

**Section
13**

**FINANCE & ACCOUNTS
COPIES OF CSIR LETTERS/ OMs**

1

Copy of CSIR letter No. 1(28)/96-Fin. dated 8.11.96

Sub: Utilisation of 'Laboratory Reserve'.

In pursuance of the instructions earlier issued vide this office letter No. 1(1)/Accts./90-91 dated 10th March, 1992, it is reiterated that the purpose of creation of the 'Lab.Reserve', *interalia*, is to provide adequate incentive to the labs./Instts. to provide adequate incentive to the Labs/Instts. to generate higher revenues and utilise the same for laboratory R&D efforts, to upgrade the infrastructural facilities and supplement the financial resources of the Lab. As the Lab Reserve is supplemented to govt. grant it is obvious that the expenditure out of Lab. Reserve is to be incurred with due regard to the laid down rules, regulations and procedures.

Recently a case has come to our notice in which one of the Labs has paid honorarium to the Officers and staff of different wings of Administration/Finance (including COA/Sr. F&AO) and other S&T personnel out of Lab Reserve without even indicating the special nature of work warranting the payment of honorarium. Payments of this type are not covered under the Govt./CSIR rules and is highly irregular, it is, therefore, requested that while sanctioning expenditure out of 'Lab Reserve' it may be ensured that the laid down rules, regulations and procedures are strictly followed to avoid recurrence of such cases.

Kindly acknowledge receipt.

2

Copy of CSIR letter No.2(58)/Budget/95-96 dated 1.1.1997 from Financial Advisor, CSIR to Directors/Heads of all the National Labs./Instts.

Sub:-Investment of Surplus Funds in CSIR Head Quarters & National Labs.

In partial modification of the instructions issued vide CSIR letter of even No. dated 1.10.1990 and dated 3.1.1991, the Director General, CSIR has been pleased to approve the following guidelines for investment of surplus funds other than Provident Fund:

1. Investment can be made from the following funds:

(a) At CSIR Headquarters:

- (i) IRF Fund.
- (ii) Deposit for Externally Funded Projects(Sponsored/Consultancy etc.).
- (iii) Welfare Fund.

(b) At National Labs./Instts.

- (i) Laboratory Reserve.
- (ii) Deposit for Externally Funded Projects(Sponsored/Consultancy etc.).
- (iii) World bank Loan.
- (iv) World Bank Project Reserve.

2. Approval to the investment:

The Financial Advisor in CSIR Head Quarters and the Directors in Labs./Instts. have been delegated the power to approve the investment of surplus funds.

1. Investment should be made in:

- (i) In Term deposit with any Nationalised Bank or scheduled Commercial Bank i.e. (bank incorporated in India) with a “ net Worth” of RS.1000.00 Crore i.e. the paid up capital plus Free Reserve of the Bank should not be less than RS.100.00 Crore.
- (ii) In instruments which have been rated as “Investment Grade” by an established Credit Rating Agency e.g. Certificates of Deposit Schemes or similar instrument issued by the scheduled commercial bank/ Public Financial Institutions like ICICI, IFCI, IDBI, UTI etc. *However, Investment should not be made in any mutual funds or equity based schemes.*

4. Accounting:

While making investment the payment should be debited to any one of the following heads of Account depending upon the source of fund from where the investment is made.

P90501	IRF Investment
P90503	Welfare Fund
P90504	Laboratory Reserve
P90506	World Bank Loan
P90507	World Bank Project Reserve.
P90508	Sponsored/Consultancy Project Funds.

On maturity the principal amount should be credited to the corresponding Receipt Head. The interest earned from the investment should be credited as indicated below:

- i. Income earned from the investment of IRF Fund should be taken as Misc. Receipts and credited to C. Code R06501
- ii. Income earned from the investment of Welfare Fund should be added to welfare Fund itself by credit to C. Code R90101
- iii. Income earned from the investment of Laboratory Reserve should be credited to Laboratory Reserve C. Code R 07111
- iv. Income earned from the investment of World Bank Loan should be credited to the World Bank Project Reserve C. Code R09102
- v. Income earned from the investment of World Bank Project Reserve should be credited to World Bank Project Reserve itself. C. Code R09102
- vi. Income earned from the investment of Deposits for project funded by outside bodies should normally form a part of Laboratory Reserve C. Code R07112 until and unless there is stipulation from a particular sponsorer.

Other conditions laid down in circular letters dated 1.10.1990 and 3.1.1991 will remain unchanged.

3

Copy of CSIR letter No. 2(37)/97-Finance dated 24th May 1997 to all Directors of national Labs./Instts.

Sub: Signing/Countersigning of Cheques of CSIR Labs/Instts. – Delegation of Powers.

2. At present officers of CSIR Labs./Instts. are being authorised to sign/countersign the cheques of the respective Labs./Instts. by DG, CSIR and after obtaining his approval, the same is conveyed to the concerned branch of the Bank through your main office. To streamline the

procedure, the Director-General, CSIR has now been pleased to delegate his powers to the Directors of the Labs./Instts. to authorise officers of the concerned Labs./Instts. to sign/countersign the cheques.

3. Officers authorised to sign/countersign the cheques in order of preference would be as under :-

Signing

- i) Senior Finance & Accounts Officers/Sr. Finance & Accounts Officer (SG)
- ii) In the absence of Sr. F&AO/Sr. F&AO(SG), the cheques would be signed by F&AO and in case there is no F&AO these would be signed by Section Officer (Finance & Accounts).
- iii) Where there is no Sr. Finance & Accounts Officer, the cheques would be signed by Finance & Accounts Officer and in his absence by the Section Officer (Finance & Accounts).

Countersigning

- i) Sr. Controller of Administration
 - ii) In the absence of COA by the Administrative Officer
 - iii) Where there is no COA/Administrative Officer the cheques would be countersigned by Section Officer (Gen) in the absence of COA/AO
2. In case of various Regional Centres of the Labs./Instts., the Cheques will be signed /countersigned by the Sr. Scientists posted at the Centres provided no officer from the Administration/Finance is posted at that centre.
 3. Deviation, if any, in the above arrangement, would required approval of CSIR Hqrs.
 4. Proposal for opening of any new account whenever and wherever required would be approved by CSIR.
 5. It is, therefore, requested that necessary instructions in this regard may kindly be issued to your respective branches.
 6. A list of all the Labs./Instts. and name of the branch of the Bank where they are maintaining their accounts is sent herewith.

4

Copy of CSIR letter No. 1(11)/Acctt./2000-01 dated 17.5.2000

Sub: Setting up of Headquarters Reserve.

In recent past, CSIR Hqrs. due to its overarching position has been increasingly taking on functional responsibilities for catalysing and coordinating externally funded multi-laboratory projects and other S&T services. Additionally staff at Headquarters have been rendering consultancy in their area of expertise. These activities contribute to generate surpluses for the Hqrs.

7. The Governing Body in its 142nd meeting held on 28th October 1996 recognising the contribution and assistance the Hqrs. provided to laboratories in business development and thus generation of their surpluses had approved of token charges to be levied for by the Hqrs. These charges were specifically for initiatives mounted and assistance rendered by CSIR Hqrs.

- (a) 1% of annual foreign business earnings generated by all laboratories;
- (b) 1% of annual intellectual property and technology licensing fees received by all laboratories;
- (c) 1% of laboratory reserve generated during the previous year by the laboratories, then assisted by the Hqrs. to move on the path of self-sufficiency and

- (d) 1% of laboratory reserve generated by laboratories, then assisted by the Hqrs. to acquire ISO 9000.

3. The Laboratory Reserve Fund (LRF) set up for the laboratories enabling them to retain and carry forward surpluses generated and utilise these to supplement the budgetary resources, has served a very useful purpose. From time to time Hqrs. has to meet emergent and contingent expenditure beyond those provided for in the Hqrs. budget such as for purchase of equipment, upgradation of its own infrastructures and human resource development for CSIR per se. Accordingly, the Governing Body in its 147th meeting held on 9th December 1999 approved creation of a 'Headquarters Reserve Fund' at CSIR Hqrs. as follows :-

(i) **Setting up of Headquarter Reserve Fund**

The Headquarter Reserve Fund (HRF) be set up on similar lines to that of Laboratory Reserve Fund to be retained, operated and utilised by Hqrs. and consequently the existing title of the Laboratory Reserve Fund Scheme be redesignated 'Laboratory and Headquarters Reserve Fund' Scheme.

(ii) **Generation of HRF**

It shall be generated from the following receipts :

- (a) All R&D receipts permissible for Laboratory Reserve Fund and
- (b) 1% charge on the earnings of the activities that CSIR enables the Laboratories/Institutes to materialize e.g.
 - (1) 1% of annual foreign business earnings generated by all laboratories;
 - (2) 1% of annual Intellectual property and technology licensing fees received by all labs.
 - (3) 1% of laboratory reserve generated during the previous year by two laboratories i.e. IIP & IICT, then assisted by the Hqrs. to move on the path of self-sufficiency and
 - (4) 1% of laboratory reserve generated by laboratories namely NML & CMERI, then assisted by the Hqrs. to acquire ISO 9000.

(iii) **Expenditure from HRF**

- (a) DG, CSIR in consultation with FA, CSIR shall sanction and authorise expenditure from HRF under Capital & Revenue heads of expenditure as permissible under LRF including repayment of World bank/ICCI loan and service charges thereon.
- (b) All norms, procedures, rules and regulations applicable for incurring expenditure from Govt. grant should apply and be strictly followed for utilising and incurring expenditure from HRF.

(iv) **Accounting procedure:**

Accounting procedure for Headquarters Reserve Fund shall be as per IMPACT Manual. The procedure to be followed by the Laboratories for transfer of the CSIR's 1% share of their Laboratory Reserve Fund will be intimated shortly.

8. The Headquarters Reserve Fund (HRF) is operational with effect from 31st March 2000.

