



FINANCIAL REGULATIONS

Fostering Climate-Resilient Upland Farming Systems in the Northeast (FOCUS) 2.0

Society for Climate Resilient Agriculture in Mizoram (SCRAM)

Government of Mizoram

India

3rd August, 2026

Project Financial Regulations

Delegation of financial powers

The expenditure will be incurred by the Project is at three levels: (i) SPIU level; and (ii) DPIUs level and (iii) Block level. In order to expedite project implementation, it is necessary to delegate financial powers to the officials at these three levels. To streamline expenditure pattern, the financial powers are categorized into six categories. They are:

- (i) project related procurement and other releases;
- (ii) administrative and management expenses;
- (iii) monthly payroll and human resource benefit related expenditure;
- (iv) staff advances and petty cash;
- (v) cheque signing powers; and
- (vi) other finance related powers.

It is suggested that all project fund will route through SPIU bank account and the Project delegate powers to the respective authority as detailed below. These powers will have to be approved by the Governing Council of the society. The Governing Council will be able to review and change the powers with a view to expedite project expenditure with requisite checks and balances.

Financial Powers of the State Project Implementation Unit (SPIU)

The financial powers of the SPIU per transaction are detailed below. These powers will have to be exercised in consonance with the approved Annual Work Plan and Budget (AWPB). This means, the overall expenditure for any activity should not exceed the amount budgeted in the AWPB. In case there is a possibility of exceeding the AWP&B limit, it is necessary to seek an amendment to the AWPB allocation following the approved procedures.

1) Project related procurement:

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Equipment and Material	Transaction Owner (Person who initiates the request)	PD	Up to 15,00,000
		SPD	Up to 2,50,00,000
		Society Chairman's approval is required for any expenditure beyond this limit.	
Works	Transaction Owner (Person	PD	Up to 50,00,000
		SPD	Up to 2,50,00,000

	who initiates the request)	Society Chairman's approval is required for any expenditure beyond this limit.	
Consultancies and Training	Transaction Owner (Person who initiates the request)	PD	Up to 50,00,000
		SPD	Up to 2,50,00,000
		Society Chairman's approval required for any expenditure beyond this limit.	
Grants and Subsidies	Transaction Owner (Person who initiates the request)	PD	Up to 50,00,000
		SPD	Up to 2,50,00,000
		Society Chairman's approval required for any expenditure beyond this limit.	
Incubation Fund	Transaction Owner (The incubates)	PD	50,00,000
		SPD	2,50,00,000

2) Administrative and management expenses

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Administrative or Management expense of SPIU only	Transaction Owner (Person who initiates the request)	PD	5,00,000
		SPD	Above 5,00,000

3) Administrative and management expenses

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Monthly Payroll and Human Resource benefit as per HR policy	Transaction Owner (Person who initiates the request)	PD	Any amount as per payroll and employment contract governed by HR Policy.

4) Staff advances and petty cash

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Advance for non-travel related activities	Transaction Owner (Officer/ Staff concerned)	PD	1,00,000 or up to the limit of 10% of the total estimated. Whichever is less.
Advance for travel related activities	Transaction Owner (Officer/ Staff concerned)	PD	Up to 80% of entitlement
Expense from Petty Cash	DDO	PD	10,000

5) Cheque signing powers

Nature of Transaction	Signatories		Approval Authority limit (INR)
	1st Signatory	2nd Signatory	
Signatories to payment instrument of SPIU Bank A/C	Project Director	DDO	Full power

6) Other powers

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Selection of Banks	PD	SPD	Any
Opening of Bank Account	PD	SPD	Any
Inter Bank Fund Transfer	PD	PD	Any
Creation of Imprest Petty Cash	PD	PD	50,000

Financial Powers of the District Project Implementation Units (DPIUs)

The financial powers of the DPIUs are detailed below. These powers will have to be exercised in consonance with the approved Annual Work Plan and Budget (AWPB). This means, the overall expenditure for any activity should not exceed the amount budgeted in the AWPB. In case there is a possibility of exceeding the AWPB limit, it is necessary to seek an amendment to the AWPB allocation following the approved procedures.

1) Project related procurement:

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Equipment and Material	Transaction Owner (Person who initiates the request)	DPM	Up to 2,00,000 for procurement of office use. Full power for field implementation.
			SPIU approval required for any expenditure beyond this limit.
Financial Support to community Organizations	Transaction Owner (Person who initiates the request)	DPM	Full power for field implementation of the fund received from SPIU.

2) Administrative and management expenses

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Administrative or Management expense	Transaction Owner (Person who initiates the request)	DPM	Full power (not to exceed overall approved AWPB allocation for the year)

3) Administrative and management expenses

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Monthly Payroll and Human Resource benefit as per HR policy	Transaction Owner (Person who initiates the request)	DPM	Any amount as per payroll and employment contract (not to exceed overall approved AWPB allocation for the year)

4) Staff advances/petty cash

Nature of Transaction		Transaction Authority	Approval Authority	Approval Authority limit (INR)
Advance for non-travel related activities DPIU		Transaction Owner (Officer /Staff concerned)	DPM	10,000
Advance for travel related activities		Transaction Owner (Officer/ Staff concerned)	DPM	Up to 80% of entitlement
Expense from Petty Cash in DPIU		PD, DRDO	DPM	10,000

5) Cheque signing powers

Nature of Transaction	Signatories		Approval Authority limit (INR)
	1st Signatory	2nd Signatory	
Signatories to payment instrument of DPIU Bank A/C	DPM	PD, DRDO	Any amount based on administrative approval

Financial Powers of Block Level Office

1) Project related procurement:

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Financial Support to community Organizations	Transaction Owner (Person who initiates the request)	BMD	Full power for field implementation of the fund received from DPIU.

2) Administrative and management expenses

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Administrative or Management expense	Transaction Owner (Person who initiates the request)	BMD	Full power (not to exceed overall approved AWPB allocation for the year)

3) Administrative and management expenses

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Monthly Payroll and Human Resource benefit as per HR policy	Transaction Owner (Person who initiates the request)	BMD	Any amount as per payroll and employment contract (not to exceed overall approved AWPB allocation for the year)

4) Staff advances/petty cash

Nature of Transaction	Transaction Authority	Approval Authority	Approval Authority limit (INR)
Advance for non-travel related activities DPIU	Transaction Owner (Officer / Staff concerned)	BMD	5,000
Advance for travel related activities	Transaction Owner (Officer/ Staff concerned)	BMD	80% of entitlement
Expense from Petty Cash in DPIU	DDO	BMD	2,000

5) Cheque signing powers

Nature of Transaction	Signatories		Approval Authority limit (INR)
	1st Signatory	2nd Signatory	
Signatories to payment instrument of SPIU Bank A/C	BMD	Any Govt. Officials from the Block Office	Any amount based on administrative approval

Financial Discipline and Diligence

1. No officer shall incur expenditure or enter into any liability involving expenditure or transfer of moneys or investment or deposit from the Project account unless such expenditure or transfer has been sanctioned by a general or special sanction of the competent authority.
2. Diversion of fund beyond the approved AWPB is strictly prohibited.
3. Accrued bank interest of all the Implementing Units shall be surrendered to the SPIU for remittance to the State Government.
4. The following should be the general principles governing all expenditure incurred from the Project funds:-
 - That there should be provision of funds authorized by competent authority fixing the limits within which expenditure can be incurred.
 - That the expenditure incurred should conform to the relevant provisions of the Regulations of the Project.
 - That there exists sanction either general or special accorded by the competent authority, authorizing the particular item of expenditure.
5. All sanctions of expenditure shall indicate the details of provision under the relevant budget head. A sanction or order shall come into effect from the date of issue unless any other date is specified by the competent authority.
6. No money should be drawn from the Bank in cash unless it is required for immediate disbursement/ replenishment of petty cash balance.
7. Finance units will deduct amounts from employees' salaries if bills and reports pertaining to official travel or other activities are not submitted or produced within two weeks following the completion of relevant events.
8. Every Officer incurring or authorizing expenditure from the Project funds should be guided by high standards of financial probity.
9. Every Officer shall exercise the same vigilance in respect of expenditure incurred from the project funds as a person of ordinary prudence would exercise in spending his own money: -
 - The expenditure should not be prima facie more than what is required.
 - No authority should exercise its powers of sanctioning expenditure or pass an order which will be directly or indirectly to its own advantage.
10. The project fund shall be used only for the eligible expenditure included in the AWPB approved by IFAD.
11. The amount of allowance granted to meet expenditure of a particular type should be regulated and that the allowances are not on the whole a source of profit to the recipients.
12. Each head of office is responsible for enforcing financial order and strict economy at every step and also for observance of all relevant financial rule and regulations by all.

13. Every claim for payment received by the project shall be checked before payment to ascertain the submission of supporting documentation.
14. All bills presented for payment shall be examined in accordance with the relevant approvals, contracts or purchase orders and other supporting documents.
15. No claim against the project which is not presented within six months of incurring the expenditure will be entertained without a special sanction of the competent authority.
16. No cheque shall be signed unless required for immediate delivery to the payee or drawn in favour of a person other than the actual payee. Wherever possible, electronic transfer to the payee account should be adopted. All payments should be payable only to the claimants and third party payments shall not be made under any circumstances.
17. Delay in the indisputable payment due by the Project is contrary to all rules and budgetary principles and should be avoided.
18. Money paid from the project funds should under no circumstances be left unrecorded for more than a day.
19. Periodical review of the Project revenue expenditure, investments etc. should be done.
20. Keeping a constant watch over the progress of expenditure is an important step towards financial and budgetary control. It should be always ensured that the expenditure is kept within the budget provision and where necessary timely action is taken to obtain funds by permissible re-appropriation of funds from the available savings with the approval of the Governing Council.
21. The Deputy Director (Finance & Procurement) is responsible for exercising general supervision over the funds of the Project. S/He is also to advise the Project as regards its financial policy and management.
22. If any Division/ Section of the Project requires advice on financial or accounting matter, it should be referred to the Deputy Director (Finance & Procurement). As a general rule : (i) In all important matters and transactions with financial implications, advice of the SPD/ DPM should be obtained at SPIU/ DPIU; and (ii) the proposal for financial sanction should be routed through the Deputy Director (Finance & Procurement).
23. SPIU / DPIUs of the Project shall afford all reasonable facilities to Auditors for the discharge of their function and furnish all possible information required by them for the preparation of any official account or report. No. information, books or other documents shall be withheld from presentation to the Auditors as and when required by them.
24. It shall be the responsibility of the Deputy Director (Finance & Procurement) under the supervision of the Project Director (PD) to furnish replies to Audit observations within the prescribed time and no objection is allowed to remain unsettled for an unduly long period.