

**NOTIFICATION
DATED 19.03.2008**

¹[Khyber Pakhtunkhwa] EDUCATION FOUNDATION

FINANCIAL RULES, 2008

Notification: FEF/17-XVII/BOD. In exercise of the powers conferred by Section 17 of the FEF Act (III) of 1992 (²[Khyber Pakhtunkhwa] Act No. III of 1992), the Board of Directors ³[Khyber Pakhtunkhwa] Education Foundation, hereby make the following rules w.e.f. 14.03.2008, namely ⁴[Khyber Pakhtunkhwa] Education Foundation Financial Rules, 2008.

1. Short Title and Commencement:

- a) **Title** These Rules may be called the ⁵[Khyber Pakhtunkhwa] Education Foundation, Financial Rules, 2008.
- b) **Commencement:** These rules shall come into force at once.

2. Application:

- a) They shall apply to all employees of ⁶[Khyber Pakhtunkhwa] Education Foundation.
- b) The Foundation through its Board of Directors reserves the right to frame, repeal, amend or modify all or any of these rules as it may deem necessary and such amendments shall be binding on all employees.

3. Definitions:

In these Rules, unless the context otherwise require.

- i) "Act" means the ⁷[Khyber Pakhtunkhwa] Education Foundation Act, 1992, (Government of ⁸[Khyber Pakhtunkhwa] Act No. III of 1992) as amended from time to time.
- ii) "Budget" means Annual Budget of ⁹[Khyber Pakhtunkhwa] Education Foundation.
- iii) "Colleges" means colleges, which shall impart education at intermediate, degree and postgraduate level and established by the Foundation in the buildings provided by the Government/Semi Government and/or in the buildings acquired by the Foundation on rent from private sector.

¹ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

² Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

³ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

⁴ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

⁵ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

⁶ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

⁷ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

⁸ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

⁹ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

- iv) "Employee" means an employee of ¹⁰[Khyber Pakhtunkhwa] Education Foundation, Frontier Education Foundation's Academy and Colleges.
 - v) "Purchase Committee" means a committee constituted by the Managing Director for procurement of machinery, equipment, furniture and vehicles etc.
 - vi) ¹¹"[Khyber Pakhtunkhwa] Education Foundation's Academy" means an Academy which shall offer training facilities to the teachers working in Government, Semi Government and Private Sector educational institutions and established by the Foundation for the purposes of sub section e(ix) and sub section e(x) of section 13 and sub section f(iii) of section 13 of FEF Act m 1992.
 - vii) "Hospital" means any Government/Semi Government/Private hospital authorized by the Managing Director.
 - viii) "Pay" means the basic pay not including allowance drawn by an employee of the Foundation.
 - ix) "Pension" means the amount drawn monthly by an employee.
 - x) "Regular Employees" means a person appointed in a prescribed manner other than contract employee.
 - xi) "Salary" means all remuneration payable on monthly basis to an employee of ¹²[Khyber Pakhtunkhwa] Education Foundation in respect of his/her employment, and includes additional sums payable by reason of allowances as specified by the Board.
 - xii) "Sanctioned Post" means the post sanctioned and approved by the Board
 - xiii) "Selection Committee" means a committee as defined in rule 5 of ¹³[Khyber Pakhtunkhwa] Education Foundation Rules of Business, 2008.
 - xiv) "Resignation" means the act of leaving a service by a regular/contract employee as per terms and conditions of the service.
 - xv) "Retirement" means, retirement from service of Foundation as per term and conditions of employment.
4. **Delegation of Financial Power:** As prescribed by the Board from time to time and if otherwise not defined in these rules. However, financial powers of Principal/Director of ¹⁴[Khyber Pakhtunkhwa] Education Foundation's Academy and colleges are as notified by the Board from time to time.
5. **Daily Allowance:** Daily Allowance shall be granted to the employees on the rates as specified by the Advisory Committee from time to time.

¹⁰ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

¹¹ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

¹² Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

¹³ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

¹⁴ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011

6. **Mileage/Traveling Allowance:** All employees of the Foundation shall be provided on the rates as specified by the Advisory Committee from time to time.
7. **Pay, Allowances and Increments for Regular Employees:** The pay, allowances and increments including other fringe benefits of the regular employees shall be such as admissible to the civil servants of the same category if otherwise not defined in these rules or as prescribed by the Board. The regular employees shall be admissible for the special bonus as per following schedule after completion of minimum ten years of continuous service.

S.No	Employees	Special Bonus
01	Regular Employees	Last pay x 4 x Service length

8. **Pay and Allowances for Contract Employees:** The pay and allowance of the contract employees shall be on such terms and condition as determined by the Board and defined in Appendix III attached to these rules. The contract employees shall also be entitled for the special bonus as per following schedule after completion of minimum ten years of service.

S.No	Employees	Special Bonus
01	Contract Employees	Last pay x 2 x Service length

9. **Deputation Allowance:** The deputation allowance to the deputationist in the service of the Foundation shall be as admissible under the relevant rules notified by Government from time to time.
10. **Medical Allowance:** All the regular employees of the Foundation shall be admissible for medical allowance for outdoor treatment on their basic pay at following rates.

BS-1 to BS-16 35% of Basic Pay
BS-17 to BS-21 25% of Basic Pay

The Foundation shall also pay medical allowance for out door treatment at the rate of 10% (ten percent) to the contract employees on their fixed monthly salary not exceeding Rs. 2500/- per month. All employees of the Foundation appointed on regular basis shall also be entitled for indoor medical treatment in hospital for him/her self and his/her family. The contract employees shall be provided health insurance on such terms and conditions as determined by the Foundation.

11. **Education of Employees' Children:** Foundation shall provide scholarship from the endowment fund of Foundation for fully funded education of upto two children of each

regular employee in the prestigious college/university/institute recognized by the HEC or Federal/Provincial Government within Pakistan.

12. **Grant of Honoraria:** Honoraria may be granted to the employees by the Managing Director provided funds are available in the budget.
13. **Corporate Allowance:** Foundation shall pay corporate allowance at the rate of 20% (twenty percent) of basic pay to the regular employee and 5% (five percent) to the contract employees on their monthly fixed salaries for serving in Foundation against the posts specified in Appendix I.
14. **Instructional Allowance:** The Foundation shall pay instructional allowance to the Director Frontier Education Foundation Academy at the rate of 20% (twenty percent) of his/her basic pay not exceeding Rs. 5000/- per month.
15. **Project Allowance:** The Foundation shall pay project allowance to the employee for the additional duty in its projects of heavy and sensitive nature at the rate of 20% (twenty percent) to the regular employees and 10% (ten percent) to the contact employees of his/her pay not exceeding Rs. 5000/- per month.
16. **Dual Charge Allowance:** The Foundation shall pay dual charge allowance to the regular employee for holding additional/dual charge of the posts at the rate of 20% (twenty percent) of his/her pay without any ceiling or limit.
17. **Subsistence Allowance:** The Foundation may allow subsistence allowance to the contract employee as prescribed by the Advisory Committee/Board.
18. **Over Time Allowance to Staff Car Driver** The Foundation shall pay Rs. 1500/-(Rupees One Thousand Five Hundred Only) as over time allowance to staff car driver attached with Managing Director.
19. **Annual Increment:** All regular employees of Foundation shall be eligible for increments as allowed to the civil servants in the same scale on 1st December provided they rendered at least six months service. Contract employee shall also be eligible for increment on their fixed salaries as prescribed by the board.
20. **Advances to Employees:** All regular employee of the Foundation are admissible for loan against their pay for purchase of vehicle, construction/repair maintenance of house etc. not exceeding 20 (twenty) take home salaries and subject to condition of minimum five year of service.
21. **Contribution to Provident Fund:**
The Foundation will deduct 10% of running pay from its regular employees and 5% of fixed salary of those recruited on contract basis excluding deputationist to which equal contribution shall be made by the Foundation and deposit it highest markup rate in the secured bank and at the time of relieving the employee the amount will become payable to him / her on the day on which his / her services are no-longer required.

In addition, an employee leaving service of Foundation after serving the Foundation for at least ten years will be entitled for payment of one month salary package equivalent to last pay drawn for each completed year service. For this purpose Foundation shall constitute a fund to be called Employees Welfare Fund and to which shall be deposited Rs. 200,000/- per annum.

22. Annual Budget

- a. There are two budgets i) Developmental budget and ii) Non-Developmental/FEF budget will be prepared and placed before the Advisory Committee for scrutiny prior to the commencement of each financial year
- b. The Board shall approve the budget of the Foundation.
- c. Managing Director shall have full powers to sanction expenditures on various heads in consultation with Advisory Committee in anticipation of approval by the Board.
- d. All the sanctions should be made in accordance with these rules or as prescribed by the Board from time to time.

23. Estimates of Revenue and Expenditures: The detailed estimates should be prepared by the Finance Section.

24. In case of serious loss to Foundation's property, caused by fire, flood, cyclone, earthquake or any other natural calamity, matter should be immediately reported to Managing Director and to be brought in to the notice of chairman board.

25. No contracts may be entered in to by any employee, which has not been empowered to do so by or under the orders of Board or Managing Director as the case may be.

26. Audit of Accounts:

- a. Internal Audit: The Internal Audit of Accounts of the Foundation shall be carried out by the Finance section of the Foundation once in calendar year.
- b. External Audit: External Audit shall be carried out by Chartered Accountants annually or as may be prescribed by the Board.

27. Operation and maintenance of Foundation's accounts:

1) General:

- a) All funds and moneys owned by the Foundation shall be kept in one or more of the scheduled banks, approved DFIs by the Managing Director.
- b) The banks, where Foundation is maintaining its accounts will furnish monthly statements of respective accounts regularly by the 10th of the each subsequent month.
- c) The official responsible to write up the cashbook will reconcile the monthly balances as per cashbook with those shown in the respective monthly bank statements.

- d) Such reconciliation statements will be put up regularly every month before the Managing Director.
- e) Authorization memorandum/Approved bill should invariably precede the payment voucher and it must be serial numbered. This serial number must be shown in the cashbook against each respective payment to facilitate verification.

2) **Receipt:**

- a) On any occasion if the cash is received directly by the Foundation it must be deposited in the relevant bank account the same day. If on any day due to certain unavoidable circumstances the cash remains un-deposited with the bank, the same must be recorded in books and the matter must be brought to the notice of Managing Director.
- b) All kind of amount received by the Foundation shall be analyzed date-wise on the classification sheet and recorded in the Main Cash Book.
- c) Posting to the Income Ledger will be made from the Main Cash Book.

3) **Payments:**

- a) All payments (excluding petty payments) in respect of Foundation's expenditure and obligations will be made through crossed cheques.
- b) The Managing Director will sign the cheques drawn on Frontier Education Foundation account(s).
- c) All cheques issued shall be entered on the payment side of the cashbook giving full particulars of the payment in serial order. The cheque number should also appear on the relevant voucher and in the expenditure ledger.
- d) No overwriting and erasures will be allowed in the cashbook.
- e) The counterfoils of the used cheque books will be preserved and kept in safe custody.
- f) Copies of letters containing standing instructions to the bank will be filed properly and kept under the custody of the Managing Director or any other officer authorized by Managing Director.
- g) The bank's advice regarding direct debit/credit will be obtained and adjusted in the cash book and relevant ledgers with the approval of the Managing Director.

28. Main books of accounts: The following books shall be maintained by the Account Section of Foundation for record.

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| i) Main Cashbook (s) | ii) General Ledger |
| iii) Scholarship Ledger | iv) Advances Register |
| v) Utility Bill Register | vi) Subsidiaries |
| vii) Stock Register for non consumable items | |
| ix) Stock Register for consumable items | |
| x) Civil work register | |

The Colleges and Frontier Education Foundation Academy shall also maintain the following books

- i) Cashbook(s) for each account
- ii) General Ledger
- iii) Student ledger for private fund
- iv) Student ledger for college tuition, admission and building fund etc.
- v) Prospectuses sale proceed register
- vi) Utility bills register
- vii) Library register
- viii) Subsidiaries
- ix) Stock register(s)

29. **Record of Foundation;** Record of Foundation will not be destroyed before a period of ten years.

30. **Preparation and processing of salary bills;** a) Appointing authorities shall timely communicate the Finance Section all orders pertaining to appointment, promotions and terminations of the staff. For every employee full record will be maintained to depict any change in his status and salary/pay. In addition to this the officer responsible for leave records will intimate to the Finance Section the details of leaves of each employee every month.

b) The Finance Section will prepare the salary bills of all employees of the Foundation. They will ensure that all changes in the salary bill have been duly supported by the orders of Managing Director.

c) The salary bills summary prepared by the Finance Section will be presented to the Managing Director for approval.

d) The concerned Officer will prepare cheques/bank transfer vouchers/ Debit Authority for all officers while the ministerial staff and lower staff may be paid in cash payment. The accountant shall obtained, the signature of payee in the space of the pay bills. The salary will only be disburse to a concerned employee or to a person authorized by the concerned employee.

31. **Administrative approval to works** The Managing Director FEF will give Administrative Approval up to 2.0 Million to the works being carried out by Frontier Education Foundation and upto Rs. 5.0 million in consultations with Advisory Committee.

32. **Advances for Expenditures;**

When a requisition for an advance is made for certain specific purpose, the Managing Director may allow the advance to the requisitioner. It is important that the advance-holder should render the statement of expenses within fourteen days of incurring the expenditure duly supported by cash memos and evidence that all codal formalities have been duly observed. An advance will be allowed only when it is absolutely justified and immediately required.

33. **Receipt and issue of stocks;** a) Separate registers shall be maintained for the receipts and issue of all consumable and non-consumable items. The receipt shall be recorded from the invoices, bills and other relevant documents.

- b) When stocks are issued, the concerned official should ensure that an authorized officer has signed an indent. The acknowledgment of the items issued shall invariably be obtained.
- c) An official so authorized by the Managing Director shall make a physical verification of all stock at least once in a year. However, this person must be the one who does not have any direct responsibility of maintaining and writing up of the stock register, assessing the extent of loss and writing them off.
- d) All discrepancies, shortages, and damages to the stock as well as unserviceable stores shall be reported to the Managing Director for fixing the responsibilities, assessing the extent of loss and writing them off under the powers available to him/her within the FEF rules/Board.
- e) Colleges and Academy shall maintain similar record.

34. Purchase Committee: The Foundation shall have a purchase committee to be constituted by the Managing Director.

- a) The Managing Director shall have the authority to purchase any item upto rupees fifty thousand without involving other members of the committee. He/She shall, however, give a certificate that the items were purchased at the lowest and most economical rate prevailing in the market. A certificate to this effect, if recorded on the face of the case memo, will be considered sufficient.
- b) The purchase committee of Frontier Education Foundation may make purchase from rupees fifty thousand up to rupees two hundred thousand from the open market on atleast three quotations. The purchase committee of shall ensure genuineness of the rate and quality.
- c) Requirement beyond rupees two hundred thousand shall be advertised in atleast three leading dailies with the approval of Managing Director and sealed quotations/tender obtained, or arranged for their purchase through the purchase committee.
- d) If the purchase is to be of a patent article of required specifications available from sole authorized dealer or the manufacturer, it can be purchased from him with the prior approval of the Managing Director without calling other quotations/tender.
- e) The Frontier Education Foundation's Academy and colleges shall have separate purchase committee constituted by the director/principal with the approval of Managing Director and shall have the authority to purchase in accordance with the conditions mentioned notification no. FEF/17-XVH/BOD dated 25.11.2004.

35. Tender and Contracts of Works

Acceptance

- i Managing Director FEF (Rs. 2.0 Million)
- ii Managing Director FEF with Advisory Committee (Rs 2.0- Rs 20 Million)
- iii Board of Directors (Above Rs. 20.00 Million)

36. **Traveling and other facilities on in-service deaths of employees.** The same facilities, as allowed on **permanent transfers,** will be provided in case of in-service deaths of employees. In addition to it, the dead body will also be transported at Foundation's expense to the place of burial. Unspent earned leave (other than casual leave) upto 180 days, standing at the credit of the regular employee, will also be encashed. The incentives as admissible to the civil servant shall be given to the regular employee in case of in-service death.
37. **Maintenance of Provident Fund/Contributory Provident Fund Account:**
For the proper maintenance of provident fund account, a ledger will be maintained by the Foundation wherein the amount deposited, profits earned and taxes (if any) deducted will be recorded. The separate ledger will be reconciled with relevant banker on quarterly basis for verification/updating of accounts. A Provident Fund/Contributory Provident Fund Card will be issued to the employee concerned and updated on six monthly bases. The provident fund card/contributory provident fund card and ledger account will carry a serial number, which will be allotted to the subscriber on the 1st recovery from his/her salary and will not be changed till the account is finally closed. Account Officer concerned of the Foundation will attest both the ledger as well as card of each employee in order to avoid any false entry therein. Cheque numbers of the consolidated amounts invested in the bank/relevant financial institution will also be noted in the ledger.
38. **Procurement Of Services & Stores:**
- a) For purchases of all kinds of stores (consumable and non- consumable) services like printing, publications, consultancies, advisory etc, the Foundation will adopt an open market policy and more realistic procedure, to ensure maximum return in shape of cost, quality and time. The Managing Director or any other authorized officer will constitute a AUCTION COMMITTEE for this purpose, which will examine the need, quantity, and quality, of stores or services. The auction committee will also see the state, quality of surplus or un-serviceable store and will recommend its disposal.
 - b) All stores, which are the property of the Foundation, will have the lifetime and will be subject to the depreciation as specified by the Foundation.
 - c) No store item, unless accidentally spoiled/lost earlier, be written off/disposed off without keeping in view the lifetime. In case a penalty is imposed (after keeping in view provisions of section 10 of FEF Act) in no case cost higher than assessed rate as prescribed will be charged.
 - d) Any store, which is property of another person or body and is lost/damaged by the Foundation or by its employees without a willful negligence or default to be determined through proper inquiry, will be made good by the Foundation after an agreement with the real owner.
 - e) Repair, maintenance and up-keep of acquired buildings and, machinery etc shall be the responsibility of the Foundation if not otherwise disagreed by FEF.
39. **Power to disposal of property**

The Managing Director may dispose off the property upto the tune of rupees five hundred thousand and upto rupees five million in consultation with Advisory Committee on recommendation of relevant committee.

40. Stock Books:

Store will be classified as under, and separate registers for each category shall be maintained to keep their record. Date of purchase, quantity and per item cost as well as name of supplier will be recorded in the register and initialed by the concerned officer. Another register for un-serviceable, surplus stores shall also be maintained. All such items of category (i) & (ii) below will be noted in it for further consideration while disposing off the un-serviceable stock/scrap. No stock of scrap is required to be kept for stores falling in category (iii). They shall be shown issued/ used on the face of the stock register/voucher.

Three separate registers and files shall be maintained by the storekeeper for the above stores. However, building or such like things will be recorded in the relevant file only. The store keeper must carry half-yearly stocktaking/ physical verification and all the wear and tear and losses (if any) be brought on record and to the knowledge of the concerned seniors for further orders. Nothing will be issued to any one by the storekeeper at his/her own discretion. For issue of any item of stores, a written permission of the concerned officer minimum in BPS-18 will be required.

- i. Long life Items: They are the stores, the scrap of which can be sold at a reasonable price. They include all long life items like machinery, Iron, steel wood or such like stores.
- ii. Short Life Items: Stores like, plastic goods Tyres Tubes, Curtains. Batteries bicycles, small electric machine etc, the scrape of which can be sold in a lower/lowest cost.
- iii. Single life Items: Stationery, oils, Bulbs, tube, cloths and such like items where no useful scrap is left behind.
- iv. Colleges and Frontier Education Foundation Academy shall maintain the similar record at their level.

41. Maintenance Record

A register will be maintained wherein all details of costly stocks like vehicles, Photostat machine, computers, typewriters and such like stores, which require repairs etc, be kept. In this register, separate pages will be reserved for each stock item wherein besides original cost, dates of purchase, and time-to-time repairs/costs will be recorded. This history will be used while disposing off these items.

42. Service Books:

Proper service record in the shape of personal file will be maintained in respect of all officers. Service books for ministerial and class IV employees should be maintained.

(Ali Begum)
Managing Director
¹⁵[Khyber Pakhtunkhwa] Education
Foundation /
Secretary Board of Directors

¹⁵ Subs. by the Khyber Pakhtunkhwa Act No. IV of 2011