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CHAPTER I: PRELIMINARY

1.1 Short Title, Extent and Commencement

1.1.1 The Royal Charter 1996 shall be the governing principle for the Bhutan Trust Fund for Environmental Conservation (Annexure-A).

1.1.2 The Operations Manual, 2009 (OM 2009) of the Bhutan Trust Fund for Environmental Conservation shall form the rules and regulations governing the day-to-day operations of the fund.

1.1.3 The Operations Manual, 2009 shall be effective from the day approved by the Management Board of the Bhutan Trust Fund for Environmental Conservation.

1.2 Definition

1.2.1 “Fund” means the Bhutan Trust Fund for Environmental Conservation.

1.2.2 “Board” means the Management Board of the Fund formed in accordance with Article 5.1 of the Royal Charter 1996 of the Fund.

1.2.3 “Director” means the Director of the Fund appointed by the Board in accordance with Article 7.2 of the Royal Charter 1996 of Fund.

1.2.4 “Treasurer” means the Treasurer of the Board.

1.2.5 “Immediate Supervisor” means the Chairman of the Board for the Director, the Director for senior staff, Senior Program Officer and Chief Financial Officer for other staff.

1.2.6 “Chairman” means the Chairman of the Board selected in accordance with Article 5.3 of the Royal Charter 1996 of the Fund.

1.2.7 “Secretariat” means the secretariat of the Fund.

1.2.8 “Royal Charter 1996” means the Royal Charter of 1996 of the Fund.

1.2.9 “Employee” means staff employed by the Fund.

1.2.10 “Grantee” means any agency or individual receiving a financial grant from the Fund.

1.3 Authority for Amendment and Interpretation

1.3.1 The authority for Amendment, Clarification and Interpretation of any provision in the OM 2009 vests with the Management Board of the Fund.

1.4 Supplementary Orders

1.4.1 The Chairman or Treasurer of the Board may issue executive orders, consistent with these rules, as may be required from time to time.

1.5 Governance

1.5.1 The Royal Charter 1996 shall govern the overall management of the Fund investment and field programs, for the promotion of social welfare through environmental conservation of the forests, flora, fauna, diverse ecosystems and biodiversity in Bhutan.

1.5.2 Employees of the Fund shall be governed by the OM 2009, which has been prepared taking into consideration the Fund’s Policy and local environment.

1.5.3 The Director will be the Chief Executive Officer of the Fund and will directly report to the Management Board. The Director will implement the Board’s decisions and
oversee the day-to-day activities of the Fund. The Director will be supported by a full time secretariat.

1.5.4 All recruitments, promotions, training, termination shall be reviewed by the Management Team comprised of the Director, Chief Financial Officer and Senior Program Officer. For procurement management purposes, two additional staff members will be engaged from the Fund’s Program and Administration sections.

1.6 Capital
1.6.1 Capital of the Fund shall constitute of contributions/grants from donor countries/organisations, and shall consist of the principal and investment income.
1.6.2 The Fund shall continue to mobilize contribution/grants from donors;
1.6.3 Program activities will be funded by a portion of the investment income. In the event the income accrued is insufficient to fund program activities, the principle may be utilized up to US$ 500,000.

1.7 Investment
1.7.1 The Fund shall enter into agreement with selected investment manager(s) on the investment of the Fund.
1.7.2 The investment will be carried out by the investment manager(s), selected by the Board, in accordance with investment guidelines provided by the Board.

1.8 Spending Policy
1.8.1 The Board, as advised by the secretariat and the Asset Management Committee, shall adopt the rolling/moving average of the endowment’s year-end market value for the past three years. This will create an operational budgeting target, and permit reinvestment of any excess revenue to hedge against inflation while continuously growing the endowment.
CHAPTER II: APPOINTMENT OF EMPLOYEES

2.1 Basic Principles

2.1.1 To facilitate appointment of suitable Bhutanese nationals to various approved positions in the Fund in order to carry out the responsibilities entrusted to them in the most efficient and effective manner.

2.1.2 Employment in the Fund, both permanent and temporary, shall be made through fair and competitive process, i.e. through public announcement and standard selection processes.

2.1.3 Facilitate recruitment of the most qualified, and competent person for the right job.

2.1.4 The Fund will base the new employee’s position according to the qualification and experience he/she possesses (Annexure-B).

2.2 Appointing Authority

2.2.1 The Director, Chief Financial Officer, and Senior Program Officer shall be recruited by the Board on five-year contract, renewable by mutual consent. These three positions shall constitute the management team of the Fund. The Board shall review Director’s performance annually and if found unsatisfactory, the Board shall terminate his/her contract with no notice.

2.2.2 The Director will recommend to the Board the recruitment/termination of the Chief Financial Officer and the Senior Program Officer.

2.2.3 All other appointments, both full time and temporary, shall be made by the Director against positions approved by the Board.

2.2.4 The service of an employee shall commence from the date of joining.

2.2.5 Support staff shall continue to serve for a longer period provided their work performance is satisfactory.

2.2.6 If the performance of any employee does not measure up to the standard required, or upon receiving N-performance ratings (i.e. Not up to requirements) for two consecutive years during annual performance evaluations, the service of the staff concerned shall be terminated as per clause 8.7 with three month’s notice by the Director.

2.3 Employment Procedure

2.3.1 The procedures for recruitment are as follows:

(i) Vacancy Announcement with detailed job description;
(ii) Shortlisting, Interview and Due Diligence including review of documentation;
(iii) Selection and Appointment;
(iv) Observance of Probation Period

2.4 Vacancy Announcement

2.4.1 Job vacancy shall be advertised through national/local newspapers, radio or by other means. The advertisement shall contain the following:

(i) Title of post;
(ii) Location;
(iii) Job description;
(iv) Qualification and requirement;
(v) Requisite experience;
(vi) Skills required for the post.
2.5 Interview and Selection

2.5.1 Candidates shall appear for an interview conducted by the Fund. Where necessary tests will be conducted to check the technical skills such as typing speed, driving, etc. The best candidates shall be selected for the post.

2.6 Medical and Other Certificates

2.6.1 Any candidate appearing for the interview and selection shall be required to submit the following:
   (i) Medical certificate by a Medical Officer stating that the candidate is physically and mentally sound;
   (ii) Citizenship certificate;
   (iii) Character certificate or other references;
   (iv) Any other certificate which may be required;
   (v) No objection certificate.

2.7 Disqualification for Appointment

2.7.1 No person shall qualify for appointment in the Fund if he/she:
   (i) has been convicted of any criminal act;
   (ii) is mentally unsound.

2.8 Appointment Letter

The selected candidates shall be issued an employment letter by the appointing authority as specified under Chapter II, Section 2. The employment letter will contain the following:
   (i) Date of Appointment;
   (ii) Title of the post;
   (iii) Job description;
   (iv) Salary and benefits;
   (v) Other terms and conditions.

2.9 Probation Period

2.9.1 All employees shall be appointed on a probationary period of one year from the date of employment during which the employee is not entitled to annual leave. Employees can be terminated without notice during the probation period.

2.9.2 Employees of the Fund shall not be eligible for training and/or other benefits while on probation.

2.9.3 Employees of the Fund, during probation, shall be eligible only for casual leave, medical leave, paternity leave and maternity leave and shall not earn any other form of leave.

2.9.4 Employees of the Fund shall be eligible for Leave Travel Concession (LTC) only upon completion of the probation period.

2.10 New Post

2.10.1 With the prior approval of the Board, the Director may fill in new post(s).

2.10.2 In the event a new post comes up, internal staff may be permitted to participate in the competitive selection process provided he/she fulfils all required criterion.
CHAPTER III: CODE OF CONDUCT AND CONFIDENTIALITY

3.1 Code of Conduct

All employees of the Fund are bestowed with the privilege to serve the public interest by managing the affairs of the Fund. In serving as the custodian of public trust and confidence, employees shall:

3.1.1 Abstain from indulging in any activity or association that adversely affects the Fund and national sovereignty.

3.1.2 Maintain the highest standards of professional excellence and shall not misuse his/her official position and authority for taking undue personal advantage in any form.

3.1.3 Maintain proper business decorum and refrain from indulging in habits and behavior that infringe upon the performance of official duties or tarnish the image of the Fund.

3.1.4 Always render service to the public with respect, courtesy, and efficiency.

3.1.5 Avoid all forms of discrimination through use of derogatory/abusive language and never unfairly dispense any special favour or privilege to anyone. In particular, an employee shall not:
   (i) Make or allow any private commitment to encroach on the duties of the office;
   (ii) Accept, for self or family members, favours or benefits under circumstances, which might be construed by a reasonable person as influencing or adversely affecting the performance of his duties; and
   (iii) Accept gifts/donations of value that can be perceived as a bribe.

3.1.6 Conduct themselves well at all times and maintain strict confidentiality on all official matters. Employees shall refrain from political activities.

3.1.7 Fund shall observe and honour acceptable work environment conducive to creativity and productivity, and ensure fair and just rights for all employees without discrimination of religion, race or gender.

3.2 Working Hours

3.2.1 Normal working hours for the staff of Fund shall be from 9.00 A.M. to 5.00 P.M. (March–October) and 9.00 A.M. to 4.00 P.M (November-February), Monday through Friday.

3.2.2 All staffs are required to sign in daily attendance register. Office time must be strictly followed. When an employee is not able to attend office in case of emergency, he/she must inform the supervisor as soon as possible.

3.2.3 During working hours all employees are required to report for work in national dress.

3.3 Official Holidays

3.3.1 Official holidays shall be observed as follows:
   (i) Weekends (every Saturday and Sunday);
   (ii) National and Local holidays as declared by the government;
   (iii) First Snowfall of the season.

3.4 Flexi-Time

3.4.1 Employees may be permitted flexibility of work hours to attend to urgent personal needs during a normal working day. Employees can take time off during normal
working hours and make up the missed time, either by starting at work early and leaving early or *vice versa*, with the prior approval of his/her supervisor.

3.5 **Communication and Participation**

3.5.1 General staff meetings will be held on monthly basis including project briefing. Concerned issues brought up by the staff will be discussed and resolved.

3.5.2 The minutes of the staff meeting shall be recorded, endorsed by participating staff and approved by the Director.

3.6 **Dispute Settlement and Disciplinary Process**

3.6.1 When possible, all disputes shall be resolved informally and internally.

3.6.2 If an employee fails to adhere to disciplinary standards, after two written warnings, s/he shall be terminated with three months’ notice.
CHAPTER IV: PAY, ALLOWANCES AND OTHER BENEFITS

4.1 Basic Principles
4.1.1 In order to attract and retain the most qualified and competent professionals, the Fund shall provide effective remuneration and benefits.
4.1.2 To promote and strengthen the relationship between pay and productivity, employees may be rewarded directly for their performances by being granted with more than one increment in a year.
4.1.3 Basic salary of a new recruit will be calculated accordingly along the same pay structure. Basic monthly salary includes all allowances and benefits if not specifically mentioned hereunder.
4.1.4 Whenever there is pay re-structuring, the employer shall uphold the current position and salary of the employees.
4.1.5 No salary shall be paid to staff member in respect of period of unauthorized absence from work.

4.2 Pay Structure
4.2.1 With implementation of this Manual, the initial minimum basic pay shall be fixed at Fund’s minimum scale (Annexure C).

4.3 Annual Increment
4.3.1 Annual increment shall be granted corresponding to annual performance ratings ranging from five to ten percent (Annexure C) of the employee’s basic pay.
4.3.2 The increment may be withheld either under disciplinary grounds or due to professional underperformance as determined by the supervisor.
4.3.3 In the event the annual increment is due to an employee on the day following the date of retirement, the annual increment shall be released and it shall be considered for the purpose of calculating gratuity and other retirement benefits.
4.3.4 An employee must serve for a minimum of one year to be eligible for the annual increment.
4.3.5 The date of increment shall be effective either January or July each year.

4.4 Welfare Allowance
In addition to Medical Leave under clause 5.6 below, the following rules apply:
4.4.1 An employee, who meets an accident during duty including commuting between residence and office and is medically disabled (i.e., unable to attend the office), will receive full salary up to two years. If such an accident proves fatal, the same rule shall apply to a single legal dependent of the deceased employee.
4.4.2 An employee may receive full salary up to a maximum period of one year while on Medical Leave. The Director shall review on case-by-case basis depending on the legitimacy for any period exceeding one year, and seek Board directives for future action.
4.4.3 In case of emergency evacuation for ex-country medical treatment of an employee, the airfare (less government contribution for surface transport) will be borne by the Fund.
For the treatment of dependant (including child up to 21 years of age) of an employee outside Bhutan, the accompanying parent/partner who is an employee of the Fund, shall be paid TA/DA upon medical justification as per travel rules of the Fund.

4.5 Medical Treatment outside Bhutan

4.5.1 If an employee of the Fund is recommended/referred as outpatient by the referral committee of the national referral hospital of Bhutan for specialized treatment in India, both the patient and one escort shall be permitted to claim permissible expenses as follows under Clauses 4.5.2 to 4.5.5.

4.5.2 An escort shall be eligible on the following grounds:
(i) Patient is below 21 years of age;
(ii) Patient is illiterate;
(iii) Patient is physically incapable to travel on own due to the illness;
(iv) Treatment is likely to incapacitate a person for a reasonable time as per assessment of the medical authority.

4.5.3 Round trip airfare for both patient and escort and actual charges for medical/surgical/consultation/bed/cabin shall be paid by the Fund.

4.5.4 If an employee is recommended for treatment to India or Bhutan, and opts for treatment in another country in the region (i.e. Bangladesh, Myanmar, Nepal, Sri Lanka, or Thailand), the Fund shall bear 50 percent of the actual total costs of medical treatment excluding airfare.

4.5.5 The above options may be revised when prevailing practices are revised periodically in the country.

4.6 Telecommunication Claim

4.6.1 The Director shall be entitled for post paid cellphone expenses for official purposes.

4.6.2 Other staff shall be eligible for reimbursement of cellphone recharge voucher to a maximum amount per month as detailed below:
(i) Officers Nu. 2,000.00
(ii) Support Staff Nu. 1,000.00

4.6.3 Mobile claim upto fifty percent of fixed ceiling shall be reimbursed to employees when on leave but residing within the country.

4.6.4 Actual claim on official telecommunications shall be reimbursed when employees are on official duty including training outside the country.

4.6.5 Senior staff shall be permitted to install and operate, at the expense of the Fund, one fixed-line telephone each at his/her residence, for local telecommunications including Internet usage. Legitimate international business calls shall be reimbursed by the Fund based on verification by the Director.

4.7 Salary Advance

4.7.1 The Director shall be empowered to sanction salary advance to a maximum of two months’ net pay for any employees, irrespective of purpose. The same shall be recovered from the monthly salary of the employee within the same financial year.

4.7.2 The Chairman or the Treasurer of the Board may approve salary advances mentioned under section 4.7.1 above for the Director.
4.7.3 The Director shall not sanction any personal advances of any kind unless a previous advance of such kind is liquidated in full.

4.8 Pension and Provident Fund Scheme

4.8.1 All employees shall be entitled to participate in both Pension and provident fund schemes with any recognized pension institution in the country.

4.8.2 Employees shall remit the maximum contribution permissible of the basic Salary and the Employer shall match a corresponding amount of the basic salary on monthly basis and deposit accordingly to the pension institute.

4.8.3 If an employee resigns during the probation period, he/she shall not be entitled to the Provident Fund contributed by the Fund, and shall be entitled only to his/her contribution.

4.9 Group Insurance Scheme

4.9.1 All employees shall be covered under the Group Insurance Scheme as per the rules prescribed by the government from time to time.

4.9.2 The rates of contribution shall be follows:

(i) Director Nu.300/month
(ii) Officers Nu.200/month
(iii) Support staff Nu.100/month

4.10 Insurance

4.10.1 In addition to Group Insurance Scheme, employees of the Fund shall be eligible for Annual Personal Insurance as per prevailing Insurance rules and regulations.

4.11 Loan to Employees

4.11.1 Employees may be eligible to avail a single loan, free of interest once in every five years within the maximum ceiling of a year’s basic salary of an employee.

4.11.2 The loan shall be recovered from the monthly salary of the employee in 36 (thirty six) continuous installments.

4.11.3 Prior to loan approval, ability of repayment shall be strictly observed

4.11.4 To be eligible for the above loan, employees must have served the Fund for a minimum period of two years.

4.11.5 The Director shall be the approving authority for all employees, and the Treasurer for the Director.

4.12 Personal Income Tax (PIT)

4.12.1 It is the legal duty of every Bhutanese citizen to file PIT returns within deadline specified by the concerned authority.

4.12.2 Filing of PIT return is employees’ responsibility and the Fund shall not be liable for payment of any late penalty. The Fund shall provide all employee detailed statement of salary tax deducted and remitted monthly for the filing period.
CHAPTER V: LEAVE RULES AND REGULATIONS

5.1 Basic Principles

5.1.1 Paid Leave from work is subject to the exigencies of the Fund’s affairs.

5.1.2 The following kinds of leave are permitted to employees:

(i) Casual
(ii) Earned
(iii) Maternity
(iv) Paternity
(v) Medical
(vi) Bereavement
(vii) Study/Training
(viii) Extra Ordinary

5.1.3 The accounts of casual and earned leave shall be maintained by the Fund.

5.1.4 Leave may be taken in units of days and half days. Any absence of more than two hours but less than four hours will be counted as half-day leave; absence of more than four hours will be counted as one-day leave.

5.2 Casual Leave

5.2.1 During each calendar year, employees shall be permitted a maximum of ten working days as casual leave.

5.2.2 No casual leave will be permitted without prior approval and in cases where prior approval cannot be obtained; the immediate supervisor should be informed at the earliest.

5.2.3 Unused casual leave will be credited to an employee’s earned leave account.

5.2.4 Casual Leave shall be granted to employees for a short period on account of illness or urgent personal affairs while traveling.

5.2.5 Casual Leave shall be permitted when employee is traveling on the Fund’s business but no Daily Allowances will be admissible.

5.2.6 New employees on probation may avail casual leave during the calendar year, proportionately calculated on a monthly basis.

5.3 Earned Leave

5.3.1 All employees shall be entitled to 30 working days of earned leave per annum at the rate of two and half days per month.

5.3.2 An employee may encash his/her earned leave provided she/he has 30 days of earned leave on credit. He/she shall be paid one-month basic pay in lieu of 30 days leave which shall be debited to his/her earned leave account.

5.3.3 An employee leaving the Fund for any reason shall be permitted to encash leave for any number of days at his/her credit.

5.3.4 Earned leave may be accumulated only up to a maximum of 60 days.

5.3.5 The Chairman/Director shall be the approving authority for earned leave; approval for earned leave must be obtained in advance.

5.3.6 Suspended employees will not be allowed to avail earned leave during the suspension period and will accumulate in his/her leave account.
5.4 **Maternity leave**

5.4.1 A female employee who is expecting to deliver a child shall be entitled to maternity leave with full pay for every confinement. Maternity leave may commence four weeks prior to the date of confinement and extend to a total period of 90 days from the date of commencement.

5.4.2 In addition to leave admissible in the clause 5.4.1 above, maternity leave with full gross pay shall be admissible during miscarriage for a maximum period of one month on production of a medical certificate.

5.4.3 Maternity Leave shall be granted on production of medical certificate each time.

5.5 **Paternity Leave**

5.5.1 A male employee shall be entitled to paternity leave of five working days for every confinement of his wife.

5.5.2 Paternity Leave can be combined with other forms of leave and shall be prefixed or suffixed to public holidays.

5.6 **Medical Leave**

5.6.1 An employee, certified as incapable of performing professional duties due to illness, shall be granted medical leave on furnishing medical document certified by competent medical authority in Bhutan as described below:

(i) Up to one month - Medical Officer
(ii) Up to six months - A Board of Medical Doctors in Bhutan
(iii) More than six months - The Head of Department of Ministry of Health upon recommendation submitted by Board of Medical Doctors in Bhutan

5.6.2 The Director may also accord paid medical leave to employees for a maximum period of one month per annum to escort immediate dependant(s) for medical treatment outside Bhutan.

5.7 **Bereavement Leave**

5.7.1 Bereavement Leave shall be permitted for employees whenever there is death in the immediate family (i.e., siblings, biological and legal children, spouse, own and spouse’s parents).

5.7.2 Duration of leave shall be for a maximum period of five working days and the Director shall be the approving authority.

5.8 **Study/Training Leave.**

5.8.1 Employees nominated for study/training (both short & long term), shall be entitled to avail study leave, with duration based on the study/training program duration. The Employee shall receive full gross basic for first eighteen months and fifty percent for the remaining period.

5.8.2 An Employee who privately arranges study/training and is granted study leave shall be entitled to full gross basic pay for first eighteen months and fifty percent for the remaining period provided the course is relevant to the Fund. If the course is not relevant to the Fund, the employee may then seek Extra Ordinary Leave, i.e., leave without pay or unpaid leave.
5.9 Extra-Ordinary Leave (EOL)

5.9.1 Employees can avail unpaid extraordinary leave for further training, domestic affairs or to work on deputation/secondment to other organizations, with prior approval from the Director or in the latter’s case from the full board.

5.9.2 Employees may be granted a maximum of 24 months Extraordinary Leave during his/her entire service period.

5.9.3 Employees shall be entitled for EOL of 90 days or more, only after rendering a minimum service of five years.

5.9.4 No salary and other benefits shall be paid when employees avail EOL.

5.9.5 Approving authority shall be as follows:

(i) Up to six months - Director for employees and full Board for the Director

(ii) Exceeding six months - Full Board

5.9.6 Extra-ordinary Leave exceeding one year shall not be counted as continuous service for calculating gratuity for an employee.

5.10 Public Holidays

All employees are entitled to official holidays as observed by the government.
CHAPTER VI: TRAVEL RULES AND REGULATIONS

6.1 In-Country Travel

6.1.1 The Chairman shall approve travel of the Director. The Director shall approve all travel for all staff, both within and outside the country, provided there is prior budget approval from the Board.

6.1.2 An employee who intends to travel must submit in detail his/her tour program (Form No. 6.1.2) for the approval.

6.1.3 Upon return from tour, the employee must submit a comprehensive tour report to the immediate supervisor within ten days. Travel Claims shall be made in the prescribed Travel Allowance Claim Form (Form No.6.1.3).

6.1.4 If a pool vehicle is not available for domestic travel, with the approval of the Director an employee may claim mileage or hire vehicles at prevailing market rate.

6.1.5 While on tour in areas where there is no road communication or where vehicles do not ply, employees shall be entitled to hire riding ponies and porters as follows:

(i) Director - 1 Riding Pony Plus 3 Porters
(ii) Officers - 1 Riding Pony Plus 2 Porters
(iii) Others - 2 Porters.

(Note: Claim on riding ponies shall be entitled only if the travel distance is more than five kilometers in a day)

6.1.6 Rates of Riding Ponies and Porters shall be as follows:

(i) One Riding Pony - Nu.300.00 per Day
(ii) One Porter - Nu.150 per Day (1 pack pony = 2 porters)

However, above rates shall be revised at par with the revision of wages for National Work Force by the government.

6.2 Daily Allowance (DA)

6.2.1 Employees shall be eligible for DA if the traveled distance is more than ten kilometers from the office provided his/her absence from duty is more than eight hours.

6.2.2 Half DA shall be paid if the absence from the office is more than eight hours but less than 12 hours and full DA shall be paid if the absence is more than 12 hours.

6.2.3 An Employee traveling to Paro Airport has to commence the journey before 04.00 am in the morning and the absence is less than 12 hours shall be entitled to claim full DA.

6.2.4 DA for travel within Bhutan shall be paid at the rate prescribed (Annexure D).

6.2.5 DA shall be paid only for first 30 days of continuous halt on duty at one particular place. Half DA shall be paid for the remaining period not exceeding six months.

6.2.6 When it becomes necessary to extend tour beyond six months, an employee shall be considered “posted on temporary posting” and no DA shall be paid.

6.3 Travel Outside Bhutan

6.3.1 The Board shall approve the Director’s travel outside the country. The Director shall approve all staff travel outside the country provided there is prior budget approval of the Board.
6.3.2 An employee traveling outside the country shall be paid DA for halts in transit, enforced halts and actual period of halts required for processing visa.

6.3.3 The DA rate for travel to India shall be 20 percent above the equivalent positions and/or grades in the government.

6.3.4 Under normal circumstance prevailing RGoB Rates shall be observed for travel to other countries. However, actual expenses plus 50% of DSA shall be paid when travelling to OECD countries. The latter shall also apply in other countries, when the staff are expected to lodge in the same hotel as the conference/training venue.

6.3.5 If an employee nominated for training outside the country is provided with airfare, food and lodging facilities by an entity other than the Fund, only 20 percent DA shall be paid as incidental expenses.

6.3.6 If a fund employee is provided with airfare and lodging facilities by an entity other than the Fund, only 50 percent DA shall be paid to cover expenses.

6.3.7 No DA shall be paid by the Fund if the travel is fully funded by an entity other than the Fund.

6.3.8 Taxis (airport/hotel/airport and hotel/embassy/hotel), visa fees, airport taxes, and other business related expenses shall be reimbursed upon arrival from business travel.

6.3.9 Incidental allowance shall be paid, at the rate of US$50 for a period upto two weeks, US$100 up to five weeks, US$150 above five weeks but less than one year, and US$250 above one year.

6.3.10 Employees traveling outside the country on the Fund’s business shall travel only by economy class. The Director shall be entitled to travel by business class. The Fund will not pay for first class travel for any employee.

6.3.11 When travel expenses are fully funded by other agencies, the mode of travel shall be determined by the concerned funding agencies.

6.3.12 Ticketing for all international travel shall be done through competitive bidding process.

6.4 **Leave Travel Concession (LTC)**

6.4.1 All employees who have completed one year of continuous service are eligible for leave travel concession at the rate equal to one month’s basic pay. LTC shall be paid only once in every fiscal year.

6.4.2 LTC is not admissible during probation period but shall accrue during the year which shall be payable on completion. LTC shall not be admissible while on EOL.
CHAPTER VII: HUMAN RESOURCES DEVELOPMENT

6.5 Basic Principles

6.5.1 The Fund is a small and compact organization, and its secretariat has to function efficiently for optimum public benefit. Therefore, it is essential every employee continuously improve performance and efficiency and stay abreast of state-of-art technology in his/her respective field.

6.5.2 As direct training is one of the best means of human resource development, the Fund will provide regular training to employees through short and long term specialized training, and encourage employees to stay abreast of professional developments through study tours, technical conferences and workshops within and outside Bhutan.

6.5.3 Cost-benefit efficiency should always be considered while planning work-related ex-country meetings, travels, etc.

6.6 Training

7.2.1 For all long term training, the Director shall issue an award letter in the prescribed format (Form No. 7.2.1), once the training is approved by the Board,

7.2.2 Government employees nominated for training under the Fund shall be governed by government training rules. Likewise, other agencies shall also apply their own training rules. This manual shall be applied to those entities who do not have separate training rules.

7.2.3 No allowances shall be paid to employees undergoing ex-country training if the duration exceeds three (3) months.

7.2.4 An employee on training shall be covered by the scholarship’s medical insurance. However, in case of emergency, medical expenditure shall be borne by the Fund on production of original receipts and if it is not covered under medical insurance or borne by any other agencies.

7.2.5 While on training, only Earned Leave shall accrue to an employee. Employees shall be entitled to Leave Travel Concession (LTC) and annual increments during the training period. Employees deputed for training shall be paid full salary for the first eighteen (18) months. When the training exceeds eighteen (18) months, the employee shall be entitled to only 50% of his/her salary.

7.2.6 Employees of the Fund while on training shall be paid stipend at the prevailing government rate. However, other allowances and benefits shall be as approved by the board/director

7.2.7 Employees nominated for training shall be reimbursed normal air freight for training materials/personal effects depending on the course’s duration as follows:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Accompanied Baggage Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 6 months</td>
<td>-</td>
</tr>
<tr>
<td>7-12 months</td>
<td>-</td>
</tr>
<tr>
<td>12 months onwards</td>
<td>-</td>
</tr>
</tbody>
</table>

7.2.8 An Employee who privately arranges his/her training and is granted study leave shall be entitled to full gross basic pay for a period of eighteen (18) months provided the course is relevant to the Fund. When the course is not relevant to the Fund, he/she shall apply for extra-ordinary leave.
6.7 Training Bond

6.7.1 An employee who has undergone training at the expense of the Fund shall be legally bound to serve the Fund for twice the duration of the study period.

6.7.2 An employee who fails to serve the Fund as per Clause 7.3.1. above shall refund to the Fund total expenses including the cost of training, travel expenses and salary paid during the training period, on a pro-rata basis, in line with the existing norms in the government.

6.7.3 Any employee approved for training shall sign a Training Bond (Form No. 7.3.3).

6.8 Repetition and Extension of Scholarship

6.8.1 An Employee shall be allowed to repeat a course/examination with the prior approval of the Board. Such approval shall be contingent to the employee’s inability to complete the course due to ill health or a reason related to the training institute, which is beyond the control of the candidate;

6.8.2 The Board may grant, on case-by-case basis, training extension to undertake additional course(s) deemed beneficial to the Fund.

6.9 Termination of Training/Fellowship

The Director may terminate an employee’s training on the following grounds:

(i) The employee’s conduct is not as per the training rules and regulations;
(ii) The employee does not attend the training regularly;
(iii) The employee’s performance is below average or unacceptable to the authorities of the training institute or the Fund, in spite of mitigative measures such as special classes and extra coaching approved by the Board/director;
(iv) The employee fails to complete the course in the prescribed period, and approval for extension is not accorded.

6.10 Personnel Performance/Evaluation Appraisal (PPA)

6.10.1 PPA is aimed at improving performance of employees and shall form the basis for promotion or termination.

6.10.2 PPA shall be conducted at the end of each year through the prescribed format (Form No. 7.6.3).

6.10.3 The Director shall evaluate senior officers, and officers and support staff shall be evaluated by their respective supervisors, who shall be identified in each position’s detailed job description. The Director’s performance shall be evaluated by the full Board.

6.10.4 Any disciplinary action taken on employees shall be kept in the PPA file for three years.

6.11 Promotion.

6.11.1 The Fund may promote employees to higher grades and positions depending on the performance of employees and the availability of posts.

6.11.2 When no higher post is available for promotion, an employee’s outstanding performance shall be recognized through increase of basic salary depending on the assessment at the end of the every year.
CHAPTER VIII: RETIREMENT AND POST SERVICE BENEFITS

8.1 Retirement/Superannuation
8.1.1 An employee shall be retired from the Fund’s service on completion of 60 (sixty) years of age based on the date of birth recorded in the service record at the time of appointment.

8.2 Resignation
8.2.1 Any employee has the right to resign, provided written notice is served to the Director at least three months in advance. If written advance notice is not served, the employee shall forfeit one month’s basic pay.
8.2.2 An employee on probation can resign any time without prior notice.
8.2.3 The director can accept voluntary resignation of any employee.

8.3 Death
8.3.1 In the event of death of an employee, all benefits including gratuity shall be payable to the nominee(s). If the deceased has no nominee, the benefits will be disbursed as per prevailing law. All benefits earned by the deceased shall be given to the nominee(s) only after deducting any outstanding dues.

8.4 Gratuity
8.4.1 Employees who voluntarily resign shall be eligible for gratuity if he/she has put in continuous service of two years at the time of resignation.
8.4.2 Employees whose services are compulsorily retired shall be eligible for gratuity if he/she has put in continuous service of two years.
8.4.3 Employees whose services are terminated shall not be eligible for gratuity.
8.4.4 The amount of gratuity payable shall be computed based on the last gross basic pay drawn multiplied by number of completed years of service (fraction of a year being ignored), to the maximum permissible ceiling of Nu.900,000 subject to revision in the government.
8.4.5 The amount due from the retired employee, if any, at the time of retirement or demise and not recoverable other-wise, shall be recovered from the gratuity payable to the incumbent, his/her nominees or other legal heir to whom such payments may be released.

8.5 Pension Plan and Provident Fund Benefits
8.5.1 The amount of monthly payment of Pension benefits and Provident Fund payable to the retired employee shall be as per the provisions in the National Pension Plan Rules and Regulations.
8.5.2 Authority to sanction Pension and Provident Fund benefits to the retired employee shall be the Board for the director, and the director for all staff in accordance with the National Pension and Provident Fund Plan Rules and Regulations.

8.6 Other Benefits
8.6.1 An employee who leaves the Fund for any reason shall be entitled to traveling allowance of an amount equal to one month’s last gross basic pay.
8.6.2 An employee who leaves the Fund for reasons other than termination shall be entitled to a transfer grant of one-month gross basic pay, provided the incumbent has rendered minimum service of three years.

8.6.3 An employee who leaves the service of the Fund for a reason other than termination, shall be entitled to receive a separation allowance of three months gross basic pay.

8.6.4 In the event the Fund’s vehicle is used to transport personal effects, no carriage charges shall be paid.

8.6.5 Carriage charge for the journey to home town on retirement shall be admissible only once during the entire service period, irrespective of changes in status or terms of appointment.

8.6.6 If an employee dies while in the service of the Fund, the members of his/her family residing with the employee at the time of his/her demise shall be entitled to traveling allowance equal to one month’s last basic pay of the deceased, transfer grant and carriage charge of personal effect as admissible under the Fund’s rules.

8.7 Termination

8.7.1 An employee may be terminated from the Fund with a valid and justifiable reason.

8.7.2 As per the provisions of Clause 2.2.5, the powers to terminate service of employees shall be vested with the following authorities:

(i) The full Board for the Director, with no advance notice;
(ii) The full Board for Senior Officers, on the recommendation of the Director
(iii) The Director for all employees below Senior Officers, on the recommendation of the Management Team, with three months advance written notice.

8.7.3 An employee can be terminated as result of proceedings on the following grounds:

(i) Poor performance and non-delivery of assigned tasks and responsibilities;
(ii) Misconduct, including willful insubordination and/or disobedience pertaining to Fund’s business;
(iii) Frequent complaints by grantees, grant-seekers or the general public, of improper professional conduct including political bias;
(iv) Involvement in theft, fraud or misuse of the Fund’s assets;
(v) Conviction in any court of law for any criminal offence;
(vi) Habitual late attendance and absence from duty without leave;
(vii) Abusing and assaulting a colleague of the Fund;
(viii) Any other action which may be harmful to the public image and apolitical mandates of the Fund;

8.7.4 When an employee has been terminated from service, he/she will be paid for the number of days worked since payment of the last salary. The employee shall get his/her contribution to the Provident Fund only after deducting any dues owed to the Fund. Sanction of gratuity and employer’s contribution to the Provident Fund will be determined based on the reason for termination.
CHAPTER IX: DOCUMENTATION AND ARCHIVES

9.1 Service Record

9.1.1 An authorized official will maintain personal files on all employees. The file shall contain appointment letter, job description, salary and increments, promotion, leave record, performance evaluation reports and other relevant documents.

9.1.2 The personal files shall be kept confidential under lock and key. No one should have access except the authorized official.

9.1.3 Should an employee need to retrieve any information from the service record file, it shall be done through his/her supervisor.

9.2 Archives/Documentation

9.2.1 Archives shall be arranged in each project to keep official project documents and files. These places must be kept clean, dry and free of rodents to guarantee safeguarding of any stored documents.

9.2.2 All outdated documents in the archive must be permanently destroyed/burned, and not disposed in the market.

9.2.3 The following policy shall be observed regarding the duration of archiving documents:

<table>
<thead>
<tr>
<th>Nature of Record</th>
<th>Minimum period</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) All Correspondence</td>
<td>Five years</td>
</tr>
<tr>
<td>(ii) All investment documents</td>
<td>Five years</td>
</tr>
<tr>
<td>(iii) Vouchers, Accounts</td>
<td>Five years after completion of audit</td>
</tr>
<tr>
<td>(iv) Contracts/Insurance Policies</td>
<td>Three years after expiry</td>
</tr>
<tr>
<td>(v) Grant agreements</td>
<td>Three years after completion of project</td>
</tr>
<tr>
<td>(vi) Legal donor agreements</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>
CHAPTER X: FINANCIAL MANAGEMENT

10.1 Basic Principles

10.1.1 As steward of public resources, the Fund’s financial management shall be based on the principles of “Economy, Efficiency and Accountability”.

10.1.2 All employees shall serve the Fund with the highest degree of fiduciary integrity, personal honesty, and professional efficiency.

10.1.3 Vigilance shall be observed at all levels in the same manner that a person of normal prudence would exercise when undertaking his/her own personal financial affairs.

10.1.4 All relevant laws, rules and regulations shall be stringently adhered to.

10.1.5 All resources of the Fund shall be utilised solely for the Fund’s business purposes under proper authority.

10.1.6 All receipts and payments shall be supported with necessary documentation.

10.1.7 All funds belonging to Fund shall be promptly banked into the designated bank accounts.

10.1.8 No funds shall be transferred to non-official accounts except for making legitimate, documented payments.

10.1.9 No monies shall be paid out of the Fund’s account except in pursuance of an approved appropriation.

10.1.10 If a loss of Fund’s money or property occurs, the individual in direct custody of the money or property shall be legally liable if he/she has not taken reasonable steps to prevent such loss.

10.2 Delegation of Legal, Administrative and Financial Powers

10.2.1 The Director shall exercise all legal, administrative and financial powers as delegated by the Board (Annexure E), and is solely accountable to the Board for the exercise of such powers.

10.2.2 Unless the Director him/herself retains the responsibility, the function of Drawing and Disbursing Officer (DDO) shall be delegated to the CFO, and in the latter’s absence, to the Finance Officer, with responsibilities outlined as per Clause 10.11 below.

10.2.3 To enhance efficiency and expedite decision making, certain powers may be delegated to subordinate officers through written orders clearly specifying (i) nature of powers, (ii) position of the officer to whom delegated, and (iii) monetary ceiling.

10.2.4 The Board may delegate to the Treasurer of the Board other legal, administrative and financial powers, which are specifically not delegated to the Director, to facilitate efficient liaison between the Board and the Secretariat.

10.3 Accounting Principle

10.3.1 The Royal Charter 1996 shall govern the accounting of the Fund.

10.3.2 Accounting of the Fund and preparation of consolidated financial statements shall be based on the Generally Accepted Accounting principles.

10.3.3 Wherever applicable, the Companies Act of Bhutan shall apply.
10.4 Bank Account

10.4.1 The Fund shall maintain four accounts with a Board-approved financial institution in Bhutan, in addition to one or more off-shore investment custodial account(s).

10.4.2 The four bank accounts shall be as follows:

(i) Current Account in Ngultrums for operation of secretariat and program expenditure;
(ii) Savings Account in Ngultrums for investments in Bhutan, the operation of which requires the written authorization of the Treasurer of the Board;
(iii) United States Dollar Account for inward transfer of funds from the custodian for operation of secretariat, program, and other third country expenditure; and
(iv) Savings Account in Ngultrums for operation of corporate credit card(s), for which funds shall be replenished monthly from the Ngultrums current account.

10.4.3 Custodial bank account(s) for off-shore investments shall be maintained as required, depending on the number of investment manager(s) involved;

10.4.4 For all financial transactions of the Fund, two signatures shall be required, and the relevant financial institution(s) shall be clearly instructed to observe this basic rule. The Fund’s bank accounts shall be operated jointly by the CFO and Finance Officer, or the Director and Finance Officer in the CFO’s absence, or the Director and CFO in the Finance Officer’s absence. In the absence of both the CFO and finance officer, the Director and a Senior Program Officer may jointly operate the Fund’s accounts.

10.5 Utilisation Of Funds And Accounts

10.5.1 All payments, whether in cash or cheque, shall be made only against Disbursement/Journal Voucher (Form No. 10.14.1) properly approved by the Director.

10.5.2 No money shall be withdrawn from the Fund’s accounts except for settlement of legitimate claims against the Fund or for payment of advances in pursuance of an approved budget.

10.5.3 The CFO shall be responsible for proper utilization of the budget once approved by the Board.

10.5.4 Before payment is authorized, the Finance Officer shall certify that:

(i) there are sufficient funds to pay the vouched amount;
(ii) the competent authority has approved the voucher;
(iii) the voucher is supported by the necessary proper, legal documents.

10.5.5 For grants administration, the government’s financial manual shall be followed for government, community and individual grantees. Legally incorporated not-for-profit non-government organisations shall follow their own financial rules and regulations, as long as such protocols are acceptable to their auditors.

10.5.6 No advance payment of grants or other expenses shall be made unless authorised for a specific purpose based on an estimate and duly approved voucher. An advance shall be reported on and liquidated as soon as the purpose for which it was given has been served. No additional advance is permissible unless the previous advance is fully settled.

10.5.7 Every grantee of the Fund shall keep proper books of accounts giving a true and fair view of the grant with respect to:
(i) All sums of money received and expended by the grantee and the purpose/transaction for which the receipt and expenditure took place;
(ii) All sales and purchases of goods and services by the grantee;
(iii) The assets and liabilities in respect of grant;
(iv) Such other particulars as may be required for auditing purpose;
(v) The books of account and other documents of grantee(s) shall be available for inspection by the Fund or its authorised agent at any time;

10.6 **Budgeting**

10.6.1 The fundamental guidelines for budgeting shall be governed by the Royal Charter, 1996.

10.6.2 The budget and the budgeting system shall encompass a clear link between receipts, expenditure and objectives and shall be continuously managed and monitored.

10.7 **Acquisition/Procurement**

10.7.1 Purchasing procedures shall be aimed at promoting an open and effective purchasing policy, and effective and efficient use of Fund’s money, on the following principles:

(i) Observe economy and efficiency in the procurement of goods and services or the contracting of works;
(ii) Ensure suppliers and contractors get fair and equal access to the award of contracts for the supply of goods, services or works;
(iii) Observe transparency in public procurement;
(iv) Achieve regularity and uniformity in the procurement of goods and services.

10.7.2 Procurement of goods and services shall be conducted within the following guidelines:

(i) Purchases below Nu. 50,000 (fifty thousand) shall be made after making diligent inquiry from the local market;
(ii) Purchases above Nu. 50,000 (fifty thousand) and less than Nu. 500,000 (five hundred thousand) shall be made by inviting written quotations from at least three different reputable licensed suppliers;
(iii) Purchases above Nu. 500,000 (five hundred thousand) shall be made through public advertisement and standard tender committee procedures;

10.7.3 Direct purchases from outside the country and/or online through the Internet may be made under the following conditions:

(i) Substantive price difference is observed between local vendors and ex-country sources (quoting for c.i.f. Thimphu or project site), with the ex-country prices being substantively less than local vendors’;
(ii) Local vendors are not able to meet the required quality and specifications of items to be purchased;
(iii) Items are required within in short period of time to prevent further deterioration or delay of grant implementation;
(iv) Under any other unavoidable circumstances with prior Board approval;
(v) For such procurement, price quotations or catalog information from at least three different reputable licensed suppliers shall be documented.

10.8 **General Procedure for Processing of Claims**

10.8.1 All claims received or prepared in an office shall be registered in the Bills Payment Register (*Form No. 10.8.1*). The register shall be reviewed once a month by the CFO and the result of the review recorded in the register.
10.8.2 Action on settlement or return of any claim received in an office shall be completed within 30 days of receipt of the claim.

10.8.3 The following requirements shall be fulfilled for establishment of legitimacy of claims against the Fund and making payments out of Fund’s account:

(i) Existence of approved budget;
(ii) Recording of verification of claims;
(iii) Preparation of disbursement voucher;
(iv) Approval of expenditure;

10.8.4 The sanctioning officer shall exercise due care and diligence, and shall not sanction expenditure exceeding the lawful and available appropriations and the financial powers delegated to him/her.

10.9 Approval of Expenditures

10.9.1 The Director shall be the sole approving authority for all expenditures within the Board approved budget.

10.9.2 A Disbursement/Journal Voucher shall be approved for payment or adjustment by the Director or CFO, known hereafter in these rules as the Approving Authority.

10.9.3 The Approving Authority shall be responsible for ensuring that:

(i) A certificate of verification has been accorded by the relevant Verifying Officer in appropriate cases;
(ii) The intended payments/adjustments have adequate funds available for making the disbursement;
(iii) Claims have been made by the rightful party and the payee has been identified correctly in the voucher.
(iv) All supporting documents like verified bills, sanctions, approvals are attached with the voucher;
(v) Statutory deductions and recoveries have been made at correct rates and amounts;
(vi) Remittances against recoveries/receipts are made to proper authorities;
(vii) The expenses and recoveries (if any) have been classified correctly;
(viii) The amount of payment required has been mentioned correctly in the disbursement voucher;

10.9.4 The Approving Authority shall sign in full in indelible ink on the voucher to accord approval for payment/adjustment. A seal indicating the official position of the Approving Officer shall be used below the signature.

10.9.5 Approval in excess of approved budget shall not be accorded unless the circumstances demand such.

10.10 Expenditure Processing

10.10.1 Budget approved for specific purposes or activities and made available from time to time shall be utilised solely for those specific purposes.

10.10.2 Claims against the Fund shall become due for submission immediately on completion of the required services or on fulfillment of conditions as specified in individual contracts.

10.10.3 Claims shall be submitted immediately but not later than 12 months of their becoming due. Personal claims of the Fund’s employees shall be submitted within the time prescribed for each in the rules for processing of such claims.
10.10.4 A claim against the Fund shall be presented by submission of a bill indicating the nature and amount of the claim.

10.10.5 A Bill may be presented by a supplier, contractor, firm or corporate body in respect of supplies, works or services delivered or to be delivered to the Fund in accordance with a valid agreement. All such bills raised against the Fund must be signed by the claimant. A bill may also be drawn by the office itself or a Fund’s employee in an appropriate bill form prescribed for the particular nature of the claim and signed by the officer-in-charge or the employee as the case may be.

10.10.6 The legitimacy of every claim against the Fund shall be established prior to making payments.

10.11 Drawing and Disbursing Officer

10.11.1 The Director shall appoint the CFO, and in the CFO’s absence the Finance Officer, as Drawing and Disbursing Officer (DDO) unless the Director him/herself retains such responsibility.

10.11.2 The DDO shall exercise the same vigilance in respect of the financial assets of the Fund, as a prudent person would exercise in spending his/her own money. In particular, the DDO shall ensure that:

(i) Proper entries of the disbursement and recoveries are made for the correct amounts in the Cash book;
(ii) A cheque for the correct payable amount to the correct payee is prepared in accordance with the rules if the payment is made by cheque, and the cheque number and date is entered in the Cash book and in the Disbursement Voucher correctly;
(iii) The disbursement voucher and the relevant entry in the Cash book is assigned a voucher number;
(iv) The entry in the cheque issue register is simultaneously attested when a cheque is signed.

10.12 Certificate of Verification

10.12.1 This process involves the function of verification of any claim against the Fund in order to establish that the goods or services have been received for the specific purposes and have been recorded in the relevant records.

10.12.2 An Officer delegated with the responsibilities for supervision and/or maintenance of records pertaining to particular activities or functions, shall verify any claims pertaining to those supplies or services delivered, utilities provided or works executed.

10.12.3 An officer identified as per Clause 10.12.2 above shall append a certificate of verification on the claim under his full signature and seal. The certificate shall state that:

(i) The goods/services and the quantities mentioned in the claim have been received and recorded in page numbers of the relevant registers;
(ii) The quality of goods are as per specifications;
(iii) The rates are correct;
(iv) Clearly mention the specific purpose of the claim or expenditure.
10.13 Claims in Arrears

10.13.1 Claims in arrears refer to the claims not presented within a period of 12 months of their becoming due for payment. Such claims shall be considered as time barred.

10.13.2 Time barred claims can be revitalised within a period of two years of their becoming time barred only with the formal approval of the Board.

10.13.3 The Director is empowered to sanction time barred claim pertaining to a maximum of one year, and claims beyond that period shall require the approval of the Board.

10.14 Preparation of Disbursement/Journal Voucher

10.14.1 The accounting unit shall prepare a Disbursement/Journal Voucher (Form No. 10.14.1) for settlement of a claim by payment. All relevant sections of the Disbursement Voucher shall be filled in properly.

10.14.2 Particulars entered on all Disbursement Vouchers shall be typed or written in ink neatly and legibly.

10.14.3 Corrections, if required, shall be made by striking through the incorrect entries and inserting the correct entries above or below the earlier entries. The officer responsible for the corrections shall attest the corrections under his/her signature. Use of erasers, correcting fluid, overwriting or other forms of corrections shall not be permitted.

10.14.4 Disbursement/Journal Voucher along with the verified claim and supporting documents shall be submitted to the designated officer for according approval.

10.14.5 Same form shall be prepared and approved for incorporation of values of non-cash transactions in the accounts and transfer of debits and credits from one head of account to another. Same form shall be used for adjustment of an earlier advance and no payment is required to be made.

10.14.6 Each account entry must be supported by an original bill, receipt, invoice etc. All accounting vouchers need the following information to be valid:

(i) Each voucher is numbered in sequence with its booking entry and is filed chronologically. Starting every month a new numbering shall be assigned date of booking must appear on the voucher;

(ii) Explanation must provide clear information about the nature of transaction and should not repeat the account designation;

(iii) The amount has to be identical with the amount booked;

(iv) Each voucher has to be approved and signed by the approving authority and DDO.

10.14.7 After booking, each voucher (bills, invoices, receipts, etc.) shall be stamped "booked". Vouchers not booked have to be kept under lock and key.

10.14.8 The following general rules shall be followed for making payment against an approved claim:

(i) To the extent possible all payments shall be made by cheque. However, under unavoidable and exceptional circumstances cash payment shall be allowed.

(ii) Payments against approved and authorised claims shall be made only to the claimant as identified in the disbursement voucher.

(iii) Payments in cash, where permissible, shall be made to the payee or his authorised agent only.
(iv) Cheques for payment shall generally be handed over to the payee or his authorized representative who may come personally to collect the same or be sent by the registered mail.

(v) All disbursements shall be supported by proper evidence of the payee having received the payment in accordance with the applicable laws.

10.15 Imprest Account

10.15.1 The Director may designate an officer other than the DDO as "Permanent Advance Holder" (PAH) to meet recurring expenses and urgent cash transactions. Financial advances paid to the PAH for such purposes shall be called "Imprest Account".

10.15.2 The following procedures shall apply in respect of payment and replenishment of advances for an Imprest Account:

(i) The amount of such advance shall be limited to a maximum amount of Nu.50,000 (fifty thousand) at a time depending on the need for cash expenses;

(ii) The Imprest Account shall be settled from time to time for obtaining replenishment. Replenishment of the advance shall be made normally once a month, and can be more frequent if the occasion demands. All accounts have to be settled by the end of every month.

10.16 Temporary Advances

10.16.1 A “Temporary Advance” may be made for disbursements against specific purposes within a specific time.

10.16.2 The following procedures shall apply for payment and liquidation of temporary advance:

(i) Temporary Advance shall be approved and authorised for payment on the basis of an identified and imminent expenditure.

(ii) Temporary Advance holder shall submit an account of utilisation of the Temporary Advance to the CFO immediately on completion of the assignment. Unspent balance of the advance shall be refunded along with the submission of accounts.

(iii) When the advance is no longer needed or has not been used for a period of 10 days, the same shall be returned or refunded to the account unit immediately.

(iv) It is desired that all temporary advances be liquidated and settled within the close of a financial year.

10.17 Use of Cheques

10.17.1 Supply of cheque books or cheque forms shall be made by the Bank to the authorised signatory against a bank account opened with it for which the authorized signatory shall fill in the special requisition slip inserted in the cheque book or cheque forms and submit the same to the bank.

10.17.2 Cheque books shall be kept in a safe place under lock and key. Before bringing a Cheque book into use, the CFO or a subordinate shall examine the Cheque book by counting the number of cheque forms contained in the book and the series of the cheque numbers printed in the forms. He/she shall then record a certificate of count on the inside of one of the cover pages of the Cheque book under his/her signature and seal.

10.17.3 Cheques Issue Register (Form No. 10.16.3) shall be maintained and reviewed from time to time to ensure that every cheque form has been accounted for.
10.17.4 Counterfoils of the used Cheque books shall be kept in a safe place under lock and key.

10.17.5 All financial transactions shall be conducted by cheque drawn on a relevant financial institution in Bhutan, in order to retain a paper record. The operation of such transactions shall be conducted as follows:

(i) All cheques require two signatures, with signatories/operating authority specified in 10.4.2(ii) and 10.4.4 above. Specimen signature/s of every officer authorised to sign cheques, duly attested by the Director or the Board Treasurer, shall be sent to the concerned bank(s).

(ii) The DDO shall immediately alert the relevant bank branch in writing, in case of loss of a Cheque book or a blank cheque form. When a bank account is closed or issue of cheques on a bank account is no longer necessary, a cheque drawing officer shall notify the bank branch of the fact. The unused blank cheque forms shall be returned to the bank, and a note to this effect shall be kept in Cheques Issue registers.

10.17.6 The following procedures shall be adopted for preparation of cheques:

(i) Except for a cheque drawn on “Self”, all cheques shall be drawn only on the basis of approved disbursement vouchers and valid supporting documents;

(ii) Cheques shall be drawn on a bank account in cheque forms provided specifically for that account by the Bank;

(iii) Amount shall be mentioned clearly and legibly both in numbers and words in every cheque, leaving no blank space on the left-hand side of both. Abbreviations in the use of words, like "Sixteen hundred only" in place of "One thousand six hundred only", shall not be permitted;

(iv) Cheques written by hand shall be written and signed in indelible ink only;

(v) An official seal indicating the designation of the cheque drawing officer shall be put below the signature on every cheque issued;

(vi) The bank account number on which the cheques are drawn shall be inscribed on every cheque issued;

(vii) Corrections and alterations in a cheque shall be made only by striking through the incorrect entries and rewriting the correct entries above or below the incorrect entries. DDO shall attest such corrections and alterations over his/her full signature;

(viii) Cheques drawn in favour of suppliers, contractors etc. shall be crossed “A/C Payee only”. Those drawn in favour of government offices shall be crossed “& CO”;

(ix) For withdrawal of petty cash for the secretariat, a cheque drawn on “Self” shall be issued without a supporting voucher;

(x) The DDO shall attest both receipt and payment entries in the Cash and Bank columns, respectively, of the Cash book while signing the “Self” cheque;

(xi) The DDO shall ensure cash is brought from the bank within the banking hours on the same day and safely stored;

(xii) Cheques drawn for the purchase of Demand drafts or Cash Warrants shall be drawn on “Yourselves” and endorsed at the back with the following words: “Please issue Demand Draft/Cash Warrant as per application”.

10.17.7 Cheques drawn in favour of temporary or permanent advance holders for their cash payments on behalf of the Fund shall be issued in favour of the concerned officer by name.

10.17.8 Cheques issued shall remain valid for six months from the date of issue, after which period they shall become "stale" or "time barred" and shall not be negotiated.
10.17.9 When payment against an issued cheque needs to be stopped, the DDO shall promptly send a stop payment order to the bank, and a written confirmation on having noted the stop payment order against the cheque shall be obtained from the bank. If a cheque payment is stopped, the DDO shall reverse the original entry in the Cashbook and other accounting records.

10.17.10 The DDO may decide to consider a request for issue of a fresh cheque in lieu of a cheque alleged to have been lost or not received by the payee. Such cases will be processed in the following manner:

(i) The bank statements and bank reconciliation statements shall be referred in order to ascertain that the cheque has not been paid for;
(ii) The alleged loss of the cheque shall be intimated to the bank with the advice to stop payment of the cheque;
(iii) A certificate of non-payment and a written confirmation of noting the stop payment order on the cheque shall be obtained from the bank and recorded in the Cheques Issue Register;
(iv) The party requesting for the issue of a fresh cheque shall execute an indemnity bond (Form No. 10.16.10) exonerating the Fund from any risk or loss that may arise in future, as a result of use of the cheque alleged to have been lost.

10.17.11 Every employee of the Fund shall understand clearly that he/she will be held personally responsible and liable for any loss sustained by the Fund due to:

(i) Act(s) of fraud or negligence on his/her part, if found he/she contributed to the loss by his/her own action, negligence or omission.

10.18 Report on Losses

10.18.1 All cases of losses due to accidents or suspected acts of sabotage or burglary shall be reported at once to the proper legal authorities of the value of the loss.

10.18.2 A formal investigation report shall be obtained from the Police Authorities in respect of all cases referred to them.

10.19 Administrative follow-up

10.19.1 All investigations on losses and shortages shall try to fix the responsibilities for losses. Apart from ascertaining the nature, extent and circumstances leading to the loss, the investigations shall go into such details as are necessary for fixing of responsibility for the loss.

10.19.2 If it transpires during investigations that an act of fraud, negligence or financial irregularity could be perpetrated because of some defect in the rules and procedures, the director shall take immediate remedial action to rectify the shortcomings, and the Board informed in writing immediately;

10.19.3 Every effort shall be made to recover the whole amount of loss from the persons found guilty, especially when cause of the loss was commitment of willful fraud or financial irregularity. If it is found that laxity of supervision facilitated the fraud, the supervising officer at fault shall also be penalised.

10.19.4 On completion of investigations in a reported case of loss, the Treasurer/director shall issue a sanction order for affecting the write off and/or consequent recovery of cost, if any. If the amount of loss in cash or stock is replenished immediately on reporting or on completion of investigations, no write off shall be effected.

10.19.5 The Rule shall not apply in the cases of losses due to natural calamities. The director or delegate shall make an assessment of the extent of loss or damage caused
by a natural calamity and take up the issue with appropriate authorities for write off or restoration.

10.20 Accounting Software

10.20.1 ACCPAC Enterprise version shall be the computerized accounting software of the Fund. The CFO shall be responsible for setting up the following safety measures:

(i) Ensure organizational and system developments and other internal controls are adequate relative to size and nature of computer hardware installation;
(ii) Ensure operational controls are adequate to ensure correctness and validity of input data and output information;
(iii) Ensure backup facilities and disaster recovery measures includes keeping files in remote, independent locations;
(iv) Ensure adequate safeguard measures and backup facilities exist;
(v) The measurement to prevent unauthorized access over the computer installation and files are adequate;

10.21 Chart of Accounts

10.21.1 All Assets, Liabilities, Revenues and Expenditures for the Fund shall be booked as per the Chart of Account (Annexure F).

10.22 Financial Reporting

10.22.1 All Revenue and Expenditure shall be recognized on accrual basis (revenue and expenses are incurred but not realized at the time of reporting), except for Retirement Benefits, in keeping with the Generally Accepted Accounting Principles and International Accounting Standards.

10.22.2 The accounting unit shall close the Cash book on the last day of every month and ensure that all cash and journal entries have been posted correctly in the Ledger and Sub-ledgers.

10.22.3 All grantees shall submit their quarterly accounts within 25th day of the subsequent month to the Fund’s Secretariat.

10.22.4 The accounting unit shall prepare consolidated quarterly accounts for submission to the Board by the director within 30 days of close of the financial quarter.

10.22.5 Quarterly Accounts shall consist of:

(i) Balance Sheet as of last day of the quarter;
(ii) Statement of Revenue and Expenditure for the past quarter;
(iii) Statement of Program Expenditure for the past quarter;
(iv) Statement of Secretariat Expenditure for the past quarter;
(v) Bank Reconciliation Statement for the last month of the quarter.

10.22.6 At the end of every financial year the secretariat shall seek the Board’s approval on the following consolidated, audited annual accounts:

(i) Balance Sheet as of the final day of close of the financial year;
(ii) Statement of Revenue & Expenditure for the past one year;
(iii) Statement of Program Expenditure for the past one year;
(iv) Statement of Secretariat Expenditure for the past one year;
(v) Bank Reconciliation Statement for the last month of the financial year.

10.22.7 Once approved by the Board, the secretariat shall put the audited annual accounts into the public domain within six months of the close of financial year.
10.22.8 The Treasurer of the Board, Director, and head of the auditing team shall authenticate the annual accounts of the Fund.

10.23 Investment Management

10.23.1 The Board is fully entrusted by the Royal Charter 1996 with fiduciary mandate over the Trust Fund’s financial endowment, and shall adopt appropriate investment policies, regulations and guidelines and review whenever necessary for effective implementation. The Board may delegate investment authority and responsibilities to its Asset Management Committee for general investment matters, and to the Secretariat for investment operations.
CHAPTER XI: PHYSICAL ASSET MANAGEMENT

11.1 Basic Principles

The objective of asset management is to ensure proper maintenance of ownership and economic use of the Fund’s assets for legitimate business purposes. The following aspects shall be taken into consideration to achieve this objective:

11.1.1 Assignment of responsibility for maintenance of updated inventories of assets and ensuring their economic use for the operation of the Fund;

11.1.2 Establishment of Fund’s ownership and confirmation of physical existence of assets;

11.1.3 A transparent system for disposal of obsolete, uneconomical or unnecessary assets;

11.1.4 Acquisition of property can be through purchase or gift/donations/Gift in kind from any external agencies;

11.1.5 All purchases, whether durable or consumable items shall be made in the most economically advantageous manner.

11.2 Acquisition, Recording, Disposition of Property

11.2.1 Purchase shall be made in the most economically advantageous manner in terms of quality, price, economy.

11.2.2 Purchase of fixed assets shall be as per Chapter X of this manual.

11.2.3 All property received shall be examined by the responsible officer to ensure that the quantities are correct, quality and specification have been complied with. The responsible officer shall record the receipt of all property in the stock ledger.

11.2.4 A complete inventory for all property of the Fund shall be maintained to ascertain the correctness of the property records, to determine correct value and safeguard from loss.

11.2.5 The responsible officer shall maintain fixed-assets register detailing cost of acquisition, depreciation, specification and present value. Consumable materials shall be treated as office supplies and accordingly shall not be entered in the fixed assets register.

11.2.6 All vehicles, heavy machines and such other property shall be properly insured with an approved insurance company.

11.2.7 Every employee of the fund whose duties require the possession or custody of property shall be accountable for the safekeeping of the property.

11.2.8 Every employee accountable for property of the Fund shall be liable for money value of losses, damages or deterioration occasioned by negligence in the keeping or use of the property.

11.3 Recording of Inventory

11.3.1 Fixed Assets owned by the Fund shall be stated at the original cost including incidental expenses related to acquisition, less accumulated depreciation.

11.3.2 D-BIT for Fixed Assets shall be the official software for recording the Fixed Asset of the Fund. All non-expendable items, such as land, building, structures, motor vehicles, furniture, office equipment, computer and peripherals shall be maintained in the above mentioned software.
11.3.3 Items of value exceeding Nu. 5,000 with an expected useful life of over a year, shall be considered as durable items and shall be included in the inventory.

11.3.4 To list an item in the inventory, an inventory number must be clearly painted or affixed to the item.

11.3.5 Each inventoried item must be recorded individually in the D-Bit software and must show:

(i) Date of Acquisition;
(ii) Cost of Acquisition;
(iii) Name of Supplier and Country;
(iv) Specification of each item;
(v) Depreciation Details;
(vi) Present Value;
(vii) Location of each item.

11.3.6 A location-wise inventory list must be prepared and verified at least once a year, i.e. by the end of each fiscal year; an updated inventory list shall be duly signed by the responsible official and the CFO.

11.3.7 Consumables items shall be recorded in the stock register showing quantity received, quantity issued and balance in the stock, if any.

11.3.8 Unusable, worn out or irreparably damaged items shall be listed and submitted to the Board for further instructions pertaining to disposal.

11.3.9 Items sold and disposed off should be subsequently deleted from the inventory list.

11.4 Depreciation

11.4.1 Depreciation on Fixed Assets shall be provided under reducing-balance-method at the rate prescribed below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Rate</th>
<th>Approx Useful Life</th>
<th>Expected Scrap Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Land</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>(ii) Building</td>
<td>3.00%</td>
<td>60 years</td>
<td>16.08%</td>
</tr>
<tr>
<td>(iii) Office equipment</td>
<td>15%</td>
<td>8 years</td>
<td>27.25%</td>
</tr>
<tr>
<td>(iv) Furniture &amp; Fittings</td>
<td>15%</td>
<td>8 years</td>
<td>27.25%</td>
</tr>
<tr>
<td>(v) Computer Software</td>
<td>20%</td>
<td>6 years</td>
<td>17.80%</td>
</tr>
<tr>
<td>(vi) Vehicle</td>
<td>25%</td>
<td>5 years</td>
<td>23.73%</td>
</tr>
</tbody>
</table>

11.4.2 In respect of assets procured during the year, full depreciation shall be provided in the year of acquisition; for assets sold, no depreciation shall be charged in the year of disposal.

11.5 Discrepancy

11.5.1 If the physical inventory controls conducted regularly show discrepancies towards the ledgers, all efforts shall be made to find the inventoried material. If all attempts fail, a write off application has to be submitted to the Director. Under no circumstances should a detected discrepancy remain unreported.

11.5.2 Any write off application has to be in writing which should contain an explanation on how the discrepancies could have occurred. The Director must confirm that the reason for discrepancies stated in the report is true and/or plausible.

11.5.3 Applications for write-off of differences not exceeding Nu. 50,000 (fifty thousand) in inventory may be approved by the Director.
11.5.4 If the difference value exceeds Nu. 50,000 (fifty thousand), the Director shall recommend to the Board for write-off.

11.6 **Lease of Property**

11.6.1 Rent of any building or premises by the Fund for long or short term has to be confirmed through a lease agreement, with both lessor and lessee agreeing to the terms and conditions in the lease agreement.

11.6.2 In addition to standard business clauses, the lease agreement shall clearly state the responsibility for payment of maintenance costs.

11.7 **Disposal**

11.7.1 The disposal of the unserviceable property of the Fund which are no longer needed shall be done as per the conditions below:

(i) Worth Nu. 50,000 (fifty thousand) and below shall be disposed off publicly, or sold to employees of the Fund by the Director in a transparent manner;

(ii) Above Nu. 50,000 (fifty thousand) shall be disposed off thorough public auction, sealed tenders (bids), or sold to employees of the Fund by the Board.

11.8 **Pool Vehicle**

11.8.1 All vehicles belonging to the Fund shall be used for business purposes on a pool-share basis. All vehicle movements shall require a daily movement order signed by the Director using *Form No. 12.8.1*. The Director can drive and use a pool vehicle for full-time official use, and park overnight a vehicle at his/her residence.

11.8.2 Adequate budget shall be provided for insurance, operation and maintenance for each vehicle specified on an annual basis. The finance staff shall ensure that the operation of each vehicle is confined to Board-approved budget. In order to ensure accountability and maintenance, every vehicle shall have its own qualified driver.

11.8.3 The Driver shall be responsible for maintenance of all records and tools. A log book (*Form No. 12.8.3*) for each vehicle must be maintained and kept in the vehicles and signed for by the officer using a pool vehicle after each field trip, and by the Director in the case of local duty.

11.8.4 A Vehicle History Book (*Form No. 12.8.4*) shall be maintained for each vehicle, with the following information: "Property of the Bhutan Trust Fund for Environmental Conservation"; Vehicle registration number; Blue book number; Date of purchase; Cost at the time of purchase; kilometer reading at the time of delivery; Repairs done and cost incurred with date; Record of maintenance schedule, oil change etc. with dates; Record of insurance policy; Vehicle particulars and details of tools and spares, including tyres.

11.8.5 Only the designated driver is permitted to drive a pool vehicle. In the absence of the driver or during an emergency, a staff member with a valid driving license may drive a pool vehicle with the Director's written authorisation. Fund vehicles shall not be driven by non-staff members including family members.

11.8.6 The Director may approve the use of a pool vehicle for pressing and emergency personal need of staff, subject to the staff member paying for fuel, daily allowance for the driver as per the latter's entitlement, and any damage/loss caused to the vehicle.

11.8.7 Pool vehicles shall be kept overnight in a closed garage with adequate security at office premises after office hours and during weekends and holidays. No movement
of vehicles shall be permitted before or after office hours except while on field visit, and unless authorised by the Director.

11.8.8 The Director shall be responsible for implementing the above rules. Any discrepancies noted by the public authorities shall be reported to the Board.
CHAPTER XI: PROGRAM MANAGEMENT

12.1 Basic Principles

12.1.1 The Fund shall work closely with grant seekers and facilitate preparation of grant proposals.

12.1.2 Program staff and the Technical Review Panel (TRP) shall be responsible for the scientific, technical and programmatic review and evaluation of proposals and for recommending to the Board a proposal be awarded or declined funding.

12.1.3 Finance staff shall be responsible for ensuring business, financial and administrative review of all grants.

12.1.4 The Fund shall disburse grants on a quarterly/half yearly basis. No additional grants shall be disbursed unless technical progress on previously disbursed grants has been satisfactorily reported.

12.1.5 Grants implementation and the role of project management shall be clearly outlined in the respective grant proposal and grant agreement, and observed during implementation.

12.1.6 Based on the budget and fund requests received from grantees/implementing agencies, funds shall be transferred to the Ministry of Finance for government grantees and directly to non-government grantees.

12.1.7 Project managers shall be responsible for timely delivery of financial and accounting information as per the terms in the grant agreement. All grantees shall be audited annually as per the grant agreements.

12.2 Guidelines for Grant Seekers

12.2.1 Grant seekers are advised to write a brief letter of inquiry to determine if the fund’s present interests and funds permit consideration of the request. The letter should include:
   (i) Purpose for which funds are being requested;
   (ii) Environmental problems the project will address;
   (iii) Information about the organization conducting the project;
   (iv) Estimated budget and duration for which funds are requested;
   (v) Contact information of the grant seeker.

12.2.2 After receiving the letter, the Fund’s staff may ask the grant seeker to submit a formal proposal using prescribed application forms in Annexure-G.

12.2.3 Proposals must be submitted by the end of January and June, for review by the TRP;

12.2.4 Proposals must address one or more of the fund’s strategic funding objectives;

12.2.5 Funding decisions will be made by the Board at its spring and fall meetings.

12.2.6 The fund's fiscal year is 1 July through 30 June.

12.3 Grant Approval and Disbursement

12.3.1 The Fund shall work closely with its grantees and facilitate preparation of grant proposals.

12.3.2 Program staff and the technical review panel shall be responsible for the scientific, technical and programmatic review and evaluation of proposals and for
recommending proposals to the Board. Those proposals recommended by the technical panel shall be put up to the Board for review and approval of funding.

12.3.3 Finance Staff shall be responsible for ensuring business, financial and administrative review of all recommended grants proposals.

12.3.4 The Fund shall disburse grants on a quarterly basis. No additional grants shall be disbursed unless the progress on the previously disbursed grants is reported on a half yearly basis.

12.3.5 All grants, except the Secretariat’s discretionary grants, shall require the Board’s approval, as minuted in its meetings, before they can be operationalised.

12.3.6 Approved grants shall be disbursed only upon signing a formal grant agreement in the prescribed format (Annexure-H).

12.3.7 The grant agreement shall contain fund disbursement, monitoring, reporting and evaluation protocols.

12.3.8 Budget details in the grant proposals shall be as per the Fund’s Chart of Accounts.

12.3.9 It is mandatory for all government implementing agencies to open separate Government project Letter of Credit Account for grants.

12.4 Eligibility

12.4.1 Government agencies, local not-for-profit non-government organizations, grassroots communities and qualified Bhutanese individuals are eligible for support.

12.4.2 Proposals received directly from grassroots communities are desired.

12.4.3 When submitted by government and NGOs, proposals that enhance community involvement in conservation will be prioritized.

12.4.4 Co-financing is desired, but Fund’s support should not displace other donor funding.

12.4.5 The size of individual grants shall not exceed the Ngultrum equivalent of United States Dollars three hundred thousand, and individual grants shall not exceed three years.

12.4.6 Discretionary small grants not exceeding Ngultrums four hundred thousand per grant are available at the Fund’s secretariat, with a ceiling of six grants operational at one time with maximum total budget of Nu.2,400,000.00 per annum.

12.5 Budgeting

12.5.1 The budget headings have to be in line with the Fund’s Chart of Accounts detailed as necessary. The budget must be prepared in either US$ or Ngultrums.

12.5.2 Implementing agencies shall be responsible for budget control, and must submit both financial and technical report within 15 (fifteen) days conclusion of every quarter. The Fund’s Secretariat shall submit the consolidated expenses on quarterly basis to the Board within 30 days. No additional funds shall be disbursed if previously disbursed funds are not expended and reported.

12.6 Ownership/Handing Over To Grantees

In the event the Fund directly makes purchases on behalf of grantees, the items purchased shall be handed over to grantees with proper handing-over note approved and signed by the Director. Such handing-over notes have to be kept with the inventory control records.
12.7 Monitoring, Evaluation and Reporting

12.7.1 Grantees shall submit progress reports, both financial and technical, on a quarterly and semi-annual to the Fund followed by yearly comprehensive technical and financial report at the end of the fiscal year, unless otherwise specified in the grant agreement.

12.7.2 At the end of the fiscal year, grantees shall submit financial and technical reports to the Fund. The Fund shall carry out regular supervision through field visits.

12.7.3 The Secretariat shall keep the Board informed on the progress of its activities through quarterly and half-yearly progress reports.

12.7.4 At the end of fiscal year the Fund shall put into the public domain an annual report covering technical progress and consolidated audited financial statements.

12.7.5 Each grant shall be evaluated through mid-term evaluation and implementation completion reporting (Annexure-I) and the results will be published.

12.7.6 The Fund Secretariat shall submit quarterly consolidated financial statements and technical report to the Management Board on quarterly basis in the prescribed format. The quarterly report shall be submitted to the Board latest by 30th of the following month. Books of Accounts shall be closed on the last day of every third month (i.e. 31 March, 30 June, 30 September and 31 December).

12.7.7 All grantees shall close their Books of Accounts on the last day of every month and the funds accessed and expended during the period shall be consolidated quarterly/semi-annually (as stated in the grant agreement) and submitted to the Fund Secretariat within the 15th day of the following month.

12.7.8 Grantees shall submit the following documents:

(i) Quarterly/Semi-annual Receipt and Payment Statement in Exhibit-IIIa;
(ii) Quarterly/Semi-annual Expenditure Statement in Exhibit-IIIb;
(iii) Bank Reconciliation for three months in Exhibit-IIIc;
(iv) Fund Reconciliation Statement (i.e, MoF-Agency-Fund) Exhibit-IIIId;
(v) List of Advances;
(vi) Inventory List for durable items.
CHAPTER XIII: AUDITING

13.1 Auditing.

13.1.1 The Royal Audit Authority of Bhutan shall audit books of accounts of both the Fund and its grantees unless the Board has reason to engage other auditing firms.

13.1.2 The auditor shall conduct audit in accordance with generally accepted auditing Principles and International Auditing Standards, and as per the provisions of the Operations Manual 2009.

13.1.3 The remuneration of the auditor(s) and the period of the conduct shall be agreed by the Board.

13.1.4 Auditor(s) of the Fund shall have right to access all books of accounts and records of the Fund or at the offices of its grantee(s), and shall be entitled to require from the officers of the Fund such information and explanation as the auditor may think necessary for the performance of his/her duties.

13.1.5 The auditor shall report to the Board, the accounts examined by him/her and shall state whether the said accounts give a true and fair picture of the Fund’s financial affairs as follows:

(i) In the case of the balance sheet, of the state of the Fund’s affairs as at the end of its financial year;
(ii) In the case of Revenue and Expenditure Statement, of the profit or loss for the financial year; and
(iii) In the case of cash flow statement, of the movement of cash during the financial year.

13.1.6 Based on his/her opinion, the auditor shall also state:

(i) Whether he/she has obtained all the information and explanations to the best of his knowledge and belief were necessary for the purposes of his audit;
(ii) Whether proper books of accounts have been kept, so far appears from his examination of those books, proper and adequate for the purposes of his audit have been received from the respective sources not visited by him; and
(iii) Whether the Fund’s balance sheet, profit & loss account and cash flow statement are in agreement with the books of accounts.
ANNEXURE A: ROYAL CHARTER, 1996.
# ANNEXURE B: MINIMUM QUALIFICATION & EXPERIENCE for EMPLOYMENT

<table>
<thead>
<tr>
<th>Position</th>
<th>Level</th>
<th>Minimum Qualification</th>
<th>Minimum Experience</th>
<th>Appointing Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>PhD/Masters</td>
<td>11Years/17Years</td>
<td>Board</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>PhD/Masters</td>
<td>9Years/15Years</td>
<td>Board</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>PhD/Masters</td>
<td>7Years/13Years</td>
<td>Board</td>
<td></td>
</tr>
<tr>
<td><strong>Senior Officers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>PhD/CPA/CFA/Masters</td>
<td>5Years/11Years</td>
<td>Board</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>PhD/CPA/CFA/Masters</td>
<td>3Years/9Years</td>
<td>Board</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>PhD//CPA/CFA/Masters</td>
<td>Nil/7Years</td>
<td>Board</td>
<td></td>
</tr>
<tr>
<td><strong>Officers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>Masters/Bachelors</td>
<td>5Years/7Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Masters/Bachelors</td>
<td>3Years/5Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>Masters/Bachelors</td>
<td>Nil/3Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td><strong>Asstt. Officers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>Bachelors/Diplomas</td>
<td>5Years/7Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Bachelors/Diplomas</td>
<td>3Years/5Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>Bachelors/Diplomas</td>
<td>Nil/3Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td><strong>Support Staff</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>Certificate Level/Other Skills</td>
<td>12Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>Certificate Level/Other Skills</td>
<td>9Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>Certificate Level/Other Skills</td>
<td>6Years</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>Certificate Level/Other Skills</td>
<td>3Years</td>
<td>Director</td>
<td></td>
</tr>
</tbody>
</table>
# ANNEXURE C: SALARY STRUCTURE

(Monthly pay in Bhutan Ngultrums)

<table>
<thead>
<tr>
<th>Position</th>
<th>Level</th>
<th>Starting Pay, Nu.</th>
<th>Max. Annual Increment subject to performance evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>I</td>
<td>57,900</td>
<td></td>
</tr>
<tr>
<td></td>
<td>II</td>
<td>50,040</td>
<td></td>
</tr>
<tr>
<td></td>
<td>III</td>
<td>43,200</td>
<td>5%</td>
</tr>
<tr>
<td>Senior Officers</td>
<td>I</td>
<td>48,300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>II</td>
<td>41,700</td>
<td></td>
</tr>
<tr>
<td></td>
<td>III</td>
<td>36,000</td>
<td>5%</td>
</tr>
<tr>
<td>Officers</td>
<td>I</td>
<td>35,340</td>
<td></td>
</tr>
<tr>
<td></td>
<td>II</td>
<td>30,540</td>
<td></td>
</tr>
<tr>
<td></td>
<td>III</td>
<td>26,100</td>
<td>5%</td>
</tr>
<tr>
<td>Assistant Officers</td>
<td>I</td>
<td>26,280</td>
<td></td>
</tr>
<tr>
<td></td>
<td>II</td>
<td>22,740</td>
<td></td>
</tr>
<tr>
<td></td>
<td>III</td>
<td>19,055</td>
<td>5%</td>
</tr>
<tr>
<td>Support Staff</td>
<td>I</td>
<td>14,820</td>
<td></td>
</tr>
<tr>
<td></td>
<td>II</td>
<td>12,780</td>
<td></td>
</tr>
<tr>
<td></td>
<td>III</td>
<td>10,530</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>IV</td>
<td>8,400</td>
<td></td>
</tr>
</tbody>
</table>
**ANNEXURE D: DAILY ALLOWANCE FOR TRAVEL IN BHUTAN & INDIA.**

Daily Allowance for Travel in Bhutan

<table>
<thead>
<tr>
<th>Position</th>
<th>DA Rate (Nu.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Director</strong></td>
<td>Actual food and lodge for one room</td>
</tr>
<tr>
<td></td>
<td>Actual lodge for one room plus Nu.800.00</td>
</tr>
<tr>
<td></td>
<td>Or lumpsum Nu.1,600.00</td>
</tr>
<tr>
<td><strong>Senior Officer &amp; Officer</strong></td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Actual lodge for one room plus Nu.500.00</td>
</tr>
<tr>
<td></td>
<td>Or lumpsum Nu.1,000.00</td>
</tr>
<tr>
<td><strong>All other Staff</strong></td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Nu.600.00</td>
</tr>
<tr>
<td></td>
<td>Nu.600.00</td>
</tr>
</tbody>
</table>
ANNEXURE E: DELEGATION OF POWERS

There should be budget for the expenditures approved by Board before incurring the expenditures.

<table>
<thead>
<tr>
<th>Sl.#</th>
<th>Subject</th>
<th>Director</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Personnel &amp; Other Emolument</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1 Personnel Emolument</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.2 Allowances</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.3 Leave Encashment</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.4 Sanction of Arrears</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.5 Casual Labour/Daily Wages</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Sanction of Honorarium</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.1 All Technical/Professional Panels</td>
<td>Full Powers</td>
<td>Upto Nu.7,500 per occasion/person</td>
</tr>
<tr>
<td></td>
<td>related to Fund’s Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Travel and Allowances</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.1 Official Tour (Local/Abroad) of Staff</td>
<td>Full Powers</td>
<td>Chapter VI will apply</td>
</tr>
<tr>
<td></td>
<td>3.2 Leave Travel Concession</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.3 Local/Abroad Training of Staff</td>
<td>Full Powers</td>
<td>Chapter VI will apply</td>
</tr>
<tr>
<td>4</td>
<td>Utilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.1 Telegram, Telephone, Fax, Telex,</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Rental of Properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1 Hiring of Building for Office use</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.2 Hiring of Machinery/Equipment</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.3 Hiring of Vehicle</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Supply of Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.1 Purchase of Stationery and store items</td>
<td>Full Powers</td>
<td>Chapter X will apply</td>
</tr>
<tr>
<td></td>
<td>6.2 Books and Periodicals</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Maintenance of Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.1 Insurance</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.2 Repair and Renovation of Office</td>
<td>Full Powers</td>
<td>Chapter X will apply</td>
</tr>
<tr>
<td></td>
<td>7.3 POL for Office Vehicles</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.4 Repair of Vehicles</td>
<td>Full Powers</td>
<td>Chapter X will apply</td>
</tr>
<tr>
<td></td>
<td>7.5 Purchase of Spares/Tyres</td>
<td>Full Powers</td>
<td>Chapter X will apply</td>
</tr>
<tr>
<td>8</td>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.1 Postage, Stamps, Exhibition,</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Hospitality and Entertainment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.1 Entertainment of Official Guests, etc.</td>
<td>Upto 25 guests</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>per occasion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.2 Official Gifts</td>
<td>Upto Nu. 10,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>per occasion</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Retirement Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.1 All Post Service Benefits</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.2 Recovery of dues from Retirement</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Purchases</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11.1 Tools/Machinerys</td>
<td>Full Powers</td>
<td>Chapter X will apply</td>
</tr>
<tr>
<td></td>
<td>11.2 Furniture/Office Equipment</td>
<td>Full Powers</td>
<td>Chapter X will apply</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td>Power</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>11.3</td>
<td>Vehicles</td>
<td>Full Power</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td><strong>Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.1</td>
<td>Equipment servicing and Award of Annual Maintenance Contracts.</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td><strong>Advances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.1</td>
<td>Salary, Temporary and Permanent</td>
<td>Full Powers</td>
<td>Chapter IV will apply</td>
</tr>
<tr>
<td>14</td>
<td><strong>Constructions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.1</td>
<td>Administrative Approval &amp; Award of Contract/Work</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td><strong>Re-appropriations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.1</td>
<td>Secretariat</td>
<td>Full Powers</td>
<td></td>
</tr>
<tr>
<td>15.2</td>
<td>Grants</td>
<td>Full Powers</td>
<td>Upto Nu. 400,000 with no supplementary grant</td>
</tr>
<tr>
<td>16</td>
<td><strong>Grants</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.1</td>
<td>Small grants</td>
<td>Upto Nu. 400,000 per grant</td>
<td>12 grants per fiscal year.</td>
</tr>
<tr>
<td>17</td>
<td><strong>Disbursements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.1</td>
<td>Board Approved Grants</td>
<td>Full Powers</td>
<td></td>
</tr>
</tbody>
</table>
ANNEXURE G : GRANT APPLICATION FORMAT

The covering page of the proposal should have the following:

1. Project title :
2. Grantee :
3. Funding from BTFEC :
4. Co-funding:
5. Total Grant:
6. Grant Period :
7. Starting Date :

Second page of the grant proposal shall have an executive summary.

The main format will be as follows:

1.0 Project Justification

(i) Problem to be addressed
(ii) Pre-project situation
(iii) Target beneficiaries

2.0 Logical framework

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.0 Work Plan and Financial Requirement

<table>
<thead>
<tr>
<th>Objective (i)</th>
<th>Input 1</th>
<th>Input 2</th>
<th>Input 3</th>
<th>Input 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1</td>
<td>Y2</td>
<td>Y3</td>
<td>Y1</td>
<td>Y2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective (ii)</th>
<th>Input 1</th>
<th>Input 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1</td>
<td>Y2</td>
<td>Y3</td>
</tr>
</tbody>
</table>

The grant proposal should provide a breakdown of activities and estimate of budget required for each activity for the entire grant period. For instance an activity x is to be implemented for five years and the total budget allocated could be broken up into five annual budgets. If the activity x can be implemented in three years then the total budget has to be broken up into
three annual budget, even though the life of the project may be five years. The table above must be filled in.

4.0 Human Resource, Staff and Administrative Requirement

Type and the level of human resources needed to implement the grant proposal have to be stated. Availability of such resources has to be reflected. Shortfall has to be pointed out and remedial measures to deal with the shortfall have to be suggested.

Implementation of grant proposal invariably will involve administration. Descriptions are necessary for the administrative set up and staff organization that will cause an effective implementation of the grant proposals. Besides technical staff, the number and type of administrative, accounting and other support staff required to implement the project activities, their availability, shortfall of such staff and the measures that will be adopted to deal with the shortfall should be described.

5.0 Implementation Arrangement

The grant proposal shall describe as to how proposed activities will be implemented. If it involves co-ordination, how and who will coordinate. Any collaboration mechanism, if required, should be included.

6.0 Project Monitoring, Review, Reporting and Evaluation

The monitoring and review mechanism should be spelled out as who will report what, at what frequency, and to whom. Implementation of the grant proposals will be evaluated, and an implementation completion report will be written by the implementing agency using the format given in the Exhibit-IV.
ANNEXURE-H: GRANT AGREEMENT FORMAT

Grant Agreement Between
Bhutan Trust Fund for Environmental Conservation
and

Whereas the Bhutan Trust Fund for Environmental Conservation (BTFEC) desires to provide a grant to ..., as per the attached grant budget in Annexure A (...GRANT PROPOSAL...), for the period beginning (...dd/mm/yr...) through (...dd/mm/yr....);

Whereas .........., hereafter called the “Grantee” is ready and willing to implement the grant for the purpose granted;

NOW, therefore, the Bhutan Trust Fund for Environmental Conservation and the Grantee, hereafter called the "Parties," hereto agree to the following terms and conditions:

A. General:

(i) For project administration purposes, this grant is assigned Grant Number ........, which is to be used on all project correspondence;

(ii) BTFEC, (SECRETARIAT GRANTS: as empowered under Chapter XII, Section 4.6 of its Operations Manual 2009) shall finance (FOR BOARD GRANTS: the Board approved total TIME budget of Ngultrums AMOUNT (Nu. NUMBERS) as per the breakdown in Exhibit-I;

(iii) Grantee shall acknowledge the financial support of the BTFEC for all activities supported under the current grant, including any publications produced or disseminated wholly or in part with BTFEC’s grant funds. BTFEC exercises the right to use the project’s results for non-commercial purposes. Grantee will maintain intellectual property rights of all research activities funded under this grant, but shall obtain the BTFEC's written permission if it wishes to use this project's materials for commercial purposes;

B. Disbursement and Accounting:

(iv) BTFEC shall disburse the grant to the Grantee in (HOW MANY…) disbursements (AND SCHEDULE…);

(v) Grantee and its implementing agencies shall maintain Books of Accounts of the grant received from BTFEC in accordance with (CHOOSE: (a) its own financial rules; (b) the Financial Manual of the Royal Government). The Books of Accounts shall show objectives of expenditure;

(vi) BTFEC shall have access to the Books of Accounts maintained by the Grantee and its implementing agencies if/whenever required to do so;

C. Reporting:

(vii) Grantee and its implementing agencies shall submit an elaborate technical narrative and financial progress reports to BTFEC as per the fund disbursement schedule agreed to under Article (iv) above. The reports shall provide complete information on the progress and issues, if any, in the formats prescribed as per Exhibit-II and IIIa-IIIId (...FINANCIAL REPORTING FORMS/GUIDELINES);

(viii) (FOR DISCRETIONARY GRANT OF A COMMERCIAL NATURE:) On delivery of the completed product(s), Grantee shall submit expenditure statements detailing the
costs incurred for development of materials, publication and transportation. Any unspent grant balance shall be returned to BTFEC;

(ix) (FOR BOARD-APPROVED GRANTS ONLY) Grantee shall submit an audited annual financial statement to the BTFEC as per *Exhibit-III* within two months of conclusion of the fiscal year;

(x) At project conclusion, the unspent grant balance for each activity shall be returned to the BTFEC;

(xi) (FOR BOARD-APPROVED GRANTS ONLY) Within three months of conclusion of the grant, Grantee and its implementing agencies shall prepare and submit to the BTFEC a draft implementation completion report (ICR) following the format in *Exhibit-IV*. The BTFEC Secretariat will evaluate the ICR based on (a) site-visits, and (b) if necessary, field an independent grant completion mission, which will prepare an evaluation report for presentation to the Management Board through the BTFEC Secretariat;

D. Termination:

(xii) BTFEC will recommend to its Management Board the termination of the grant if (a) there are significant deviations from the approved proposal, and/or (b) project implementation has not commenced within six months of the date of signing this agreement;

(xiii) The Management Board of BTFEC reserves the right, in its sole discretion, to discontinue or suspend grant funding if (a) the written reports required herein are not submitted by the Grantee on a timely basis, (b) the reports do not comply with the terms and conditions of this agreement or fail to contain adequate information to allow BTFEC to determine the funds have been used for their intended purposes, (c) grant funds have not been used for their intended purposes or have been used inconsistent with the terms and conditions of this agreement, (d) BTFEC is not satisfied with the progress of the activities funded by the grant, and/or (e) the purposes for which the grant was made cannot be accomplished;

E. Reappropriation:

(xiv) If required to reappropriate the grant, Grantee shall obtain the BTFEC Secretariat's written permission (FOR BOARD-APPROVED GRANTS ONLY) if the amount for reappropriation is within 10% of the total annual budget. Reappropriations above the aforementioned amount will require the approval of the Management Board;

F. Final authority:

(xv) Any breach of the contact terms and conditions by either of the "Parties" shall be taken to the Management Board for necessary action.

Signed on the … day of (…month..), (..year..)

(Name)  (Name)
Director  (Designation)
Bhutan Trust Fund for  (Address)
Environmental Conservation
### EXHIBIT- I: FINANCIAL PLAN

<table>
<thead>
<tr>
<th>Objective (i)</th>
<th>Input 1</th>
<th>Input 2</th>
<th>Input 3</th>
<th>Input 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective (ii)</td>
<td>Input 1</td>
<td>Input 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Unit Cost</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1</td>
<td>Y2</td>
<td>Y3</td>
</tr>
<tr>
<td>Y1</td>
<td>Y2</td>
<td>Y3</td>
</tr>
<tr>
<td>Y1</td>
<td>Y2</td>
<td>Y3</td>
</tr>
</tbody>
</table>
EXHIBIT- II: TECHNICAL PROGRESS REPORT FORMAT

Technical Progress Report

Grant No………….: Title…………………………………………
Quarterly Description of Technical Progress, FY……….
1st Quarter (1 July – 30 September, ……..)

(The following shall form the outline of quarterly narrative description of technical progress. Do not exceed 2-3 pages. Annual reports shall follow the same guidelines.)

1. Statement and Description of Objectives / Inputs
(Refer to Objectives in the original grant proposal)

2. Summarised Financial Status

<table>
<thead>
<tr>
<th>Total grant allocated</th>
<th>Annual grant allocated</th>
<th>Grant received (Quarter 1)</th>
<th>Grant spent (Quarter 1)</th>
<th>Grant balance (Quarter 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

3. Outputs / Achievement of Objectives
(Refer to benchmarks/key implementation indicators as per the logical framework of the grant proposal)

4. Impact
(Assess outcome during reporting period. Refer to key impact indicators as per the logical framework of the grant proposal)

5. Problems / Issues affecting grant implementation
EXHIBIT- IIIA: STATEMENT OF QUARTERLY RECEIPT AND PAYMENTS FORMAT

Grant #
Project Title

Statement of Quarterly Receipt and Payments
(Period, e.g. 1 July……... - 30 Sept…….)

<table>
<thead>
<tr>
<th>RECEIPT (Nu.)</th>
<th>PAYMENT (Nu.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td><strong>Payments</strong></td>
</tr>
<tr>
<td></td>
<td>Quarter</td>
</tr>
<tr>
<td>1 Opening Balance:</td>
<td>1 Expenditure</td>
</tr>
<tr>
<td>(a) Cash</td>
<td></td>
</tr>
<tr>
<td>(b) Bank</td>
<td></td>
</tr>
<tr>
<td>2 Funds Received:</td>
<td>2 Advances paid:</td>
</tr>
<tr>
<td>(as per release letters)</td>
<td>(a) Employees</td>
</tr>
<tr>
<td>3 Recoveries:</td>
<td>© Contractors</td>
</tr>
<tr>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td></td>
</tr>
<tr>
<td>©</td>
<td></td>
</tr>
<tr>
<td>3 Remittances:</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>4 Advances recovered:</td>
<td>4 Other Payments &amp; Deposits:</td>
</tr>
<tr>
<td>(a) Employees</td>
<td></td>
</tr>
<tr>
<td>(b) Suppliers</td>
<td></td>
</tr>
<tr>
<td>©</td>
<td></td>
</tr>
<tr>
<td>5 Other Receipts:</td>
<td>5 Closing Balance:</td>
</tr>
<tr>
<td>(a)</td>
<td>(a) Cash</td>
</tr>
<tr>
<td>(b)</td>
<td>(b) Bank</td>
</tr>
</tbody>
</table>

**Total** 0 0 **Total** 0 0
**EXHIBIT- IIIB: STATEMENT OF QUARTERLY EXPENDITURE FORMAT**

*Grant #*
*Project title*

**Statement of Quarterly Expenditure**

<table>
<thead>
<tr>
<th>Activity Head</th>
<th>Approved Grant</th>
<th>Annual Budget</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Quarter</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Progressive</td>
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<tr>
<td></td>
<td></td>
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<td>Since Inception</td>
</tr>
</tbody>
</table>

**Note:**
(i) progressive means total amount from the beginning of fiscal year
(ii) please footnote remarks, if any.

Designation: Finance Division
Name of Agency: 

Designation: Head of the Agency
Name of the Agency: 

---

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EXHIBIT- IIIC: STATEMENT OF MONTHLY BANK RECONCILIATION FORMAT

Grant #
Project title

Statement of Monthly Bank Reconciliation of
Bank Account # ____________ as of ______________

Particulars:
Grant Released from MoF (1) xxx
Closing Balance as per Cash Book (2) xxx

Difference (1) - (2) xyz

Difference Reconciled by:

1. Debit Balance as per Bank Statement xxx
2. Cheques issued but not encashed xxx
3. Amount debited in the Cash Book but not in the Bank Statement xxx
4. Amount debited in the Bank Statement but not in the Cash Book xxx

Total (1+2+3-4) xyz

Details of the Cheques not encashed:

<table>
<thead>
<tr>
<th>Cheque No.</th>
<th>Date</th>
<th>Amount</th>
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</thead>
<tbody>
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</tbody>
</table>

Designation
Finance Division
Name of Agency

Designation
Head of the Agency
Name of the Agency
EXHIBIT- IID: STATEMENT OF QUARTERLY FUND BALANCES RECONCILIATION

Grant #
Project title

Statement of Quarterly Fund Balances Reconciliation as of ________________

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (Nu.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fund released from BTFEC</td>
<td>xxx</td>
</tr>
<tr>
<td>Less: Total Expenditure incurred as per Annexure-C2</td>
<td>xxx</td>
</tr>
<tr>
<td>*A: Total Fund balance held by RGoB/MoF</td>
<td>xyz</td>
</tr>
</tbody>
</table>

Fund Balances Reconciled by:
(i) Cash in Hand                                                  | xxx          |
(ii) Cash in Bank                                                 | xxx          |
(iii) Fund held by Dept. of National Budget                       | xxx          |
(iv) Advances (list of advances must be attached)**               | xxx          |
(v) ………………………                               | xxx          |
(vi) ………………………………………           | xxx          |

*B: Total Fund Balance held by RGoB/MoF                         | xyz          |

Note:
* Total amount in row B must equal to row A.
** All outstanding advances must be settled within the same fiscal year.
EXHIBIT- IV: IMPLEMENTATION COMPLETION REPORT FORMAT

The following shall form the outline of the evaluation report:

(i) Evaluation/statement of objectives
(ii) Achievement of objectives
(iii) Major factors affecting the grant implementation
(iv) Performance of BTFEC
(v) Assessment of outcome:
   (a) Summary of assessments
   (b) Grant timetable
   (c) Grant disbursement
   (d) Key implementation indicators as per the logical framework of the grant proposal
   (e) Studies included in the project (name, purpose, status, impact)
   (f) Status of Grant Agreement
   (g) Key impact indicators as per the logical framework of the grant proposal.
FORM NO. 6.1.2: TRAVEL ITINERARY

Name of Employee: ______________________________________

Position: ______________________________________________

Level: _________________________________________________

<table>
<thead>
<tr>
<th>Date</th>
<th>Station From</th>
<th>Station To</th>
<th>Mode of Travel</th>
<th>Halt At</th>
<th>Purpose</th>
<th>Remarks</th>
</tr>
</thead>
</table>

Estimated Traveling Cost: Nu./US$: ________________

Advance Required: Nu./US$: ________________

Signature of Employee
Date:

Approved/Not Approved:

Chairman/Director/Treasurer
Date:
### FORM NO. 6.1.3: TRAVEL ALLOWANCE BILL

<table>
<thead>
<tr>
<th>Date</th>
<th>Station</th>
<th>Daily Allowance</th>
<th>Car Mileage</th>
<th>Bus/Train/Air Fare</th>
<th>Actual Expenses</th>
<th>Total</th>
<th>Purpose of Journey</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From</td>
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</table>

| Total |       |     |       |       |       |       |                   |         |
FORM NO. 7.2.1: LETTER OF AWARD

To

___________________________

(Name of the Candidate)

___________________________

___________________________

Subject: Letter of Award

Dear Sir/Madam,

The board is pleased to approve your training for ____________________________________ in _____________________________________________

The particulars of the award are given below:

   Name of Course     : ____________________________________
   Institute & Country: ____________________________________
   Duration           : From ________________ To ________________

You are requested to get proper briefing on all the rules and procedures governing the award and execute necessary undertaking as required under the rules.

Yours sincerely,

___________________________

Name of Official
Director
FORM NO. 7.3.3:TRAINING BOND

I, Mr./Mrs./Miss ___________________________________________________________ son/daughter of Mr./Mrs.: ____________________________________ hereby accept the offer of fellowship/scholarship from _________________________________________________ (mention sponsoring agency) for studies in __________________________________________ (mention course) in ________________________________________________ (mention institute/university and country) for a duration of ______________________.

I hereby undertake to:

1. Pursue the course and complete it within the duration specified in the letter of award No. ____________________________________ dated ________________________.

2. Not change to another course or institute.

3. Abide by all rules and regulations of the Fund and the institute concerned.

4. Not discontinue the course and/or leave the institute prior to completion of the course, without written consent from the Fund.

5. On completion of my training/studies, return to Bhutan and continue in the services of my organization for a minimum period of two times the duration of the course, subject to a minimum of one year, unless I am terminated or transferred to other organizations by the Fund.

6. Pay to the Fund an amount equal to the expenses incurred by the Fund on my current training in the event I discontinue the training for a reason other than ill health and return to Bhutan.

7. Pay an amount equal to two times the expenses incurred on my current training, in the event I do not return to Bhutan from my training.

8. Pay to the Fund an amount equal to the expenditure being incurred on my current training in the event I return to Bhutan but voluntarily resign from the services of my organization prior to rendering the specified duration of service.

I, do hereby confirm that I have been briefed on all rules governing my training and I have understood them, including the implication and consequences of deviating from them. In particular, I understand that in the event that I do not adhere to anyone of the above stated conditions, the guarantor and/or I shall be liable for legal prosecution by the Fund.

Signature: (Affix Legal Stamp)
Name: ______________________
Place: ______________________
Date: ______________________

Caution: This is an important legal document and therefore, should be executed after clearly understanding all the responsibilities, liabilities and implications.
In the event of any failure on the part of the above named person to abide by this undertaking I, ______________________, resident of __________________________ hereby, undertake to refund to the Fund the stipulated amount or accept my liability to any other penalty as may be decided by the Fund.

In the event that I do not adhere to the above, I understand that I shall be liable for legal prosecution by the Fund.

Signature of Guarantor with legal stamp
Name of Guarantor: __________________________________
Relation with the Candidate: ____________________________
Occupation: _________________________________________
Present Address: _____________________________________
Permanent Address: ___________________________________

Witnesses:
1. __________________________________________

2. __________________________________________
PART A

Performance Appraisal: SELF ASSESSMENT

Review Period: ______________________________

Name: _______________________________ Job Title _______________________________

1. Job Description: (List your main responsibilities / duties in the review period indicating the approximate percentage of your time spent on each)

2. Additional duties / tasks assigned & its achievements in the review period:

3. Circumstances: (Record here any cause, both positive or negative, which affected the achievement in review period)

4. Performance Improvement: (What were your main shortcomings during the report period? What were the causes and how do you intend to overcome these shortcomings over the next period? )
5. Job Interest: How do you view your current role? (Are your abilities being fully utilized?)
Do you have any suggestion for changes?

<table>
<thead>
<tr>
<th>Outstanding</th>
<th>Unacceptable</th>
</tr>
</thead>
</table>

6. Personal Development/Training Needs: (Do you need to self-develop or go on training for any job requirements):

7. Any other information/comments/criticism:

8. Performance Assessment: (if you were asked to rate your own performance, where would you tick in the boxes below)

Job Holder’s Signature: ___________________ Date: ___________________
PART B
Appraisal on this part will be undertaken by the immediate Supervisor and/or Administrator and discussed with the concerned Assessee. Assessee/Assessor and the Chairman/Treasurer/Director sign this form at the end of the assessment.

<table>
<thead>
<tr>
<th>Field of Assessment</th>
<th>O</th>
<th>A</th>
<th>M</th>
<th>N</th>
<th>B</th>
<th>U*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity of Work:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Achievement in duties/tasks (quality not considered)</td>
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<tr>
<td><strong>Quality of Work:</strong></td>
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<tr>
<td>Ability to work without supervision (accuracy, precision, completeness, neatness)</td>
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<td><strong>Knowledge of Work:</strong></td>
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<tr>
<td>Application of creativity, knowledge, skill, technical &amp; forthcoming to bear challenging responsibilities</td>
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<td><strong>Attitude to Work:</strong></td>
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<tr>
<td>Discipline, Honesty, Morality &amp; Politeness</td>
<td></td>
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<tr>
<td><strong>Working Habits:</strong></td>
<td></td>
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<tr>
<td>Planning, organization and care of equipment, promptness, etc</td>
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<tr>
<td><strong>Inter-Personal Relations:</strong></td>
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<tr>
<td>Relations with supervisors, colleagues, staff, public, etc. Sensitivity to other’s feelings &amp; views, ability to elicit co-operation</td>
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<tr>
<td><strong>Communication/Co-operation:</strong></td>
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<td>Good oral expression &amp; written work</td>
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<tr>
<td><strong>Initiative &amp; diligence:</strong></td>
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<tr>
<td>Self reliant, resourcefulness, Accurate, orderly &amp; quick to understand</td>
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</table>

U* Unrated (specify the reasons for unrating)

Other Assessment: (promotion, reward, training, level of performance etc.):  

<table>
<thead>
<tr>
<th>Overall Assessment of Performance (Tick appropriate box)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>U*</th>
</tr>
</thead>
</table>

Ratings: 1. Outstanding (O)  
2. Above requirement (A)  
3. Meets normal requirements (M)  
4. Not up to requirement (needs improvement) (N)  
5. Below requirements (B)  
6. Unrated (U*)  

U* Ratings:
**PPA Part B continued:**

During the Appraisal Discussion:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>a. Job holders comments:</td>
<td></td>
</tr>
<tr>
<td>Signature: ____________________________</td>
<td>Date: _____________________</td>
</tr>
<tr>
<td>b. Assessor’s Comments:</td>
<td></td>
</tr>
<tr>
<td>Signature: ____________________________</td>
<td>Date: _____________________</td>
</tr>
<tr>
<td>c. Executive Head of the Trust Fund’s Comments:</td>
<td></td>
</tr>
<tr>
<td>Signature: ____________________________</td>
<td>Date: _____________________</td>
</tr>
</tbody>
</table>
FORM NO. 10.14.1: DISBURSEMENT/JOURNAL VOUCHER

Name of Payee: ______________________________________________________

Address: __________________________________________________________

Explanation: ................................................................................................

_____________________________________________________________________

Account Distribution:

<table>
<thead>
<tr>
<th>Grant #</th>
<th>Account No.</th>
<th>Account Description</th>
<th>Debit (Nu./$)</th>
<th>Credit (Nu./$)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

Net Payment Nu./$_______________________________________________________________

__________________________________________________________________________

Batch # _______ Entry # _________ Period _________ Source GL-CD

Description (for G/L) ______________________________________________________

Paid by Cheque # ______________________ Date: ____________________________

Prepared by ____________________________ Date: ____________________________

Certified by ____________________________ Date: ____________________________

Approved by ____________________________ Date: ____________________________

Received by _____________________________ Date: ____________________________
### FORM NO. 10.8.1:  BILLS RECEIPT/PAYMENT REGISTER

<table>
<thead>
<tr>
<th>Claim Details</th>
<th>Settlement Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Bill No.</td>
</tr>
<tr>
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## FORM NO. 10.16.3: CHEQUES ISSUED REGISTER

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<tr>
<th>Date of Issue</th>
<th>Cheque No.</th>
<th>Amount</th>
<th>Initial of the Director/CFO</th>
<th>Date of En-cashment</th>
<th>Remarks</th>
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FORM NO. 10.16.10: INDEMNITY BOND FOR ISSUE OF A FRESH CHEQUE IN LIEU OF A LOST CHEQUE.

This deed of Indemnity made on the _____________ day of _____________ month of the year _____________ between _______________ son/daughter of _________________, resident of ___________________ carrying on business under the name __________________ (hereinafter called "the indemnifier") of the one part and the Fund of the other part.

Whereas, on the day of _____________ in the year _____________ cheque No. _____________ dated _________________ on branch of _________________________________ (Bank name) for Nu. _____________ was drawn by the in favour of the indemnifier.

Whereas, the indemnifier has represented to the Fund that the said cheque has been lost by him/her during the transaction under progress.

Whereas, at the request of the indemnifier, the Fund has agreed to issue a second cheque for an amount equivalent to the amount of the previous cheque No. _____________ dated ______ upon the indemnifier giving such indemnity as noted below:

Whereas, in consideration of the above premises and the Fund agreeing to issue a second cheque, the indemnifier hereby agrees and undertakes to refund to the Fund on demand the said sum of Nu. _____________ in the event the previous cheque No. _____________ dated _________________ is presented to and paid by the bankers. The indemnifier also agrees to indemnify the Fund against all expenses which may be incurred by the Fund in connection therewith.

In witness whereof the parties hereto have set and subscribed their respective hands hereunto on the day and year first mentioned.

Signature of the Indemnifier

Signature for the Fund

Witness (1)

Witness (1)

(Name, Address)

(Name & Address)

Witness (2)

Witness (2)

(Name & Address)

(Name & Address)
FORM NO. 12.8.1: VEHICLE MOVEMENT ORDER

VMO No. Date: ______________

1. Name of the Office : __________________________________________

2. Pool Vehicle No. : __________________________________________

3. Name of the Driver & License No. : _____________________________

4. Place(s) to Visit : ____________________________________________

5. Purpose of Movement : _________________________________________

6. Name of Officer on Duty : _____________________________________

7. Time & Kilometer Reading on Departure : _________________________

8. Validity of the Movement Order : __________ Hours ________ days

Signature of the Authorizing Officer

9. Time and Kilometer on Return (Garage) : ________________________

10. Signature of the Officer on Duty : ______________________________
FORM NO.12.8.3:  VEHICLE LOG BOOK

Vehicle No. ______________________

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<tr>
<th>Date</th>
<th>Driver's Name</th>
<th>From</th>
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<td>Purpose</td>
<td>Signature of the Duty Officer</td>
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FORM NO. 12.8.4: VEHICLE HISTORY SHEET

Vehicle No._________________

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Date of Repair</th>
<th>Details of Spares/Works Carried Out</th>
<th>Qty</th>
<th>Rate</th>
<th>Amount</th>
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Remarks

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