

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH,
KRISHI BHWAN, NEW DELHI
INTERNAL FINANCE DIVISION**

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GOOD MANAGEMENT PRACTICES

Effective management of public resources requires not only adherence to rules, but also timely action, sound judgement, proper documentation and proactive oversight. In a large and diverse organisation such as ICAR, consistent adoption of such practices can strengthen financial discipline and institutional efficiency.

The Good Management Practices set out in this document are intended as a practical ready-reckoner for officers and functionaries across the ICAR system. They focus on recurring areas of financial and administrative management where timely review, reconciliation and corrective action can help prevent avoidable lapses and promote responsible stewardship of public resources.

These practices are intended to facilitate compliance with the extant rules, and shall not be construed as replacing or modifying the General Financial Rules, 2017, instructions of the Ministry of Finance, Department of Expenditure, DoPT, or other applicable statutory provisions and Government/ICAR instructions issued from time to time. In case of any inconsistency, the extant GoI rules and instructions shall prevail.

It is hoped that these practices will contribute to a culture of proactive management, accountability and timely decision-making across the ICAR system.


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Sunita Arya
Director (Fin.)

Distribution:

1. Directors/Project Directors of all ICAR Institutes/National Research Centres / Project Directorates/Bureaux.
2. All Officers/Sections at ICAR, Krishi Bhavan/KAB-I & II/NASC
3. PD, DKMA for placing on the ICAR website
4. Sr.PPS to DG, ICAR
5. Sr.PPS to Secretary, ICAR
6. PPS to FA, DARE & ICAR
7. Guard File / e-office

1. Strict Avoidance of Parking of Funds

‘Parking’ of funds refers to drawing money from a sanctioned grant or budget head — most often to prevent a lapse of budget at the close of the financial year.

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- 1.1 No amount shall be drawn from a grant or budget head merely because it is available, or to avert a lapse of budget.
- 1.2 Any balance found parked beyond the permissible period shall be surrendered or refunded suo motu, together with interest, where applicable, rather than awaiting an audit objection to trigger the refund.
- 1.3 Parking of funds also occurs through opening a Letter of Credit for more than the genuine near-term requirement and shall be avoided just as strictly as parking in a regular bank account. Further, since the GeM Pool Account is meant only for Non-PFMS Agencies/Entities, any institute mapped to PFMS is prohibited from opening or operating one and shall route all GeM payments through PFMS.

2. Investment of Idle Funds

Institutes routinely hold funds that are **temporarily surplus to immediate need** — unutilised grants, corpus funds, deposit works, or project funds pending utilisation.

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- 2.1 Surplus funds, wherever investment is permissible under the applicable sanction, scheme/project conditions and Government/ICAR instructions, may be invested through a duly documented process with an authorised/scheduled bank or other permissible instrument, as applicable.
- 2.2 Interest earned on project-specific funds shall be accounted for separately and, where the sponsoring agency’s terms so require, refunded or adjusted rather than retained as general institutional revenue.

3. Refund of Unspent Balance of Concluded Externally Funded Projects

Collaborative and externally funded projects — whether from other Ministries, international bodies, ICAR’s own competitive grant schemes or industry — very often close with a residual, unspent balance.

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- 3.1 On closure of a project, the Principal Investigator and Finance & Accounts shall jointly reconcile expenditure within sixty days or within such other period as may be prescribed in the sanction order.
- 3.2 Unspent balance, together with interest earned where the funding agency’s terms require its surrender, shall be refunded within the timeline stipulated in the sanction order — proactively, and not only when demanded by the funding agency.

- 3.3 A standing Project Closure Tracker — sanctioned amount, expenditure, unspent balance, Utilisation Certificate status and refund status — shall be maintained institute-wide and placed before the Director periodically for better financial management.
- 3.4 Expenditure incurred against externally or collaboratively funded research projects shall conform to the GFRs and ICAR's own financial and delegation-of-powers instructions in the same manner as any other institutional expenditure. Flexibility, if any, provided under the terms and conditions of a sponsor shall not dispense with the applicable requirements relating to procurement, sanction and financial propriety, which shall continue to be observed as per extant rules and instructions of GoI.

4. Settlement of Pending Entries of Bank Reconciliation Statements (BRS)

Unreconciled entries in the Bank Reconciliation Statement — cheques issued but not presented, bank credits not yet accounted for in the cash book, mismatches with PFMS or the bank's core banking data — if allowed to age, mask both genuine accounting errors and, in the more serious cases, misappropriation.

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- 4.1 The BRS shall be prepared every month, adhering to the timelines provided in the ICAR Audit Manual for submission.
- 4.2 Every unreconciled entry shall be aged (0–30 / 31–90 / above 90 days) and taken up for resolution; entries pending beyond ninety days shall carry a recorded reason.
- 4.3 Unaccounted debits in the bank statement shall be immediately reviewed in consultation with the bank and corrective measures taken.
- 4.4 A zero-tolerance target for entries ageing beyond one hundred and eighty days shall be adopted and reviewed monthly by the Head of Office and Head of Finance.

5. Settlement of Outstanding Advances, with Special Emphasis on CPWD Advances

(a) Advances

Advances are by nature temporary. The moment an advance ages without adjustment, it functions as an interest-free, unaccounted extension of public money.

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- 5.1 An Advance Register — classified by category (CPWD/deposit works, others) — shall be maintained with age-wise analysis and reviewed monthly.
- 5.2 For CPWD or other deposit-work advances, a quarterly reconciliation meeting shall be held with the concerned Executive Engineer/Divisional Officer, with a running account statement obtained proactively rather than awaited at year-end.
- 5.3 Advances outstanding beyond one year shall be specifically flagged to the Director(s) along with a time-bound resolution plan.

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- 5.4 Personal claims and TA advances not adjusted within the prescribed period shall be recovered from salary as per extant rules.

(b) Contingency Advances

Contingency advances — drawn to meet emergent, non-recurring office expenditure that cannot await the normal procurement or reimbursement cycle — are, by their very nature, a departure from the bank-mediated, independently verifiable payment discipline.

Good Management Practices

- 5.5 The Drawing & Disbursing Officer shall keep the amount and frequency of contingency advances to the minimum genuinely necessary, sanctioning one only where the expenditure cannot reasonably be met through the normal procurement or reimbursement route, with specific reasons recorded at the time of sanction.
- 5.6 Where a contingency advance is unavoidable, every transaction met out of it shall, as far as possible, be routed through digital modes — UPI, NEFT/RTGS or another traceable instrument — rather than cash, so that each item of expenditure is independently verifiable and the advance is administered to the same standard of fiduciary responsibility as any other public money.
- 5.7 Cash disbursement out of a contingency advance shall be treated as a last-resort exception for genuinely small, unavoidable payments, supported by a proper voucher at the time of payment, and the advance shall be adjusted and any unspent balance refunded immediately on completion of the purpose for which it was drawn.

6. Timely Payment to Contractual Staff

ICAR institutes engage contractual and outsourced workforce — data entry operators, farm and field labour, security and housekeeping personnel, etc. With the four Labour Codes and their Central Rules now in force, delayed wage disbursement or non-remittance of statutory dues by a contractor is a breach of law and not merely a compliance risk to prepare for.

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- 6.1 Wages to contractual/outsourced personnel shall be disbursed within the timeline prescribed under the Code on Wages (Central) Rules, 2026, directly into the individual's bank account, never routed through a contractor's discretion. The provisions of MoF OM No. F.2/6/2026-PPD dated 08.05.2026 shall be adhered to.
- 6.2 No contractor's monthly bill shall be passed without a certificate — cross-verified against the EPFO/ESIC portal challans — confirming actual remittance of both employer and employee contributions for that wage period, as now governed by the Social Security (Central) Rules, 2026.
- 6.3 A Statutory Compliance Register shall be maintained per contract, recording PF/ESI/minimum-wage compliance month-wise, and shall be a mandatory annexure to the contractor's running bill, not a document called for only when a complaint arises.

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7. Upholding Propriety in Procurement

Rule 21 of the GFR, 2017 sets the ethical baseline for every spending decision. That ethic — together with Rule 144 of the GFR, 2017 — is tested most directly in procurement, where the tension between writing specifications tight enough to ensure quality and generic enough to attract fair competition is a recurring source of both audit objection and vendor grievance.

Good Management Practices

- 7.1 Specifications shall be framed around functional and performance parameters — capacity, output, applicable technical standards — rather than brand names or features; the indenting officer/scientist and the purchase committee shall jointly certify this before a tender or GeM bid is floated.
- 7.2 Where a genuine, technically justified requirement narrows the field of eligible suppliers — for instance, a specific analytical sensitivity for research equipment — the justification shall be recorded in writing at the file stage itself, not reconstructed in response to an audit query.
- 7.3 The Government e-Marketplace shall be the default channel for all listed goods and services; any recourse to off-GeM procurement shall be exception-based, duly recorded and consistent with Rule 149.
- 7.4 Purchase and tender committees shall include a Finance & Accounts representative as a standing member — so that the propriety check operates before commitments are made, not after.
- 7.5 Splitting of a requirement into smaller purchases to avoid a higher sanctioning level or a more competitive procurement mode shall be treated as a serious management lapse.
- 7.6 No search on the Government e-Marketplace shall be configured — through narrowed categories, unrepresentative filters, or any other means — so as to produce a false “non-availability” result merely to justify procurement outside GeM; the officer generating the GeM Availability Report and Past Transaction Summary (GeMAR&PTS) shall certify that the search was conducted in good faith on parameters genuinely reflecting the requirement.
- 7.7 Tender and bid documents shall include a non-collusion clause requiring every bidder to certify that its bid was prepared independently, without prior understanding or communication with a competing bidder. Purchase/tender committees shall specifically check for indicators of collusion — matching or related IP addresses, sequential EMD numbers, etc. — and record having done so before finalising an award.
- 7.8 Consignees shall generate the Provisional Receipt Certificate after delivery and the Consignee Receipt and Acceptance Certificate (CRAC) within the prescribed 10-day window, rather than allowing auto-generation to substitute for actual inspection. Bill processing and payment shall be completed post CRAC generation as mandated under GeM’s General Terms and Conditions.
- 7.9 Payment status shall be updated on the GeM portal promptly on release, and payment to MSME-registered vendors shall in every case meet the timeline under Section 15 of the MSMED Act, 2006.

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8. Adherence to the Receipts & Payments Rules — Restriction on Cash Transactions

Cash-based transactions are inherently harder to audit, reconcile and trace than bank-mediated ones, and are disproportionately represented in cases of financial irregularity.

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- 8.1 Adherence to the Central Government Account (Receipts and Payments) Rules, 2022 shall be ensured in all matters relating to the receipt and disbursement of Government funds.
- 8.2 Contractor, salary, scholarship, stipend and vendor payments shall, as a default, be released through PFMS/NEFT/RTGS or another account-payee instrument, irrespective of the amount involved.
- 8.3 Cash chests shall be subject to surprise physical verification at the interval prescribed for the Drawing & Disbursing Officer's level, with the outcome recorded in the cash book itself.
- 8.4 Institutes shall progressively migrate residual cash-based processes — petty local purchases, minor sitting fees and the like — to UPI or other digital modes, going beyond the bare statutory minimum rather than treating ₹5,000 as a target to approach.

9. Periodic Review of User Charges

User charges fixed years earlier without periodic review may cease to reflect the prevailing cost and value of services provided. In accordance with Rule 229 of the GFR, 2017, user charges shall be linked with appropriate price indices and reviewed at least once every year.

Good Management Practices

- 9.1 Every institute shall constitute, or specifically designate, a User Charges Review Committee to revisit all chargeable services at a fixed periodicity — recommended once every year, or immediately on a significant escalation in input cost.
- 9.2 Revision shall be benchmarked against comparable rates at sister ICAR institutes, CSIR/State Agricultural University laboratories, and the actual current cost of consumables and manpower.
- 9.3 Where a service is deliberately kept subsidised as a matter of policy — for instance, for farmers or students — that subsidy shall be a conscious, recorded decision, not a default arising from a rate that was simply never reviewed.
- 9.4 Revised rates shall be notified transparently, with the effective date, on the institute website and notice board, and receipts thereafter reconciled against the revised schedule.

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10. Service Verification under the CCS (Pension) Rules

Delayed verification of qualifying service is one of the most common — and entirely avoidable — causes of delay in finalising pension and retirement benefits, causing genuine hardship to a retiring colleague despite being a purely procedural lapse.

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- 10.1 A live, date-sorted tracker of every employee's pre-retirement (five-years-to-go) milestones shall be maintained, generated from service records rather than recalled manually when the date has already arrived.
- 10.2 Verification shall be completed and communicated to the employee in the prescribed form well ahead of the due date, as a matter of routine — not upon the employee's own request or reminder.
- 10.3 An annual compliance report on pending verifications shall be placed before the Head of Institute, consistent with the reporting pattern prescribed by the Department of Pension & Pensioners' Welfare.
- 10.4 Service Books shall be updated and got verified by the employee annually as a standing practice.

11. Data-Driven Administration with Accuracy and Timeline Discipline

The credibility of the administration rests on more than procedural correctness — it rests on administration that is evidence-based, verified for accuracy before it leaves the desk, and delivered to Headquarters, whenever required, within the time it is due.

Good Management Practices

- 11.1 Officers shall cultivate a visible sense of ownership of files and decisions, avoiding unnecessary referencing up or down the hierarchy for matters squarely within their own delegated powers.
- 11.2 A standing compliance calendar for recurring submissions to ICAR Headquarters — monthly progress reports, budget and expenditure returns, RTI and Parliament Question inputs, audit-para replies, annual reports — shall be maintained at the institute level, with a responsible officer and built-in buffer time ahead of the actual due date.
- 11.3 Every figure, return or report submitted to Headquarters or placed before a Committee should be duly verified by the officer responsible for its submission with reference to the underlying records and supporting documents, and should not be carried forward merely on the basis of previous submissions.

12. Optimal Utilisation of the iGOT Karmayogi Platform

Under Mission Karmayogi — the National Programme for Civil Services Capacity Building — capacity building has moved from an occasional training-institute event to a continuous, self-directed professional obligation. Treating the iGOT Karmayogi platform purely as a checklist of

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mandatory courses squanders a platform designed for deep, competency-linked, career-long learning.

Good Management Practices

- 12.1 Officers shall complete not only the courses mandatorily assigned to their role, but proactively pursue competency-linked domain courses relevant to financial management, procurement, establishment matters and public administration — treating mandatory-only completion as the floor, not the goal.
- 12.2 Officers in supervisory roles shall actively promote and facilitate iGOT enrolment and completion among subordinate and ministerial staff, treating capacity building of the support cadre as their own responsibility rather than a matter of individual initiative alone.
- 12.3 Learning acquired through iGOT should be visibly applied — an officer completing a relevant course on, say, procurement or RTI matters should be entrusted with related institute-level responsibility, closing the loop between training and practice.
- 12.4 Course-completion status may be referenced as a positive input while writing Annual Performance Appraisal Reports, so that the incentive to learn is institutionalised rather than left to individual motivation.

13. Statutory Taxation Compliance

The Income-tax Act, 2025 and the Income-tax Rules, 2026 have come into force with effect from 1 April 2026, bringing changes in the statutory framework and reporting provisions relating to TDS and TCS. Alongside this, the Institute continues to have obligations as a GST deductor and, in respect of research imports, as a beneficiary of a distinct customs duty exemption. Lapses in these statutory compliances, though rarely deliberate, may carry direct financial consequences in the form of interest, penalties, disallowance of expenditure, or denial of applicable duty exemptions.

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- 13.1 Income-tax TDS shall be deducted and deposited at the correct rate on every eligible payment and reported in the quarterly TDS return, with extension never treated as routine.
- 13.2 TDS certificates (Form 16 for salary, Form 16A for other deductions) shall be issued to the deductee within the prescribed timeline, and Form 26AS/the Annual Information Statement of major vendors shall be periodically reconciled against the institute's own TDS ledger, so that mismatches are caught before they surface as a vendor grievance or an audit para.
- 13.3 As a notified GST deductor, the institute shall deduct GST TDS under the CGST Act on every eligible contract and file Form GSTR-7 in the following month — including a Nil return where no deduction was made — and issue Form GSTR-7A to the supplier so that its input tax credit is not held up on the institute's account.
- 13.4 GST payable under the Reverse Charge Mechanism — for instance, on legal services, sponsorship, or goods transport agency payments, etc. — shall be identified and discharged by the institute itself as recipient, and never assumed to be the supplier's responsibility merely because it is not charged on the invoice.
- 13.5 Payments to vendors registered as micro or small enterprises shall be made within the timeline prescribed under Section 15 of the MSMED Act, 2006; such vendors shall be

flagged at the bill-passing stage itself, since delay attracts compound interest at three times the RBI bank rate under Section 16 and disallowance of the expenditure as a deduction for that year.

- 13.6** Where equipment, spares or consumables are imported for research, the customs duty and IGST exemption available to Central Government research institutions under Notification No. 51/96-Customs (as amended) shall be claimed only against a duly signed essentiality/actual-user certificate from the Head of the Institution, with every such consignment logged in a standing register recording its use for research alone — diversion to any other use exposes the institute to recovery of duty with interest.
- 13.7** Where the institute is itself the seller — for instance, of scrap or unserviceable stores — the applicable Tax Collected at Source shall be collected, deposited and reported within the prescribed timelines; TCS obligations shall not be overlooked merely because the institute is a buyer in most of its transactions.

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