

# **National Rural Health Mission gets** visibility to fund utilisation and analysis using Tally.ERP 9

#### **COMPANY BACKGROUND**

The National Rural Health Mission (NRHM) (2005-12) seeks to provide effective healthcare to the rural population throughout the country. The Mission is an articulation of the commitment of the Government to raise public spending on Health from 0.9% of GDP to 2-3% of GDP. The mission is headed by the Ministry of Health & Family Welfare, Government of India.

NRHM Head Quarters releases the funds for each state based on the approved Programme Implementation Plan (PIP). In-turn the state offices release funds to their respective districts based on the approved District Action Plan (DAP); the districts offices release funds to their respective block offices and the blocks release funds to Primary Health Centres (PHCs), Community Health Centres (CHCs), Village Health Sanitation Committee (VHSCs) and Sub Centres (SCs).

Apart from these, funds are released to various NGOs operating at State & District level and for direct spending at State, District & Block level.

Tracking the utilisation of funds that were allocated at each

### THE CHALLENGE

level was a challenge. There was also a very minimal analysis of the amounts spent at the different levels and at different offices. Each health centre had to send its Fund Utilisation Certificate (UCs) to its Block level office that would consolidate the expenses including direct spending of all their blocks and send reports to the District office. The District office would in turn consolidate the expenses of all its blocks and send the report to state office at periodic intervals. The state would report district spend to NRHM Head Quarters. Since most of the offices of NRHM are located in remote places, Internet connectivity was always an issue. There was also very little maintaining of statement of accounts at each office of NRHM at State. District. Block. PHC. CHC level. All activities like funds received, advances released, expenditure incurred were to

be recorded and statements like Cash Book, Bank Book,

Receipts & Payments account, Income & Expenditure account and Balance Sheet were to be generated for statutory purposes.

#### THE SOLUTION

Tally.ERP 9 is deployed across all offices of NRHM to maintain double entry accounting and to generate MIS reports as per the NRHM guidelines.

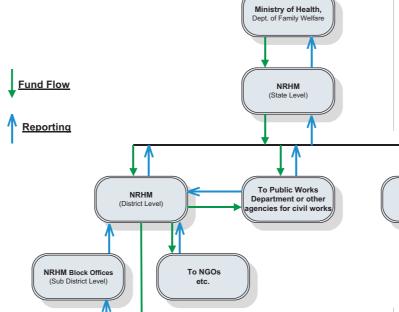
Heads of accounts are standardised and implemented across all locations to maintain

Data entry is simplified to a great extent where the user provides minimum inputs to complete the accounting voucher by debiting and crediting the respective ledgers. The Tally learning curve is very minimal and one need not have an accounting background to use the software. The standard menus of Tally.ERP 9 are customised and redesigned as per the needs of NRHM which greatly enhances navigability.

To address the issue of occasionally connected environments, the solution is deployed locally and data is synchronised at specified intervals with offices which need reports. Avoids the need for continuous connectivity. Data is pushed across to higher offices at the click of a button. In case of non-availability of Internet connection for longer durations, provision is made for the user to export reporting data into an MS Excel file and send it to their reporting office.

NRHM offices have been enabled to analyse activitywise spending of each programme from the previous year's data, which will help in planning budget revisions and action for subsequent years well in

Controls based on budgets alert departments when a predefined percentage of the amount is utilised.



Expenditure entries are restricted when funds are fully utilised, and entries can be passed only after budgets are revised. This enables better control over expenses and requests for fund revisions can be made on time.

PHC / CHC / SCs / VHSCs

Ageing analysis of advances released give better insights into utilisation pattern of funds at district / Block/PHC/CHC levels.

Few reports developed for NRHM which facilitate Statutory and MIS needs at all levels are:

- Programme-wise Cash Books & Bank Books
- Receipt & Payment Statements
- Income & Expenditure Accounts
- Balance Sheet
- Programme-wise schedules to Balance Sheet & Financial Management Report (FMR)
- Statement of Expenditure (SoE)
- Funds Position Report
- Details of Expenditure (Unspent Balances)
- Schedule of Advances
- Cash & Bank Balance, Schedule of Interest / Reserves & Surplus Funds

- National Rural Health Mission
- Non Government Organisation
- Primary Health Centre
- Community Health Centre
- Sub Centre
- Village Health & Sanitation Committee

In addition to financial data, provisions are made to capture physical progress of each programme. Activity-wise targets for each programme can be set and the actual progress can be monitored for a given period. For example, number of 'Staff Nurses Training' planned for the period

(Monthly/Quarterly/Yearly) can be set and monitored with actual and percentage of variance. This enables NRHM to have physical and financial progress in a single report.

### **HIGHLIGHTS**

- Accurate and consistent reports for analysis and statutory purposes
- Maintenance of structured Books of Accounts
- Visibility to Fund utilisation and balance available · Multilingual capability
- · Easy availability of information at state, district & block levels

### RESULTS

- Improved analysis & monitoring of fund utilisation at every level
- Each office has visibility of funds received versus utilised, enabling better planning
- Improved maintenance of books of accounts thereby enabling generation of accurate financial reports for audit and other statutory purposes
- The multilingual capability of Tally.ERP 9 enables working in any Indian language
- Remote Access enables the State office to remotely login to any books of accounts belonging to Districts and Blocks
- · Market Goodwill & Peace of Mind.



## **Get Complete Visibility To Fund Movement, Usage And Control**









Government

**Practice** 

Tally.ERP 9

### Tally.ERP 9 - Complete Visibility of Fund Movement

Tally Solutions presents a comprehensive management software ideally suited to the needs of the Government. Whether it is better information flow, higher efficiencies, or visibility into and control over projects, our flexible solution helps accelerate success and bridge gaps.

### Effective capabilities to meet specific needs of Government departments:

- Double Entry Accounting System
- Accrual Method of Accounting
- Fund based Accounting
- Utilisation Monitoring
- Financial Progress
- Budget vs Actual Variance
- Variance Analysis
- Concurrent Multilingual
- Roll-up of data from Blocks to Districts to State to Centre and so on



## Monitor & Manage Funds



Tally.ERP 9 offers comprehensive features for monitoring and managing funds starting from financial budget estimates and approved budgets to accounting fund receipts to reporting of expenditure and generation of utilization certificates. Funds can be maintained project-wise, program-wise, funding agency-wise or any other dimensions like this. Fund Management covers recording of fund-wise accounting for receipt of funds, advance payments to below level offices/NGOs/contractors, expenditure accounting, refunds,

interest accruals, other incomes, etc.

Flow of funds from Government of India / State Government to the State Departments / Missions to the district offices at lower levels and further to block level and still further down to implementing agencies level at villages can be accounted and tracked. Funds can be accounted and managed at each of these levels starting from State Offices, District Offices, Block Offices, Cluster Offices and implementing agencies / offices at village level. The reporting of expenditure can be established exactly in the reverse direction of flow of funds.

Other than the Government, funds received from other organisations like World Bank, DFID, UNESCO etc. can be tracked separately and reported accordingly. Tally. ERP 9 can integrate with MIS applications or websites of the respective organisation by supplying or updating the required information periodically.

## Disseminate Intelligence Across Projects



Tally.ERP 9 has built-in advanced intelligence in analyzing project-wise information for quicker and effective decision making. Like all advances lying at each level can be analyzed with ageing analysis which helps in knowing the unspent balances lying at each level and direct them towards effective utilization.

Tally.ERP 9 helps in analyzing the past performance and progress of each project and helps in estimating realistic budget requirements for future years.

If the targeted physical progress is not achieved in spite of spending budgeted amount or if the amount spent is much lesser than the budget amount and the reported physical progress is much more than the estimated values, Tally.ERP 9 intelligence helps in identifying such discrepancies. It helps in analyzing whether the physical progress and financial progress are in proportionate with each other.

# Enhanced Budget Handling



Tally.ERP 9 provides enhanced financial budget handling. It provides you with the facility to record estimated financial budgets and submit for approval. The approved financial budget can be recorded along with physical targets and tracked.

The financial progress reports help in monitoring the variance between the required periods by comparing actual expenditure with approved budgets. Along with approved financial budgets, Physical Targets can also be defined and compared accordingly. This will

help in knowing the variance between physical targets and actual progress. It also helps in analyzing the actual physical progress achievement for the expenditure reported during the period.

Tally.ERP 9 provides information to monitor the expenditure nearing /reached 80% of the budgeted values in advance for better planning and seeking approvals for enhancement of budget and arrangement of funds to ensure smooth functioning of the activity/project.



## Total Control and Full Visibility



Tally.ERP 9 helps in having total control of the project-wise funds and activity-wise expenditure up to date.

Tally.ERP 9 with its extensive reporting offers full visibility starting from inception of the project, the funds received, disbursed as advances, activity-wise amount spent and carry forwarded for across multiple financial periods and the available balance.

It provides project-wise information of funds lying at various locations in the form of cash, advances and fixed assets. Bank Interest earned on bank balances or deposits can be tracked and maintained

project-wise.

It provides an integrated environment for tracking the project-wise unspent grants, cash and bank balances, deposits, fixed assets, activity-wise expenditure and accrued interest. Financial Progress, Statement of Expenditure, Statement of Programme-wise Unspent Balances, Balance Sheet with Annexure, Income & Expenditure A/c and Receipts and Payments give total control and full visibility.

