

**PROCEDURE FOR RELEASE OF EARNEST MONEY DEPOSIT AND  
FURTHER DEPOSIT:**

## 1 Purpose

The purpose of this procedure is to define a system for planning and controls of activities relating to refund bills of EMD and FSD on completion of satisfactory maintenance period terms and conditions of agreement entered into with the contractors by the KSPHC.

### 1.1 Application

This procedure is applicable to cover all the EMD and FSD collected by the corporation from the work bills of works and other bills as per agreement.

### 2.0 Responsibility

Overall Responsibility rest with the Executive Engineer and Authority for various activities of project management is described in procedure part.

### 3.0 Terms and definitions

- 1 **Part bills or Running Account Bills:** Denotes the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the accounts on the completion or determination of his contract.
- 2 **On Account payment or payment on Account:** Means a payment made on a running account, to a contractor in respect of work done or supplied made by him and duly measured. Such a payment may or may not be for the full value of work or supplied; if it is subject to the final settlement of running account on the completion of the contract for the work or supplies.
- 3 **Intermediate payments:** The term applied to a disbursement of any kind on a running account not being the final payment. It includes an "Advance payment", a "Secured advance" and an "on account payment" (other than the final payment on a running account) or a combination of these.
- 4 **Mobilisation Advance:** Financial Assistance made to the contractor at a percentage of total contract value at an agreed rate of interest as per conditions of agreements and recoverable with interest before/ on completion of 75% of total value of contract.
- 5 **Detailed measurement Book:** A permanent record to record the detailed measurement of quantity of work carried out for the purpose of making payment and for recording details of payment.
- 6 **Check measurement Book:** Check measurement book is a measurement book wherein the details of check measurements are taken by the AEE/EE as per codal provisions at certain percentage basis are recorded and forms important document for making payment.
- 7 **Abstract Measurement Book:** It is a Measurement Book maintained to record concisely the abstract of total quantities item wise from the Detailed Measurement Book for the Purpose of making payment.
- 8 **Verification** - Confirmation, through the provision of objective evidence, that specified requirements have been fulfilled.

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#### 4.0 Procedures

This procedure is to establish a systematic procedure for effective processing of refund bills of EMD and FSD for payment by the KSPHC. The procedure also ensures that financial aspects of the KSPHC are done as envisaged and there are no deviations and all deviations are properly explained. In addition the procedure ensures that the management is updated with the financial progress made at periodical intervals.

This procedure covers all the processes of refund of EMD and FSD. Wherever system procedures are established that provide detailed information about that process, relevant procedures have been referenced. In order to facilitate easy understanding of process sequence, project-management process is divided into convenient process.

Following abbreviations and terms are used in the table;

D	=	Document	R	=	Record
CMD	=	Chairman and Managing Director	ED	=	Executive Director
FA	=	Financial Advisor			
EE	=	Executive Engineer			
AS	=	Account Superintendent			

#### 4.1 Refund of EMD and FSD

Sl. No.	Responsibility	Activity description	D / R	D / R Reference
1	Contractor	Procedure: Recording no defect certificate by the field engineer after expiry of observation period. a)The JE/AE/AEE shall record " no defect" certificate in the respective M B after site inspection.(P-23) b)the JE/AE/AEE shall record certificate in respect of the following as required for release of EMD and FSD i) Date of commencement of work ii)Date of completion of work iii)Date by which the defect liability is completed iv)Satisfactory work completion report v)certificate in respect of quality control compliance report vi)No defect certificate	D	Bills

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		<p>Submission of MB to the EE along with certificate of date of completion:                  The JE/AE/AEE shall submit to the EE the MB along with required certificates, duly endorsing all the required certificates as per --- above and agreement conditions.</p>		
2	JE/AE/AS/EE	<p>Receipt of MB at Division and verification:                  The EE shall send the MB along with refund bills to the Accounts Section of the Divisional office for verification after having inspected the work and certificates as in ---- above and agreement conditions.</p> <p>Accounts Section shall verify the MB and refund bill w.r.t certificates as in --- above and agreement conditions.</p> <p>Accounts Section shall also verify the amount of EMD and FSD proposed for refund w.r.t RA Bill and Final Bill, EMD register, FSD Register. Besides shall trace the original credits in the cash book. If it is found correct the accounts section shall make a record of having refunded the EMD and FSD against each such entries in the EMD, FSD Register and Cash Book by giving a cross reference to the DBR number under the signature of EE.</p> <p>The Accounts section of Division shall verify before submitting the refund bill to the EE for approval whether any recoveries to be made from the contractors deposits on account of internal Audit, Accountant General Audit observations or on any other account and purpose if necessary.</p> <p>At Head office the Accounts Section shall scrutinize the refund bill arithmetically and certificates made as in - ---- above with terms and conditions of agreement and submits for approval for payment by CAO,FA,ED/CMD .</p> <p>On being approved by the ED/CMD the payment voucher is prepared by the Tally Accountant and submits to CAO for approval.</p> <p>After approval of CAO the</p>	D	Bills, DMB, AMB, Agreement

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		<p>Cheque shall be issued by the Cashier to the contractor or Transfer the amount through the Telegraphic Transfer.</p> <p>The above procedure shall normally take 30 working days form the date of issue of no defect certificate.</p> <p>Documents:</p> <ul style="list-style-type: none"><li>(1)Detailed Measurement Book of the work</li><li>(2)Abstract Measurement Book of the work</li><li>(3) Division bill Register.</li><li>(4)Head office bill register</li><li>(5) Agreement of the work</li></ul>		
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