GRANTS-IN-AID BILLS

Sanctions for grants-in-aid should –

- Be accorded by a competent authority in terms of the relevant DFP Rules.
- Be worded that there is a specific direction for the payment of the specified amount, instead of merely conveying an approval for the sanction of the grants-in-aid. Indicate invariably, whether the grants-in-aid are recurring or non-recurring.
- The orders sanctioning the grant quote the relevant rules, such bill should ordinarily be accepted on the expressed or implied certificate of the sanctioning authority that the prescribed conditions have been fulfilled.

The following checks should be done –

✓ It should be watched that grants are not, except in special circumstances, paid in excess of actual requirements of the grantee for the financial year or say, for the period of one year from the date of issue of the letter sanctioning the grant and that any general or special orders for releasing a particular grant in instalments are complied with.

✓ The extent of the check of the expenditure from a grants-in-aid by the grantee depends on whether the grant is conditional or unconditional.

✓ Where no condition is attached to a grant, no enquiry need be made as to the manner in which the grant is utilised by the grantee.

✓ Wherever conditions are attached to the utilisation of a grant (in the shape of specification of the particular objects on or the time within which the money must be spent) the receipt of formal utilisation certificate (Rule 212 of GFR) should be watched.

Utilisation Certificate

- Non Recurring Grants-in-Aid – Within 12 months of the closure of the financial year.
- Receipt of the certificate should be scrutinised by the department concerned.
- Recurring Grants-in-Aid - Department concerned should release Grants-in-Aid for the subsequent financial year only after the Utilisation certificate in respect of grants for the preceding financial year is submitted.
- Release of grants in excess of 50% of the total sanctioned amount shall be done only after the annual audited statement relating to Grants-in-aid released in the preceding year is submitted to the satisfaction of the department. In respect of autonomous institutions the Utilisation certificate should disclose loans and advances given to suppliers, to contractors, to staff which do not constitute expenditure at this stage.