b>			
1	Social mobilisation of children for immunisation during VHND	150/session	Routine Immunisation Pool	Order on Revised Financial Norms under UIP- T.13011i01/2077-CC-May 2012
2	Complete immunisation for a child under one year	100.00		
3	Full immunisation per child upto two years age (all vaccination received between 1st and second year age after completing full immunisation after one year)	Rs. 50	Routine Immunisation Pool	Order on Revised Financial Norms under UIP- T.13011i01/2077-CC-May 2012
4	Mobilising children for OPV immunisation under Pulse Polio Programme	75/day	IPPI funds	

IV Family Planning				
1	Ensuring spacing of 2 years after marriage	500	Family Planning Compensation Funds	Minutes Mission Steering Group meeting- April 2012
2	Ensuring spacing of 3 years after birth of 1st child	500		
3	Ensuring a couple to opt for permanent limiting method after 2 children	1000		
4	Counselling, motivating and follow up of the cases for Tubectomy	150	Family Planning Sterilisation Compensation Funds	Revised Compensation package for Family Planning- September 2007- No-N 11019/2/ 2006-TO-Ply
5	Counselling, motivating and follow up of the cases for Vasectomy/ NSV	200		
6	Social marketing of contraceptives- as home delivery through ASHAs	Amount in Rs./case for a pack of three condoms for a cycle of OCP 2 for a pack of ECPs	Source of Fund and Fund Linkages Family Planning Fund	Detailed Guidelines on home delivery of contraceptives by ASHAs-Aug. 2011-N 11012/3/ 2012-FP
V Adolescent Health				
1	Distributing sanitary napkins to adolescent girls	Re 1/pack of 6 sanitary napkins	Menstrual Hygiene- ARSH	Operational Guidelines on Scheme for Promotion of Menstrual Hygiene Aug. 2010
2	Organising monthly meeting with adolescent girls pertaining to Menstrual Hygiene	50/meeting	VHSNC Funds	
VI Nirmal Gram Panchayat Programme				
	Motivating households to construct and use a toilet	75/Toilet constructed	Funds for IEC activities under District Project Outlay under TSC	Minutes MSG-Meeting April 2012; DO No. W- 11042/7/2007/- CSRP-Part

VII Village Health Sanitation and Nutrition Committee				
	Facilitating monthly meetings of VHSNC followed by meeting with women and adolescent girls	150/ meeting	VHSNC Untied Fund	MOHFW Order Z-18015/12/2012- NRHM-II
VIII Revised National Tuberculosis Control Programme				
	Being DOTS Provider (only after completion of treatment or cure)	250	RNTCP Funds	Revised Norms and Basis of Costing under RNTCP
IX National Leprosy Eradication Programme				
1	Referral and ensuring compliance for complete treatment in pauci-bacillary cases of Leprosy	300	NLEP Funds	Guidelines for involving ASHAs under NLEP
2	Referral and ensuring compliance for complete treatment in multi-bacillary cases of Leprosy	500		
X National Vector Borne Disease Control Programme				
1	Preparing blood slides	5/slide	NVDCP Funds for Malaria Control	NVDCP Guidelines for involvement of ASHAs in Vector Borne Diseases-2009
2	Providing complete treatment for RDT positive Pf cases	20		
3	Providing complete radical treatment to positive Pf and Pv case detected by blood slide, as per drug regimen	50		