



केन्द्रीय विद्यालय संगठन (मु.)
KENDRIYA VIDYALAYA SANGATHAN (HQ)
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Date : 02.8.2022

The Deputy Commissioner/Director,
Kendriya Vidyalaya Sangathan,
All Regional Offices/ZIETs

E-mail/Post

Sub : Observing strict compliance on VVN protocol related to Financial Ceilings/Procedure while incurring expenditure out of VVN by the Vidyalayas-reg

Madam/Sir,

As you are aware that the expenditure out of VVN at Vidyalaya level in various heads of activities are subject to the observance of the financial ceilings as prescribed under article 202 of Accounts code, with further approval of respective competent financial authorities vested with such financial powers vide Article 203 of Chapter 21 of KV Accounts code as revised and circulated vide letter dated 28.12.2016.

2. In this regard, it has been observed through various audit reports/inputs that many a Vidyalayas are incurring the said expenditure in disproportionate excess of the defined financial ceilings in a few of heads of expenditure under VVN. Hence, in order to uphold the financial propriety, the following compliances need to be strictly ensured in this regard:

(i) The expenditure out of **VVN** shall be incurred only after and in accordance with the Annual Budget(head-wise) approved by the VMC of the Vidyalaya. As such, wherever the estimated yearly expenditure on any head is expected to be incurred in excess of the defined ceilings under Article 202 of Chapter 23 of Accounts code & its note thereto, the **prior** approval of the **respective** competent authority, need to be obtained in advance and the practice of seeking ex-post facto approvals at upto RO level, be discouraged.

(ii) However, if the actual expenditure is still incurred beyond such a prior-approval for genuine reasons/justifications viz, on account of enhanced statutory levies /taxes etc, the **ex-post facto** approval from the respective competent authority viz DC/KVS Hqrs be obtained to regularize the same. All the matters of such approvals/ex-post facto approvals on financial ceilings and/or releases from RO VVN Fund to various Vidyalayas, will be processed in consultation with the Finance Division of the concerned office i.e. RO/Hqrs for maintaining the objectivity of financial propriety from audit point of view.

(iii) Such financial ceilings on each of activity head of expenditure are to be calculated on progressive basis for a financial year from the view point of financial powers/limits delegated to the respective competent authority under Article 203. As such, the ceilings of various items at Vidyalaya level including M&R and Outsourced privatized services can, in no case, be greater than/equal to the financial powers as vested in the DC of RO, but to get regularized by obtaining the approval of the respective competent authority as prescribed.

(iv) To incur the expenditure under M&R head of school building, the L1 rates for such activities are to be finalized by each KV, in accordance with the provisions as contained in GFR 139(iv)&(v) as applicable to "Works" in chapter 6 of GFR 2017 wherein it is prescribed that **open** tenders are to be called for works costing Rs 5 Lakhs to Rs 30 Lakhs and the Limited tenders for works costing less than Rs 5 lakhs. Limited/Open tenders will be invited as per prescribed provisions of GFR while considering the annual estimated value of the M&R works **in totality** and not to be split item-wise viz labour, material, paints, electrical consumables etc separately. **Such L1 rates will not be repeated beyond their validity period in any case, except as otherwise admissible under extant rules/codal provisions of KVS,** but be invited afresh as per applicable GFR provisions. Further, such rates would **not be liable to be used** by other/nearby procuring entity/KV as the onus of finalizing the L1 rates lies on the primary DDO who had originally invited the bids.

(v) While extending the approvals for excessive expenditure within the powers of the DC of concerned RO, the respective DC would be expected to exercise all the due diligence towards justifications preferred by the Principal/VMC. For example, in the cases of giving approval for the excess expenditure incurred on the wages of outsourced staff (Security/ Housekeeping/Horticulture) over & above the prescribed limits of Vidyalaya level, it would be prudent to strictly ensure as to whether the expenditure is merely on account of the enhanced obligatory minimum wages/EPF/ESI.

(vi) However, such excessive expenditure is found attributable to the *engagement of higher number of such manpower than required/prescribed by KVS*, it would then be construed as **serious irregularity** and be accordingly subjected to an objective scrutiny at RO level in consultation with Fin Div of RO while observing adherence to the safety/security protocols kept in place in KVS.

(vii) The actual deployment of all the outsourced staff must be verifiable for their actual attendance recorded through their **Bio-metrics** /similar e-modes, to be installed by the agency/contractor at its own cost in the vicinity of Principal's chamber. The clause with the same intent may be incorporated in GeM/Tender documents. The printed copy of the said e-attendance be duly countersigned by the appropriate Committee of the unit concerned **in token of verifying** the attended working days/hours by the engaged outsourced staff. However, before making payment to the agency/contractor, it may be ensured as a Principal employer, to obtain the relevant documents of statutory compliances as usual, viz, proofs of e-challans of EPF/ESI, updating of e-pass books and proof of direct payment into bank account of the staff.

(viii) **GeM Protocol** : All the procurement of goods/services **available** on GeM need to be made **mandatorily** through GeM portal only in accordance with the GFR 149 as revised from time to time. The persistent non-compliance of the said provision will be reported as **serious irregularity** in the internal audit reports of the concerned Vidyalyas accordingly.

(ix) The specifications on all/major Golden parameters will be approved by the Principal on a separate note-sheet and before placing the order on GeM through the Buyer id, the Comparison Sheet containing all details of Golden parameters, specifications, L1/bidding rates etc, be got printed and signed by the **Principal** in token of approval which will then **be placed** in the column of Financial Approval Details on GeM portal as such and thereby owning the whole responsibility of the said financial transaction in the capacity of DDO as defined under Article 52 of KV Accounts code. **No purchases under Proprietary Article Certificate(PAC) mode on GeM will be effected as a matter of routine.** Any such attempts of purchasing generic items under the disguised PAC mode on GeM will form part of **serious** financial irregularity and be dealt with accordingly.


(x) It is pertinent to highlight that as per GFR 149 on GeM, the procuring authority i.e. Principal of KV has **to certify the reasonableness of such L1 rates**, towards being the best and acceptable rates for making the said procurements before incurring the expenditure from public funds. **Such a reasonability certificate** duly signed by the Principal shall also be uploaded in Financial Approval Details. In case of non-satisfaction of reasonableness of L1 rates, the process may be resorted to Bidding/RA modes, even in cases of Direct purchases for limited value transactions of upto Rs 5 lakhs on GeM so as to ensure the best rates.

(xi) There have been certain instances wherein the GeM bids have been rejected arbitrarily without adducing sufficient grounds. In this regard, the evaluation of technical bids should be done by a committee of appropriate level consisting of VP/PGT/Teacher of concerned deptt. The recommendations of the committee for rejection of any firms must be clear and self-explanatory so as to maintain transparency. Such recommendations duly signed by the committee members and counter-signed by the Principal in token of agreement thereto, be placed/uploaded in comment box on GeM portal.

(xii) As prescribed by Procurement Policy Div. of GoI vide OM dated 23.1.2020, it will be **mandatory** for a buyer to generate a "GeM Availability Report & Past Transaction Summary (GeM AR&PTS)" with a unique ID on GeM portal using his log-in credentials on GeM for procurement **outside** GeM which will be mandatorily furnished while publishing portal for proposed tenders. It means all the tenders/LTEs being floated by the procuring units of KVS will be tagged/mentioned with such a unique Ids, without which the transaction outside the GeM shall be deemed to be violative of GFR provisions.

The above instructions may be forwarded to all the Kendriya Vidyalyas under your jurisdiction for strict compliances thereof while being applicable to the buyers of Hqrs/ROs/ZIETs also accordingly.

This issues with the approval of Commissioner, KVS. Hindi version follows.

Yours sincerely,

(Satya Narain Gulia)
Joint Commissioner(Fin)

Copy for information:

1. The PS to Commissioner, KVS for kind information of Commissioner, KVS.
2. The Finance Officer, all Regional Offices, KVS for observing the compliance of above at school level and report the same through internal audit reports accordingly.
- ✓ 3. The DC(EDP), KVS Hqrs with a request to upload the contents on KVS website for a general circulation to all the concerned.