AN OPERATIONS MANUAL FOR CMRC MANAGERS and BOARD MEMBERS of

Community Managed Resource Centres (CMRC)

Myrada December 2014

ERRATUM

Please note that the table which appears on the right of page number 34

should be read in concurrence to the tables which appear before page number 34.

Please also note that the said table begins on page number 31 and is an Annual calendar,

therefore page number 34 & 35 is to be interchanged to read the full table from April to March.

Chapter 6 is to be read as page 35.

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Foreword

The focus of Myrada's intervention in the 80s and 90s was to promote first level institutions of the poor which were designed and managed by them. These were membership institutions. The SAGs and Watershed management institutions are early examples; later the Soukhya groups (sex workers) emerged. Federations of these CBOs covering about 10 to 15 CBOs also emerged in the mid-90s.

After several rounds of discussions, interactions and meetings with grassroots level organizations it was agreed that the well-functioning SAGs were the most appropriate institutions to take the lead role in evolving and grounding a suitable withdrawal strategy for MYRADA. This decision was based on the evidence that the SAGs had managed their institution well, settled problems when they arose, lobbied for change as well as for their rights and entitlements. Also the SAGs had the experience of forming and managing federations and establishing networking and linkages with Banks, MFIs, and Line departments. The major feature which the SAGs did not possess, however, was size. In order to lobby for change or to have an impact on the Panchayat, they needed to have larger numbers. Secondly, even the Federations of SAGs which did have larger number of members and had the potential to lobby for change were found to be too small to be viable. The Federations comprising 10-15 SAGs had only 150 members or so. This size was also inadequate to support infrastructure, staff etc. Therefore it was decided to form larger federations of around 100 SAGs. These were called Community Managed Resource Centres. However the SAGs continued to be the basis of this structure. They decided the functions of the CMRCs, not Myrada. The Staff deputed by Myrada to the CMRC had to report to the CMRC Board. The CMRC was also given a clear message that they should be financially self-reliant within three years.

What emerged finally was an institution which could provide demand led quality services to its member institutions and the community and empower them to grow as sustainable institutions responding to emerging needs and new challenges. This institution was subsequently called a Community Managed Resource Centre (CMRC). There are 76 CMRCs currently in Myrada and most have been registered under the Societies Act. Each CMRC evolves its own mission statement and strategies to implement it. This allowed Myrada the space to move its resources into other areas which had been neglected, and to groups which did not join SAGs for several reasons; it also gave Myrada the opportunity to focus on skills training and to support non-farm livelihoods which did not really take off till 2000.

Most CMRCs have emerged as service centres for their member institutions and the community which they cover. The services of the CMRC can be classified into 4 categories:

a) Services which help to improve the organizational and financial management of the SAGs;

b) Programs to support livelihoods, access entitlements, conduct health camps, establish linkages etc.
c) Linkages with Banks, Cooperatives and Financial Institutions:
d) Lobby for change

Today, several CMRCs have also encouraged their member institutions to start entrepreneurial activities and support them through financial linkages and technical services. This manual was developed in response to a need that came from the CMRC board members and their managers. They needed a set of operational guidelines that would enable them to operate efficiently, transparently and within the statutory requirements of a registered institution. Therefore, the focus of this CMRC manual is to enable anyone running a CMRC or planning to start one. It will help them follow standard procedures to set up and run the CMRC efficiently.

We are indebted to DWHH (Deutsche Welthungerhilfe) Germany, for supporting the production of this Manual.

We sincerely wish and hope that the Manual will help your efforts at building strong Community Managed Resource Centre in your part of the world. Let us hope for a better and more just tomorrow; this hope will be realized if genuine peoples institutions (PRIs and others) are given space to emerge and grow and if governments and all interveners have faith in them.

Aloysius P. Fernandez
Member Secretary
MYRADA
December, 2014

Chapter 1

1. Organizational Features

Concept of a Community Managed Resource Centre (CMRC)

1.1 Need and Emergence of CMRCs

When MYRADA started promoting groups as an alternate credit system managed by the poor way back in 1984-85, the name given was Credit Management Groups. These small groups came together on the basis of affinity; the members were not selected on the basis of criteria set up under specific schemes, they self-selected themselves. The focus was on management of credit as an empowering instrument, and not on the provision of credit, though this was a need and became an instrument to gain management experience. MYRADA decided to stress the focus on AFFINITY as the basis that ties together the group members. This affinity, which comprises a network of relations based on trust and mutual support, exists even before MYRADA or any other organisation enters the scene. The intervener, therefore, builds on this affinity. However as the group took up savings and credit responsibility, Myrada realised that together with the social network of affinity, it also required an economic base in which all members had a stake; the SAG common fund which included savings, interest on loans, bank loans etc. provided this economic base. The name was changed to SAGs (Self Help Affinity Groups) which emerged as a powerful tool for community empowerment and livelihood support; the model was replicated/adopted nationwide, largely for empowerment and credit extension. However over the years, the following developments emerged:

- Individual SAGs still lacked easy and full access to many important livelihood programmes, skills training and other economic opportunities and were too small to avail of these services on their own.

- In a fast growing economy, the market place had expanded; hence the SAGs needed new and larger institutions to negotiate beneficial terms within increasingly complex market mechanisms.

- Individual SAGs comprising a few individuals could not bring about sustainable changes in their socio economic environment. It needed collective action by a large group of SAGs (from the village or from many villages) to change/circumvent the existing power structure that hindered progress of the poor. It was not enough to teach people to fish –they could not reach the river due to the powerful who protected their own interests.

- SAGs were too small to enter into agreements with formal and informal institutions; their federations/CMRCs were in a better position to do so.

- Larger organisations like CMRCs could mobilize benefits/projects for the development of poor, women and children from govt./PRIs with greater ease.

- As the SAGs began to take up broader issues like sanitation, education health, gender balance, larger organisations like CRMCs could lobby to conserve natural resources and promote village development. They also provided the platform for SAGs to actively participate in Grama sabhas and influence discussions/decisions.

- SAGs required support for capacity building and conflict resolution, to gain access to information, to build resource linkages and to provide services like entrepreneurship training and legal counselling; these services required larger institutions to mobilise and implement.

MYRADA has constantly pursued institutional strategies to sustain development initiatives. Community Managed Resource Centre (CMRC) is one such strategy; CMRCs evolved through the joint efforts of SAGs, SAG federations (which covered 10-15 SAGs) and MYRADA.

1.2 Definition of a CMRC

CMRC is a formal institution managed by the SAG/ CBOs which provides quality services to its member institutions, individuals and the general community, which lobbies for change and which has the potential to provide a platform for aggregation of surplus commodities, value addition and marketing.

Experience in MYRADA has shown that one CMRC can cover between 75 to 125 SAGs in a contiguous geographical area. They are accountable to their member SAGs/CBOs and generally achieve financially sustainability within 3 to 4 years.

1.3 Objectives of a CMRC

To support/sustain the members by mobilising resources, lobbying for their interests, providing need based services on a regular basis, promoting local community development in as many sectors and in as many creative/innovative ways as is ethically and economically feasible and sustainable.

1.4 Pre requisites for establishing a CMRC

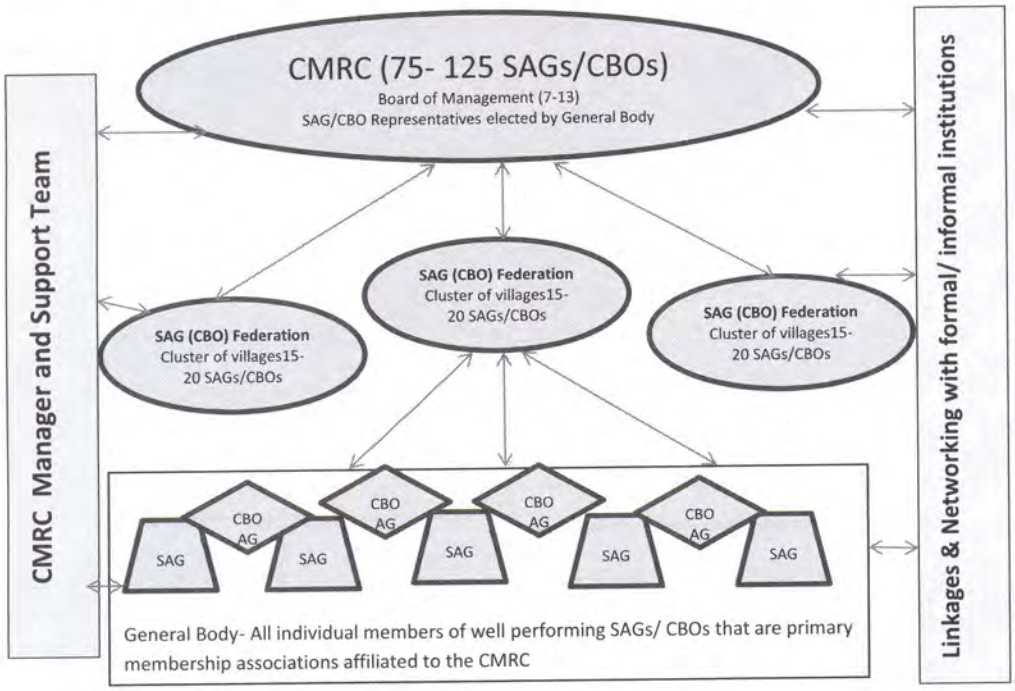
- There should be around 75-125 well functioning SAGs

- These SAGs should be in a contiguous geographical area and within a radius of 15-20 Kms

- The SAGs should decide independently/freely to come together; SAGs should not be forced to join; they can form cluster/village level federations as a first/intermediary step.
- The SAGs should be willing to pay an annual fee for membership in the CMRC and for the services they receive from the CMRC from the very beginning.
- The CMRC should ensure that its staff is trained and exposed to SAGs/CBOs and also trained/exposed to well-functioning CMRCs.
- The CMRC should establish its office in a convenient location, accessible to all members; it should have facilities like electricity, telephone, internet, computer, furniture and equipment.
- A donor is required to meet the infrastructure and running costs for the initial period of 3 to 4 years, until the CMRC achieves financial sustainability; however from day one the CMRC should raise funds from its members and other sources. Donor support should decline progressively over the years.

1.5 Organizational Structure of a CMRC

The following organogram represents the organisational structure of a CMRC



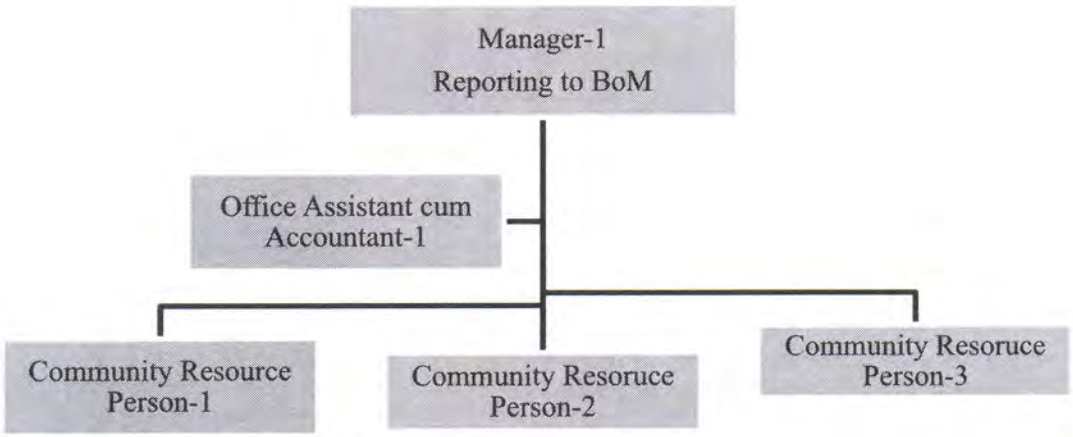
General Body: All individual members of SAGs constitute the general body of a CMRC. They become members of a CMRC by paying the annual membership fee as per byelaws. Usually the general body of the CMRC consists of 1500 to 2000 members represented by 75 to 125 SAGs/ CBOs. It meets once a year to review annual progress, pass audited accounts, elect the Board of Management members of the CMRC and approve the auditor.

SAG Federations: This is an informal institution of 10-15 SAGs, and connects the CMRC and member SAGs. Each SAGs sends 2 members as representatives to the federation. These members are selected on a rotation basis every year and provide the link between the federation and SAGs. Though the federation is not part of the legal or formal structure of the CMRC, it plays an important role in decentralising certain functions, especially in ensuring regular exchange of information between the CMRC and member SAGs.

Board of Management: This is a representative body of CMRC members elected/selected by the general body once a year (for a period of one year), to manage the affairs of the CMRC. Besides guiding the CMRC towards fulfilling its objectives, it is responsible for ensuring discipline and clarifying and deepening its vision and mission. Generally the Board of Management consists of 7 to 13 members; it meets as specified under the byelaws. The CMRC manager is usually a staff of MYRADA deputed to the CMRC who reports to the CMRC Board. As the CMRC matures, it is free to appoint its own staff.

Staff: Each CMRC has 3 to 4 full time staff to manage various responsibilities it undertakes. These staff are paid by the CMRC as per its HR policy and are monitored and guided by the Board of Management. In the initial period, administrative costs of CMRC have to be provided by the NGO (in this case MYRADA) on a declining basis over a period of 3 to 4 years.

Organogram of staff:



1.6 Roles and Responsibilities:

1. CMRC Manager:

The following are the chief roles and responsibilities of the Manager of a CMRC;

- Organize BoM meeting; sending meeting notice & agenda to all BoM members.
- Prepare progress report and be present during Board meeting.
- Prepare Board meeting minutes & circulate to all Board members.
- Prepare annual sustainability budget & get the approval from Board of Management.
- Prepare annual progress report.
- Audit CMRC annually.
- Conduct Annual General Body meeting in consultation with the President.
- Conduct annual renewal of the CMRC.
- Income tax filing -annually.
- Ensure TDS update-monthly, quarterly, half yearly & annually.
- Prepare vision for CMRC & review periodically.
- Monitor CMRC assets.
- Guide and Monitor CRPs and office assistant.
- Conduct CRP's monthly meeting-progress review & plan for monthly activity.
- Mobilize resources from formal & informal institutions.
- Collect information and make it accessible to the community & CBOs.
- Establish network & linkages with resource institutions.
- Attend meeting of federation, government & PRIs.
- Write reports/documents.
- Provide faculty service to external institutions.
- Monitor & evaluate SAG's/ CBO's/programme.
- Correspond/ communicate with stake holders.
- Assess Training needs of SAGs/CBO's
- Assess quality of services provided to SAG/CBOs and members.
- Counsel CBOs.
- Introduce innovative activities.
- Assess CMRC staff annually.
- Resolve conflicts of CBO's & its members.
- Grade SAGs & strengthen weak groups.

- Ensure updating of all information and documents.
- Ensure maintenance of CMRC Office.
- Conduct trainings for staff and SAGs/CBOs.

2. Community Resource Person/CRPs:

The following are the responsibilities of CRPs of the CMRC;

- Attend SAG & federation meeting.
- Ensure updation of books of accounts and prepare of Monthly Financial Statement.
- Organize and conduct trainings to CBOs.
- Arrange field visits.
- Disseminate information to CBO□s.
- Write applications & reports.
- Support Bank/MFI linkages.
- Collect data for survey.
- Solve SAG/CBO problems.
- Support SAG/ CBO auditing.
- Support programme implementation & monitoring.
- Identify needs of CBO□s & community.

3. Office Assistant cum accountant:

The following are the responsibilities of Office Assistant cum Accountant of the CMRC;

- Attend to visitors, CBO members and phone calls.
- Maintain office premises and office assets.
- Update all information and display it at CMRC office.
- Assist all the staff in secretarial work.
- Update all the documents, books related to CMRC service and activities.
- Maintain all the accounts and financial transactions in tally.
- Prepare monthly trial balance and submit to project office.
- Facilitate auditing of CMRC accounts.
- Computerize all data.
- Maintain all communication related information.
- Keeping CMRC documents safely.
- Disseminate information between Manager and CRPs.
- Submit periodical reports to project/donors.

2. Legal and Statutory Requirements

Legal Requirements

2.1 Registration of the CMRC

For the CMRC to be recognized as a separate legal entity it must be registered. A legal status provides a degree of credibility to those who provide resources as well as to those who utilize its services. It gives a legal right to hold property in the name of the organization and to access benefits and exemptions available under various laws. Most CMRCs in MYRADA are registered under the Society's Act.

2.2 Process of Registration of the CMRC

Step 1: SAGs decide

The Promoters and Myrada staff identify SAGs which are willing to become members of a CMRC, preferably in a contiguous geographical area. The practice in some Government sponsored programs that make it compulsory for all SAGs in a geographical area to become members should be avoided.

Step 2: Selection of Board of management (BoM) and preparation of documents for CMRC Registration.

- Myrada senior staff (these are not called Promoters) should discuss the pros and cons of forming a CMRC with 20-30 SAGs and Federations; if a general consensus is forthcoming that a CMRC is required, only then are Promoters selected.

- Myrada staff should request the Federations and SAGs s to select a few of their members who have the ability and time to be closely involved in carrying the process forward ;these are generally called PROMOTERS; about 10-20 Promoters could be selected.

- The Promoters could be selected from the members of SAGs or Federations or CRPs. Myrada staff could be included among the Promoters.

- Myrada staff then conduct a training program for PROMOTERS regarding the reasons for starting a CMRC, the services it can provide to SAGs, the structure of a CMRC, the obligations and roles of a CMRC Board member, guidelines to form a CMRC related to geographical area, location of Office, annual contribution for CMRC membership, need to pay for all services provided by the CMRC in order to be financially self-reliant etc. An exposure visit to existing and well-functioning CMRCs should be arranged.

- The Promoters then go out and meet all the SAGs/Federations in a geographical area (15-20 kms), inform them about the above mentioned matters and invite them to join the CMRC; if they we are willing, the Promoters inform them that they have to pay annual membership charges and also to pay for all services. During this interaction, the Promoters could also ask the SAGs/Federations to suggest suitable people to be on the Board of Management of the CMRC. Those SAGs that agree to join the CMRC are shortlisted.

- The Promoters together with Myrada staff then select about seven to thirteen members from among those proposed who are suitable to be on the Board of Management. They constitute the Informal Board of Management. These seven –thirteen members could be selected from the Promoters, from the names suggested by the SAGs/Federations when the Promoters met them to introduce the concept of the CMRCs. It is advisable for Myrada staff not to be on the Board of Management unless specifically requested at a later date.

- These 7-10 persons who constitute the informal Board of Management then nominate one person to send out the notice of the first General Body meeting.

- The General Body consists of the individual members of the member SAGs/CBOs after they have paid a membership fee and agreed to the over-all structure and features of the CMRC. The notice of the meeting should be sent out twenty one days prior to the date of the General Body meeting.

- The first General Body Meeting resolves that the Members of the Informal Board of management become the formal Board of the CMRC. If there is disagreement about any member on the basis of misconduct etc., he/she could be left out of the BoM until further enquiry is made.

- The BoM should meet shortly after the General Body; it needs to take the following decisions:-

Step 3. First decisions to be taken by the Board of Management (BoM)

- The BoM elects the President, Vice President, Member Secretary, Treasurer and appoints the cheque signatories.

- It decides on the location of the CMRC office and finalizes the name of the CMRC; it also decides on annual membership fees and the conditions for membership.

- It frames the byelaws (objectives, rules, regulations etc); similar documents of existing CMRCs can be useful. It is advisable to hire external consultants to frame these bye laws and to continue to steer the registration process.

- It decides on a budget for the year listing all its sources of income and expected

expenditure related to office, equipment, staff etc. This budget will be discussed with Myrada staff and a decision arrived at related to the degree of Myrada financial support required in terms of staff, accommodation etc. Myrada staff must make it clear that the CMRC is expected to break even in year 3 or 4 or earlier.

- It obtains the approval of the General Body for the byelaws before submitting them to the Registrar of Societies. It also obtains approval of the General Body for the annual budget and the selection of the auditors and their remuneration. Hence it must call for a General Body meeting as soon as the bye laws and budget are ready.

- The BoM ensures that statutory obligations are observed and necessary books maintained (refer to Chapter 3 for details).

Step 4: Registration of the CMRC:

- The BoM prepares documents required for registration (bye laws, list of BoM members, their photos and address proof, National Savings Certificate worth Rs. 500- in the name of Member Secretary); these must be submitted to the Registrar of Societies.

- The BoM writes a covering letter to the District Registrar of Societies asking for registration and attaches documents mentioned above.

- All the BoM members and two witnesses must sign the covering letter to the Registrar.

- A Copy of minutes of the Promoters meeting signed by promoters, during which the first Board of Management was elected, must be enclosed.

- BoM members must sign on the Memorandum of Association, on the byelaws and also on the prescribed format. The names, addresses, ages, designation, signatures and photos of all BoMs must be attached.

Other useful information:

Registration cost is Rs. 500/- In Karnataka; it varies from state to state.
Scanning charge is Rs. 30/- per page for all the documents required for registration.
Enquire when to collect Registration Certificate from Registrar of Societies and follow up regularly.

Important: With regard to the legal procedure to be followed for the registration of CMRCs under the Societies Registration Act, please check the website of the concerned State

The Myrada staff initially must ensure that the CMRC keeps the minutes of all meetings. The Minutes of meetings should be circulated to the members within a week of the meeting and if no comments/corrections are received they will be written by hand in the Minutes Book in the relevant local language. Please ensure that the minutes are not printed on separate sheets which are then pasted on the Minutes Book; this will not be considered as genuine/legal minutes.

2.3 Statutory Requirements

2.3.1 PAN (Permanent Account Number)

Any institution seeking Income Tax registration should apply for a Permanent Account Number. The number will be allotted by the Income Tax department. PAN once allotted remains valid for life unless it is cancelled or changed by the Department.

2.3.2 TAN (Tax deduction at source Account Number)

Any institution making payments or crediting income to another person/institution is required to deduct a specific proportion of amount paid, called tax deduction at source. This amount must be deposited in the Income Tax Department with the TAN number.

2.3.3 Features of PAN and TAN

Permanent Account Number – PAN	Tax deduction Account Number – TAN
It is a life time number	It is a life time number
No need for renewal	No need for renewal
Required for annual renewal of registration	Required by any paying institution that deducts tax at source-(TDS) towards salaries, consultancies or contracts
Required while applying for TAN, 80G, 12 AA and FCRA	Required in order to remit the TDS to IT Dept.
Required for annual income tax assessment by external auditor, to file income tax returns as well as in all other correspondence with the income tax department, as reference in all challans for payment of any tax, interest and penalty due under the income tax act.	Payee must obtain TDS certificate (Form 16A) from the deductor and submit the same to Income Tax department along with annual returns.
Required for sale or purchase of any immovable property in excess of Rs. 5 lakhs and for sale or purchase of motor vehicle.	
Required at the time of deposit in post office or bank of amounts exceeding Rs.50,000 and for sale or purchase of shares, stocks and other securities	

2.3.4 How to apply for PAN and TAN

PAN	TAN
Advisable to take the help of a Chartered Accountant; form number 49 to be filled while applying for PAN	To be applied only after getting PAN; advisable to take the help of a Chartered Accountant
Member Secretary has to sign with seal on form number 49.	Member Secretary has to sign with seal on form number 49A.
Copy of Memorandum of Association, byelaws and Registration to be attached	Copy of Memorandum of Association, byelaws and Registration to be attached
Application and documents to be submitted to NSDL-IT Service unit- PAN	Application and documents to be submitted to NSD –IT Service unit-TAN
Minimum of one month required to get PAN	Minimum of one month required to get TAN

2.4 What is 12AA and why does a CMRC need it?

Charitable Institutions and trusts require registration under section 12AA of the Income Tax Act to claim exemption for grants received by the trust or institution. In order to be eligible for tax exemption, an organization is required to spend at least 85% of its annual income.

How to Apply: In order to claim exemption under 12 AA, the CMRC should submit an application to the Commissioner of Income Tax of the concerned IT circle. The application is to be made in form 10 A and must be presented along with the following :

- Byelaws and Memorandum of Association.
- Two copies of the audited accounts of three previous years. If the institution has not been in existence for three years, audited accounts for the years in existence may be submitted.
- A list of Board of Management members along with their PAN numbers.
- Annual reports, AGM meeting minutes, Progress Report from inception to date.

CMRC should engage a Chartered Accountant to do this and ensure that all records are updated.

Verification: After the above documents are submitted, officials from the Income Tax Department will visit the office for verification. At the time of verification, queries from the officials of the Tax department have to be answered satisfactorily. If the IT Department is satisfied, it will issue 12AA Income Tax exemption Certificate.

2.5 What is 80G and why is it needed?

The Income Tax Act has certain provisions which offer tax benefits to the "Donors". Section 80 G is one such provision. All CMRCs should avail of the advantage of these provisions to attract potential donors. The person or organization who donates to an institution under section

80G is entitled to a deduction of 50% of the donated amount from the donor's taxable income.

2.6 Audit of accounts

Since CMRC is a legal entity, it has to ensure transparent financial management. Annual auditing of the accounts by an external auditor is a must. The objective of the audit is to examine whether the financial statement gives a true and fair picture and to spot any errors and omissions in maintaining accounts, to rectify the existing errors and to prevent mistakes in the future.

The Audit has to be conducted once a year by a Chartered Accountant who is appointed during the Annual General Body meeting. The audit fee is also approved at the AGM.

2.7 Income Tax Filing

CMRC has to file income tax returns every year as required under the Income Tax Act. 16

2.8 Renewal of Registration of CMRC under Karnataka Society Registration Act 1960:

- The CMRC has to renew its registration with the Registrar of Societies every year; if not renewed, the registration will lapse.
- The following documents have to be produced in Karnataka at the time of renewal of registration :
    - Copy of Certificate of Registration
    - Copy of Annual General Body meeting notice and agenda
    - Annual General Body meeting minutes
    - Audit Report for the financial year
    - List of Board of Management members (name. photo and address, occupation, age, designation)
    - The Member Secretary of the CMRC has to attest all the above documents with the CMRC seal, and submit the same with a covering letter addressed to the Registrar of Societies.
- In Karnataka for every financial transaction of Rs. 1,00,000/- the CMRC has to pay Rs. 100/- towards renewal fee
- The CMRC has to file all financial year documents within 14 days of conducting the Annual General Body Meeting. If this is not filed within 14 days, a fine will be levied.

3. Board of Management Members (BoMs)

Roles and responsibilities

The Board of Management members of the CMRC are selected/elected as per the guidelines in the organization's byelaws; they have to perform their roles and responsibilities according to the guidelines in the byelaws. The implications of these guidelines are given below in greater detail for use of the Members.

3.1 Organizational management and Co-ordination with Federations and SAGs:

The CMRC needs to build a vision and a mission. This can be done over a period of 2-3 years and needs regular facilitation by Myrada staff.

The BoM members have to attend the monthly CMRC BoM meetings and review/assess the activities undertaken, the financial status and the staff performance, ensure that statutory requirements are complied with, analyze feedback from members/visitors. CMRCs have also included in their mission to identify issues related to the common good especially with reference to the poorer sections, environment and women.

A major responsibility of BoM members which is often overlooked is to build a second line of leadership. Every BoM has to identify the second line in consultation with concerned SAGs/federations well in advance and build up their capacity to take over as members of the BoM.

Every BoM has a vital role in ensuring effective co-ordination between member SAGs, Federations and the CMRC. To ensure this, the concerned BoM has to be involved regularly at the Federation and SAG levels as well. One of the important roles of every BoM member is to keep a watch for any dissatisfaction among the member SAGs with regard to the services provided by the CMRC.

Many of the roles and functions of the CMRC are carried out in collaboration with the Federations (some projects call them Clusters). Each Project decides on the division of roles and responsibilities between the CMRC on one hand and the SAGs/federations/Clusters on the other.

However the over-all responsibility remains with the CMRC.

- Provide/arrange legal and counseling services for survivors of violence against women
- Provide guidance and support to each staff of the CMRC and Federations/Cluster.
- Ensure that each member attends 1 Federation and 2 SAGs meetings of another area every month

3.2 A Wider role: Vision for the area:

Every BoM member should have a vision with regard to what s/he wants the area the CMRC covers to be like in future. This vision should be aligned with the common vision of the CMRC, so that it can be supported by the CMRC. From a strategic point of view, it is better to integrate the vision of the CMRC with that of the area since a larger number of people can be involved in lobbying for resources. **However the CMRCs must be continuously motivated by Myrada staff and the SAGs to continue to focus on the poor, on gender issues, especially on the girl child, on reducing domestic violence, on better management in schools and health units, on transparent governance in the local bodies like the GP as well as on equality of opportunity and sustainable management of natural resources.** These are concerns of the SAGs/Myrada which the CMRC must share.
In order to fulfill this wider role, the BoM member should identify the aspirations/strengths and needs of the member SAGs and of the community in the area which s/he represents; s/he does this by attending member SAG meetings and by visiting the area and interacting with 19

people. S/he incorporates the needs of the area in the overall proposed list of services required from the CMRC; s/he then takes up these concerns with the CMRC and the CMRC approaches the Gram Panchayat or relevant Government Department to get things done.
In order to have an impact on the wider area, therefore the CMRC needs to get involved in the affairs of Gramasabha/Panchayat and to lobby for its priorities which are mentioned in the previous paragraphs and below.

3.3 Mobilize Resources:

To implement both the vision of the CMRC as well as of the community, requires resources for which the CMRC may have to lobby even at the Taluk and District levels. Therefore members have to visit several government departments, resource agencies and banks and set up a management unit to follow up initial contacts. This unit will prepare proposals, monitor the program and ensure that the objectives are achieved. Following are a few suggestions which can be adopted by CMRCs:

- Develop a Resource Directory of all departments/organizations with information on the procedures to avail schemes along with information regarding contact persons.
- Prepare a monthly action plan to contact these departments/organizations and delegate responsibilities among CMRC staff and BoM members.

The CMRC needs to ensure directly and/or through the Federations the following responsibilities which are the major ones that CMRCs in Myrada undertake, and for which the SAGs pay a monthly fee:

- That SAGs provide monthly financial and operational statements to CMRCs,
- That SAGs conduct annual organizational assessment and grading of all member groups. If a SAG is graded "poor" or even average the CMRC needs to invest in training it - or solving its problems - before it is accepted as a member; in other words annual renewal of membership is conditional to a good rating and does not come automatically.
- That SAG books are updated before financial audit and that audited financial statements are submitted in time.

The CMRC in turn needs to provide the following services to the SAGs. (This list is drawn from the services which the SAGs have demanded from the existing CMRCs in Myrada). CMRCs levy a charge on the SAG for providing some of these services.

- Help in conflict resolution,
- Establish linkages with Government / NGOs,
- Strengthen SAGs by providing need based Institutional Capacity Building (ICB) trainings as well as training of book-keepers.,
- Arrange for credit linkages with banks and MFIs
- Ensure that demands for services from members are recorded and followed up.
- Disseminate information on development programs.
- Mobilize resources from Gram Panchayat, government departments and resource institutions.
- Organize skills/vocational training for the unemployed youth and facilitate job placement/self-employment.
- Facilitate purchase and sale of agricultural inputs during agriculture season.
- Assist in collection/aggregation of small surpluses in cereals and vegetables and establish links with various markets for sale of these commodities.
- Lobby with government for accessing social security schemes (e.g. widow pensions) for individuals.

- Visit the offices and build rapport; a letter with the CMRC profile and brief summary of the discussions during the meeting should be sent after the meeting.
- Invite the concerned officer for important functions as well as to the CMRC BoM and SAG federation meetings.
- Evaluate the progress at every monthly/ special meeting
- Make sure to monitor program implementation and to obtain regular reports.
- Resolve issues/ concerns promptly at every stage of program implementation.
- Ensure participation from all and maintain transparency at every stage of program implementation
- Monitor and ensure implementation according to the guidelines of the concerned organization
- Monitor staff involvement and reporting

In order to mobilize resources, the CMRC can offer consultancy services to private companies and research organizations; there is a growing need for these services.

3.4 Address common social issues:

Apart from ensuring need based services to the member SAGs, the BoM members of many CMRCs also identify common issues (like poor roads, lack of sanitation, alcoholism, domestic violence, women□s safety, female feticide/infanticide, child labour, female child marriage) in the area and organize the SAGs, general public, Gram Panchayat and other organizations to address them. All CMRCs should follow this example.

3.5 Customer Satisfaction Survey: 20

As mentioned earlier, the existence of the CMRC depends on the satisfaction of the member SAGs and the general community. It is important to conduct customer satisfaction surveys periodically for the following purposes:

- To assess whether every member SAG is satisfied with the services provided by the CMRC
- To ensure that members are getting "value for the money"
- To continuously improve the quality of service delivery (quality implies timely delivery of services, appropriate services, etc.)

- To introduce new services as demanded by members
- To ensure continuity of member SAGs
- To assess staff performance
- To attract new members
- To evolve an appropriate management strategy
- To build staff capacity to cope with demands for new services
- To identify new resource agencies to meet emerging needs
- To improve the infrastructure of CMRC for better services

Instruments used by some CMRCs to assess customer satisfaction: One of the methods used by several CMRCs is to maintain a **register** at its office and collect feedback from visitors, member SAGs and general community on the quality of services provided as well as on requests for new services. The feedback in the register is reviewed by the CMRC Manager on a daily basis and necessary follow-up actions taken. During the monthly BoM and staff meetings the consolidated feedback is reviewed and necessary strategies evolved to respond in a timely and effective manner.

Another method adopted to collect feedback from SAGs is to develop a **new format** and collect data every year. This format is filled through an interview by the staff of the CMRC or preferably by a team from another CMRC. The collected feedback is consolidated and reviewed by CMRC staff and BoM. This process is conducted every year and the feedback is compared with the previous years' data.

Since the CMRC is also providing services to the general community, feedback can be collected from the general community on a random sample basis.

CMRC admin software – Kamasamudram

A few years ago, the staff in Kolar decided to computerize the data it collected in the CMRCs. Using the day book as the base example, the team, with the help of a software expert, developed user friendly English / Kannada software that collates all services provided by the CMRC. IF data is fed on a regular daily basis, then the CMRC management and others can get output reports which feature specific information on types of services provided, to whom they were provided, all details related to trainings conducted through the CMRC as well as the amount of income received through service fees. Currently 4 of the CMRCs in Kolar are using this on a daily basis and submit a monthly report.

4. FINANCIAL MANAGEMENT OF A CMRC

4.1 Why Financial Management in CMRCs?

Systems and procedures are important for the health and sustainability of institutions. They must be appropriate to the institution□s functions, manageable by people and institutionalized in the behavior and culture of the members. Since a CMRC is a registered body with funds mobilized from the SAGs/ CBOs, it is accountable to its members. Therefore it is essential for it to manage its finances well, and to carry out periodic audits & analysis, which ultimately leads to the transparency and sustainability of the organization and finally its credibility. This process also empowers the management committee to take collective decisions to manage the CMRC.

A CMRC must follow the norms required by existing Accounting Standards; however, it can have its own guidelines related to purchases, staffing, assets, advances, cash maintenance, leave facilities, salary, maintenance, subsidiary registers and administration (including office timings and accounting systems).

A **few general recommendations to ensure good financial management**:-

- An Annual Budget showing income and expenditure to be prepared in April/May and approved by the AGM; every effort should be made to minimize expenditure; a deficit budget is not acceptable. Some suggestions on how to prepare and manage an Annual Budget are given below. It is also called a Sustainable Budget/Plan.

- Regular monitoring of this budget is required - (monthly by the CMRC Manager and quarterly by the BoM); the previous month's income & expenditure should be reviewed. Management of expenditure is important.

- Bills, reimbursement of expenditure from outside agencies etc. should be settled within 10 days. Pending bills should be reviewed every 10 days.

- Accounting systems should be computerized and regularly updated. Software developed for the same should be used.

- Surplus funds should be invested both to earn maximum interest as well as to provide liquidity when required. If fixed deposits are made, a register should be maintained.

- Systems should be put in place and monitored regularly to ensure that each member SAG/CBO renews annual membership and subscription.

- Maintenance of books and documents which are required by law should be ensured

- Auditors should be appointed by the AGM and remuneration approved by the AGM.

- All major policy decisions related to financial matters and the Auditors comments should be placed before the AGM.

- Periodic training should be provided to the staff on book keeping and financial systems and procedures; members of Board of Management should also be sensitized on these matters during their training which should be repeated at least once a year.

NOTE: the financial health of the CMRC is also dependent on the good financial management at the level of the SAGs. Poor financial management in the SAGs will undermine the financial health of the CMRCs. The SAGs also pay the CMRC to support updating of their Books and for arranging the annual audit. Hence it is the responsibility of the CMRC to regularly monitor member SAG accounts; but the CMRC BoM and manager should first set the example by managing their finances well. In the initial years the CMRC can be assisted by Myrada or preferably the CIDOR staff (CIDOR – Centre for Institutional Development and Organizational reforms. This is the training Centre in the project and has a separate legal identity).
It is important than the Board of Management is aware of these recommendations and endeavors to take them seriously. The pressure to observe good financial management practices should come from the BoM rather than from the CIDOR or Myrada. Only if this happens can we say that the CMRC has interiorized the culture of sound financial management.

4.2 Documents to support financial management:

The following documents should be maintained in the CMRC and more importantly updated.

i. Cash /Bank Book – Supported by payment vouchers and receipt vouchers.
ii. Journals - Supported by bills and documents.
iii. General ledger-Line head wise consolidated income and expenditure
iv. Petty Cash Register–to manage sundry expenses in the office
v. Bank Reconciliation Statements -monthly
vi. Income & Expenditure accounts- monthly/quarterly-optional,
vii. Receipt & payments Account-monthly/quarterly (optional)
viii. Fund Positions- donor statements and reports
ix. Budget vs expenditures – monthly statement
x. Registration of CMRC
xi. Income Tax related
xii. BOMs and Annual General Body meeting minutes

Tally Accounting Software: Many CMRCs also use Tally Accounting Software to reduce manual work and help generate different types of reports. All CMRCs should adopt this Tally package. This package is available through Myrada.

4.3 A Sustainability Budget /Plan.

One of the instruments that supports good financial management is an Annual Budget which is also called a "Sustainable Budget/Plan" so that the objective of achieving sustainability is given importance. This Budget/Plan must be made in April/May every year. This Plan includes: a) A Budget which shows a surplus b) a Clear strategy to mobilize income; c) Systems for Management and regular monitoring of Expenditure.

The annual budget/plan needs to be broken down into a month wise plan and monitored regularly. Duties and responsibilities should be clearly allotted to ensure that the responsibilities to mobilize the forecasted incomes are shared by the entire team. The process of preparing a plan should include a plan to raise a Corpus Fund (over the long term)for the CMRC which can be invested in Fixed Deposits in the Banks and the interest earned used to support the CMRC. The strategy to build up this Corpus fund should be worked out and the rules governing the Corpus Fund should be drawn up and approved by the BoM and General Body. After the sustainability budget /plan is prepared by CMRC team, the same has to be approved by the Board of Management and then passed by the General Body.

Myrada's experience indicates that the CMRCs have focused on mobilizing resources (most have done well). However as regards management of expenditure, the CMRCs have not given much attention; this has undermined the rigor of the sustainability budget and must be addressed. The discipline to respect the demands of this budget has still to be interiorized and respected. Each of these components is discussed in greater detail in the following paragraphs.

4.3.1 Sources of Income:

The following are the main sources of income of the CMRCs and can be used by the newly formed CMRCs as a guide. This information has been taken from a review of the CMRCs' statements of accounts and financial reports. The BoM with the assistance of the CIDOR makes a realistic estimate of the amount that the CMRC could earn through the year .This estimate is given in the "income" column in the sustainability budget which is drawn up in April-May every year.

	Sources of Income	Explanation
1	Admission fee	The members of the SAG/CBO which seeks voluntarily to become a member of CMRC has to pay an admission fee fixed by the CMRC during the AGM as mentioned in the byelaws.

	Sources of Income	Explanation
2	Annual Membership fee	Those SAGs/CBOs which have obtained admission in the CMRC also pay a membership fee annually. The membership is renewed every year after the CBO is assessed. Those which are found to be "poor" are given training. They must at least achieve average performance to be members of the CMRC.
3	Annual Service Charge to SAGs/CBOs for a package of services	The SAGs/CBOs pay annual service charges to the CMRC for a package of services which includes at least one need based training, facilitation for updating books and auditing, SAG grading and providing online information.
.4	Services for SAGs who are not CMRC members	The CMRC also provides services for SAGs who are not members of the CMRC but usually at higher rates. Such services are: updating of books of accounts and arrangement for audit by Chartered Accountants.
5	Faculty/Consultancy services in other areas	The CMRC provides faculty/consultancy services to outside agencies in fields of its expertise for which it earns a faculty fee
6	Facilitation Charges for visitors	The CMRCs have different learning sites in the area. Many outsiders come to these sites for exposure and learnings. The CMRC charges a facilitation fee for this service.
.7	Provision of goods	The CMRCs purchase commodities/goods in bulk and sell to members for a service charge. Examples are: providing SAGs books, toilet construction materials, sanitary napkins, nutrition food packets , agricultural inputs etc.
.8	Renting of space/ equipment	CMRCs rent-out part of their premises and equipment like LCD, generator, computer facilities and internet services for a nominal fee.
.9	Providing skills training & placement	CMRCs identify unemployed youth of member CBO□s; these candidates are trained in a variety of skills; some are placed in factories, offices etc while others are self-employed. CMRCs charge a fee for training and job placements.
10	Secretarial Support for preparing applications	CMRCs provide services for preparing documents to apply for benefits from departments/agencies, for which they charge a fee.
.11	Bank/Interest on SB accounts/FDs	CMRCs receive interest on funds in its SB accounts and in FDs
12	Donations / Program Grants	CMRCs receive voluntary donations from donors. Program grants are given against submission and approval of proposals for implementing projects; they receive a management/implementation fee
13	Sale of scrap items	Sale of scrap items/newspapers bring in income .

Note: The above list of sources is not exhaustive. Since this was written, the CMRCs in Myrada project areas have found several new ways of mobilizing resources.

4.3.2 Expenditure Management

Expenditure control/management as important as mobilizing resources:
Myrada's experience indicates that very little attention is paid to expenditure management. Yet, if the CMRC is to become financially self-sufficient, expenditure management is as important as mobilizing resources. From the very inception of the CMRC, Myrada emphasizes the message that it must work rapidly towards financial self-reliance. Each CMRC must monitor its expenditure; this should be done monthly by the Manager and reviewed quarterly by the BoM. This will help the CMRC to assess whether income is keeping pace with expenditure; it helps to keep managers alert to the need to mobilize/generate income from different sources to achieve financial sustainability and to control/manage expenditure.

From MYRADA's experiences, CMRCs require a minimum of Rs.20,000/-to Rs.25,000/-per month to meet expenditures on staff salary and allowances, travel, office running cost, capacity building of CMRC BoM members and staff and for program mobilization. The CMRCs require at least 3 to 4 years to attain financial sustainability. Until this is achieved, the 25

promoting agency has to extend financial support. However from the very first day, it must be made clear that the CMRC has to raise funds and that financial support from outside would decrease every year.

4.3.3 Format for preparing a Sustainable Annual Budget/Plan.

Particulars	Expected figures (Rupees)
INCOME	
Annual Membership fee	
Life time membership fee	
CBOs monthly/yearly service charge	
Bank Linkage service charge	
Program service charge	
Consultancy & co-ordination service charges	
Marketing/printing SAGs book-service charges	
Marketing commodities and household goods	
Use of training facilities/faculty	
Use of internet, E-Mail, photocopier	
Trainings provided-service charges	
Management/implementation cost of programs mobilized in health, education, environment, etc.	
Sale of scrap Items	

Interest on SB Account	
Interest on FDs	
Others- Specify	
EXPENDITURE	
Salaries and allowances/honoraria	
Manager□s/secretary□s salary &allowances	
CMRC Assistant□s salary/CRPs honoraria	
Operating costs	
Rent	
Electricity	
Telephone, mobile currency	
Travel & Transportation	
a. Vehicle -fuel cost	
b. Vehicle repairs and maintenance expenses	
c. Travel expenses- TA/DA	
Meeting expenses	
Office running & maintenance cost	
Maintenance of equipment	
Audit fee	
Registration, renewal & TDS filing	
Others- (Specify)	
Capital Cost	
Land and building	
Vehicles	
Furniture and fixtures	
Office equipment	
TOTAL EXPENDTIURE	
Surplus/ Deficit (total income – total expenditure)	

NOTE: There are two major categories of services provided by the CMRCs for which separate Books of Accounts or ledgers must be maintained. These are:

1. **Funds mobilized for programs on health, education, sanitation etc.** A separate account should be maintained for each program. It is preferable that the CMRC maintains separate counts for each program since the donors will ask for a separate audited statement of accounts. **These programs should not be included in the Annual Sustainability Budget/Plan.** The CMRC can

5.Simple tools to assist administration.

5.1 Calendar of Operations

A Calendar of Operations is a simple tool to help the CMRC Staff to fulfill its obligations in a timely manner. Several such Calendars can be made to cover different areas of operations. However all of them relate to time and serve as a reminder to the staff of the CMRC.

One Calendar, a sample of which is given below, covers matters relates to a) Statutory requirements b) Audits and c) Staff which are time bound. This Calendar can be pasted on the board in the office. (See calendar at end of Chapter 5).

A second Calendar could relate to Programs which the CMRC is implementing and which are based on an MOU with donors. This calendar deals largely with reporting obligations. As the dates will differ from program to program a sample cannot be given. However each CMRC should make a Calendar which shows the time when reports should go to the Donor (Monthly, quarterly, annually – depending on the MOU). The Calendar could include the dates when funds are received form the donor

5.2 Purchases and Inventories

Purchases are required from time to time and are not included in the Calendar of Operations. The processes required to purchase, to stock and to sell have to be documented and available for any compliance audit.

Materials required for the functioning of the CMRC have to be purchased on the basis of certain norms. An orderly system eliminates/reduces any form of corrupt practices and ensures the quality of the products to be purchased. Similarly, tracking the items purchased while they are with the CMRC will also ensure their availability for proper use.

The need for purchases will be determined by the CMRC Manager. However all approvals have to be given by the BoM. The BoM can however fix a price ceiling below which the CMRC Manager can approve purchases. All Purchases above this ceiling will be decided by the BoM. It is expected that the BoM members and CMRC Manager will not abuse their positions to promote the interests of their families, friends, and other business contacts.

The CMRC Management should maintain the following documents so that the process of purchasing and stocking are transparent and can be audited by compliance auditors.

charge for planning and implementing these programs if they have taken on this responsibility. These charges will help to pay for the cost of hiring extra staff (accounts, management). If there are actual costs for staff and transport etc, it will be preferable to debit these costs to this separate account. These costs must also be included in the budget. If however the CMRC is also charging for services which it is capable of providing with its existing program and accounts staff, then this amount in the budget can be transferred to the sustainability budget as income.

2. **The second category includes Trainings which the CMRC is hired to provide**. These amounts are not large. If the total amount for the trainings is transferred to the CMRC including costs of food, transport, implementation etc., then a separate account should be maintained and cost of management/implementation as well as the surplus, if any, can be transferred to the annual budget as income. Since funds for trainings if transferred to the CMRC are not generally large, the CMRC can maintain one account for all such trainings with separate ledgers for each training.

i. Purchase requisitions by CMRC Manager

ii. Approvals by authorised authority (CMRC Manager can authorize below a price ceiling fixed by BoM; BoM to authorize price above the ceiling)

iii. Comparative Statements of Quotations (at least 3)

iv. Purchase Orders

v. Goods Received Notes

vi. Stock Register

vii. Asset Register (in which descriptions, inventory numbers and locations codes of all fixed assets are recorded)

5.3 Sale of assets

This will be undertaken only on the specific authorisation of the Board of CMRC which will fix a minimum sale price, call for sealed quotations, open sealed quotations publicly at a designated time and place, and sell to the highest bidder. Declaring any asset as scrap will also be done only after obtaining approval from the Board.

5.4 Compliance Audit

A compliance audit is meant to assess whether the CMRC has observed the processes outlined in operations, financial and project management. It focuses on the process and scrutinizes whether the CMRC management has observed them faithfully. It is not a financial audit. This compliance may be done by the CIDOR accountants at least once in three months during the first two years of the CMRC or until the CIDOR Management is confident that the CMRC is functioning as desired.

CALENDAR OF OPERATIONS - CMRC

Month	EPF	Profession Tax (PT)	TDS/Income Tax	Service Tax	Gratuity	Annual Audit	AGM/ Board Meetings	Staff renewal	Renewal of Registration
April 2014	15th April: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th April - Payment of PT of previous month. Annual renewal before 30th of April.	30th April: Payment of TDS deducted in previous month.	31st March – Payment of service tax of previous month. 31st March: Electronic payment of service tax through internet. 15th April – Filing of service tax return for half year ending on 31st March.				Issue renewal of appointment order	
May 2014	15th May: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th May - Payment of PT of previous month.	7th May: Payment of TDS deducted in previous month. 15th May: filing TDS return for the quarter January to March. 31st May: issuing of certificate for TDS on non-salary payments of the quarter Jan to March. 31st May: issuing of certificate for TDS on salary for the year.	5th May – Payment of service tax of previous month. 6th May : Electronic payment of service tax through internet		Statutory audit in May.			
June 2014	15th June: payment of PF contribution with filing of Returns of previous month.	On line return. 20th June - Payment of PT of previous month.	7th June: Payment of TDS deducted in previous month	5th June – Payment of service tax of previous month. 6th June : Electronic payment of service tax through internet.			Governing Body: Before the AGM Governing Body meeting should be held to pass audited accounts and annual report. Notice		Within 14 days after AGM the annual renewal application should be filed with the

							/agenda at least 7 days before the proposed date of the meeting. AGM: First week of June. Notice /agenda at least 21 prior to the proposed date of the meeting.		register of societies for renewal.
July 2014	15th July: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th July - Payment of PT of previous month.	7th July Payment of TDS deducted in previous month. 15th July filing of TDS returns for the quarter April to June. 30th July: issue of TDS certificate for TDS on non-salary payments for quarter April to June.	5th July– Payment of service tax of previous month. 6th July : Electronic payment of service tax through internet.					
August 2014	15th August: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th August - Payment of PT of previous month.	7th August: payment of TDS deducted in previous month	5th August – Payment of service tax of previous month. 6th August -Electronic payment of service tax through internet.					

Month	EPF	Profession Tax	TDS/Income Tax	Service Tax	Gratuity	Annual Audit	AGM/ Board Meetings	Staff renewal	Renewal of Registration
September 2014	15th September: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th September - Payment of PT of previous month.	7th September: Payment of TDS deducted in previous month. Sept. 30th: Last day for filing Annual Income tax Returns	5th September – Payment of service tax of previous month. 6th September -Electronic payment of service tax through internet.			Governing Body meeting		
October 2014	15th October: payment of PF contribution with filing of Returns of previous month	On line returns. 20th October - Payment of PT of previous month.	7th October: payment of TDS deducted in previous month. 15th October: filing of TDS returns for the quarter July to September. 30th October: issue of TDS certificate for TDS on non-salary payments for quarter July to September.	5th October – Payment of service tax of previous month. 6th October -Electronic payment of service tax through internet. 15th October - Filing of Service Tax Return for the half year ending September 30.					
November 2014	15th November: payment of PF contribution with filing of Returns of previous month	On line returns. 20th November - Payment of PT of previous month.	7th November: Payment of TDS deducted in previous month	5th November – Payment of service tax of previous month. 6th November -Electronic payment of service tax through internet by above.					
December 2014	15th December: payment of PF contribution with filing of Returns of	On line returns. 20th December - Payment of PT of previous	7th December: Payment of TDS deducted in previous month	5th December – Payment of service tax of previous month. 6th December -Electronic payment of service tax through internet.			Governing Body meeting		

6.Participatory Assessment of CMRCs

6.1 Need of participatory Assessment of CMRCs

Regular assessment of a CMRC is critical to ensure good management and planning. The method usually adopted is participatory. Participatory assessment requires that the team is composed of people from CMRC as well as from outside e.g. from another CMRC. CMRC assessment needs to be participatory in the process of analyzing the strengths, weaknesses, opportunities and threats as well as in drawing up the future course of action.

6.2 A tool to assess CMRCs

For the assessment of the CMRC, the spider diagram is a useful tool. It has 6 components/indicators. Vision/mission, Organizational Management, Financial Management, Organizational Accountability, Network/Linkage and Learning/ Evaluation. The results of the assessment must be shared with staff, federations and Board of Management to enable them to reflect, learn and draw up the future course of action plan.

The six components/indicators of the spider diagram are explained below:

6.2.1 Vision and Mission: Is the picture that the members of the CMRC have of their community, of their groups and families in the long term; in other words their dream for their community groups and families.

	previous month.	month.							
January 2015	15th January: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th January - Payment of PT of previous month.	7th January: Payment of TDS deducted in previous month 15th January: filling of TDS returns for the quarter October to December. 30th January issue of TDS certificate for TDS on non-salary payments for quarter October to December.	5th January – Payment of service tax of previous month. 6th January -Electronic payment of service tax through internet.					
February 2015	15th February: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th February - Payment of PT of previous month.	7th February: Payment of TDS deducted in previous month	5th February – Payment of service tax of previous month. 6th February -Electronic payment of service tax through internet.	Premium Payment to LIC			Staff performance appraisal	
March 2015	15th March: payment of PF contribution with filing of Returns of previous month.	On line returns. 20th March - Payment of PT of previous month.	7th March: Payment of TDS deducted in previous month	5th March – Payment of service tax of previous month. 6th March -Electronic payment of service tax through internet.			Governing Body meeting	Finalize renewal with increment etc.	

- **Vision of their community**: The CMRC should be facilitated to develop a positive and achievable vision for the community; this vision can be captured in the form of a statement or a drawing. Once in 5 years, the vision can be revisited and modified.

- **Mission** refers to the steps the CMRC decides to take in order to implement the vision. This can also be captured in the form of a set of statements.

6.2.2 Organizational Management: Organization Management refers to aspects like group size and composition, frequency and quality of CMRC meetings, level of participation in decision making, whether the CMRC has byelaws and whether they are followed.

6.2.3 Financial Management: Financial Management refers to whether there is a bank account, how well the books of accounts are kept, how decisions related to expenditure are made and how cash is handled by the organisation.

6.2.4 Organizational accountability: Organization accountability refers to transparency in decision making and financial matters, whether follow-up action has been taken on audits and feedback given to the CMRC, whether leadership is being rotated regularly and whether CMRC ensures equitable access to benefits and to all its members.

6.2.5 Linkages and networking: Refers to the CMRC□s ability to build and to sustain linkages with other organizations in its environment.

6.2.6 Learning and evaluation: Learning and evaluation refers to the ability of the CMRC to learn to evaluate its own performance and to improve its response to people's requirements.

Criteria need to be selected to assess each of the six features of a CMRC. An indicative list of such criteria is given later in this Resource Book. The assessment should be done in a participatory manner and the CMRCs graded as „Good□, „Average□ and „Poor□. Before initiating the participatory assessment, people who will be involved need to understand the criteria and methodology to be adopted to carry out the assessment properly; they should have empathy and ability to listen.

6.3 Process of facilitating a Participatory Assessment

1. Prior intimation needs to be given to all the BoMs and concerned staff of CMRC about the participatory assessment.

2. The CMRC needs to update and maintain all the documents required for this assessment.

3. The CMRC BoM needs to pass a resolution approving the assessment and should fix the date.

4. To initiate the exercise, the assessment team should carry a set of blank CMRC Assessment formats with the assessment criteria, a calculator and a ladder picture (given below) drawn on brown sheet/drawing sheet.

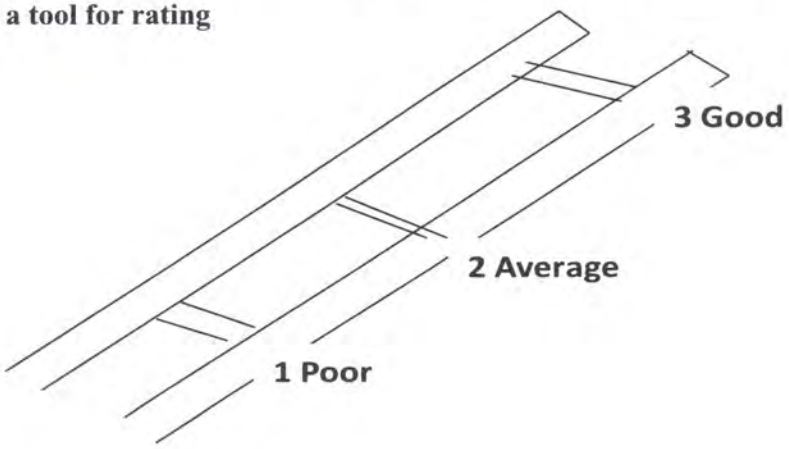
5. The assessment exercise needs to be initiated in the presence of all the BoM members and staff.

6. Participatory methodology of interaction, discussion facilitation and use of ladder tool should be encouraged.

Note: Means of verification: The facilitator must refer to the documents mentioned before confirming the marks against each of the assessment criteria, the assessment team can also interact with selected SAG members/federations and also make physical verifications.

The same process is to be adopted for all the criteria selected for assessment.

Step ladder --- a tool for rating



During the assessment the facilitators need to encourage the BoM members to participate actively by expressing their opinion and views about the performance of their CMRC against each of the criteria; finally they should agree at what step their CMRC stands :
1st Step of the ladder indicates that the CMRC performance is **Poor - 1 mark**
2nd step of the ladder indicates **Average** performance - **2 marks**
3rd step of the ladder indicates **Good** performances **-3 marks**

ANNEXURES

ANNEXURE-1: CMRC ASSESSMENT CRITERIA

ANNEXURE 2: CMRC ASSESSMENT FORMAT – General Information

ANNEXURE 3: CMRC ASSESSMENT: Consolidation format

ANNEXURE 4: EXAMPLE OF CONSOLIDATED SCORING SHEET

ANNEXURE 5: SWOT ANALYSIS OF THE CMRC

ANNEXURE-1: CMRC ASSESSMENT CRITERIA

1. Vision & Mission

Sl#	Criteria	Good 3 marks	Average 2 marks	Poor 1 marks	Methodology	Means of verification
1	Vision established, understood, documented & displayed	Vision established with the participation of the BOMs and selected representatives from SAG Federations, Member SAGs & CMRC staff Understood at all levels Documented & displayed at CMRC Office	Vision established with the participation of BOMs and staff, Understood by all Documented & displayed at CMRC office	Vision established by staff , understood, documented but not displayed	Interaction with 10% of SAG members of the CMRC (selected randomly), at least 2 SAG federations, all the current year BODs and CMRC staff	Minutes book of SAGs & SAG Federations & CMRC BODs Training register/report
2.	Achievement of vision for the assessment period	100% of the vision achieved	50% of the vision achieved	25% of the vision achieved	Interaction with BODs & Staff	Physical verification of work and of documents

2. Organizational Management

Sl #	Criteria	Good 3 marks	Average 2 marks	Poor 1 marks	Methodology	Means of verification
1	CMRCs knowledge of the Byelaws	All the BOMs & staff have thorough knowledge of all aspects of the Byelaws	Few of the BOMs & staff have thorough knowledge of all aspects of the Byelaws	Only staff have thorough knowledge on all aspects of the Byelaws	Random questions on the contents of Byelaw	Byelaws document
2	SHG/CBOs enrollment in CMRC	80 to 120 SHGs/CBOs enrolled in CMRC	51 to 79 CBOs enrolled in CMRC	50 CBOs enrolled in CMRC	Interaction and verification of documents	Enrollment register Renewal of annual subscription register
3	Membership of CMRC General Body	1200 to 2250 (average 15 members per group) individual members have taken membership	765 to 1185 (average 15 members per group) individual members have taken membership	750 (average 15 members per group) individual members have taken membership	Interaction with staff & BOM	Membership Register

4	Frequency & regularity of meetings	100% of BOMs, AGM and special meetings are held and quorum is ensured as per Byelaws	80 to 90% of BOMs, AGM and special meetings are conducted and quorum is ensured as per Byelaws	60 to 79% of BOMs, AGM and special meetings are conducted and quorum is ensured as per Byelaws	Interaction with staff & BOM	BOM & AGM Meeting minutes
5.	Participatory decision making	All the BOMs participate in decision making and are aware of the important resolutions passed	80 to 90% of BOMs participate in decision making and are aware of the important resolutions passed	60 to 79% of BOMs participate in decision making and are aware of the important resolutions passed	Interaction with BOMs about resolutions passed in at least last 3 meetings	Referring BOM meeting minutes
6	Statutory compliance requirement	CMRC fulfills all the following statutory requirements : 1.PAN 2.TAN 12 AA 4.80G 5. Service Tax Registration TDS return filing 7.Annual income tax return filings 8.Annual Auditing Professional Tax certificate 10.Renewal of registration in time 11. Policy Guidelines	CMRC fulfills at least 9 of the following statutory requirements : 1.PAN 2.TAN 12 AA 4.80G Service Tax Registration TDS return filing 7.Annual income tax return filings 8.Annual Auditing 9.Professional Tax certificate 10.Renewal of registration in time Policy Guidelines	CMRC fulfills at least 7 of the following statutory requirements : 1.PAN 2.TAN 12 AA 4.80G Service Tax Registration TDS return filing 7.Annual income tax return filings 8.Annual Auditing 9. Professional Tax certificate 10.Renewal of registration in time 11. Policy Guidelines	Interaction with CMRC Member Secretary Physical verification of all the documents	Verification of all documents
7	Basic infrastructure of CMRC	1. Office is owned by CMRC and is recognized easily by local people 2. Basic furniture and office equipment exists. 3. All the assets and equipment are insured	1. Office is rented by CMRC and is recognized easily by local people 2. Basic furniture and office equipment exists. 3. All the assets and equipment are insured	1. Rented office, shifting periodically 2. Minimum furniture and office equipment exists. 3. All the assets and equipment are insured	Physical Verification	▪ Asset register. ▪ Verification of tax and insurance documents.
8	Staffing of CMRC	CMRC has adequate number of qualified staff and has clarity on the role of each staff. CMRC staff has thorough knowledge	CMRC has adequate number of qualified staff but does not have clarity on the role of each staff. CMRC staff do not have thorough	CMRC does not have adequate number of qualified staff or clarity on the role of each staff. CMRC staff do not have	Interaction with staff	▪ Physical verification ▪ Verification of documents/ work contract

		of the concept and functions of CMRC	knowledge of the concept and functions of CMRC	thorough knowledge of the concept and functions of CMRC		
9	Policy guidelines	CMRC has developed policy guidelines on HR and administration and has adopted the same	CMRC has developed policy guidelines on HR and administration but has not adopted these	CMRC has not developed policy guidelines on HR and administration	Interaction with staff	▪ Verification of policy guideline document

3. Financial Management

Sl#	Criteria	Good 3 marks	Average 2 marks	Poor 1 marks	Methodology	Means of verification
1	Maintenance of books of accounts	CMRC has all the required books of accounts and documents; accounts on Tally system updated	CMRC has all the required books of accounts and documents; accounts up to date but not on Tally system	CMRC has all the required books of accounts and documents; but not updated and not onTally system	Physical verification	Verification of books of accounts and Tally system
2	Collection of annual service charges from all members CBOs	100% of service charge from all the member CBOs collected on time.	90-100% of service charges from all the member CBOs collected but not in time	Less than 90% of service charge is collected from the member CBOs	Physical verification	▪ Service charge register ▪ Audit report
3	Financial sustainability	CMRC has broken even and taken steps to building corpus fund	CMRC has reached break even stage	CMRC has deficit budget	Physical verification and analysis of financial data	▪ Verification of audit reports, ▪ Review of the sustainability budget.
4	Auditing	Audits carried out as per byelaws and in time. Audit observations were reviewed and complied with	Audits carried out as per byelaw and in time. Audit observations were reviewed but not complied with	Audits carried out as per byelaw and in time. Audit observations were neither reviewed nor complied with	Physical verification and analysis of financial data	▪ Audit reports. ▪ Audit response ▪ BODs meeting minutes
5	Systems and procedures	Systems and procedures related to financial management is developed and followed.	Systems and procedures related to the financial management developed but not completely followed.	Systems and procedures related to the financial management not developed	Interaction with CMRC board and staff and physical verification	▪ Policy Guideline papers. ▪ Board meeting minutes.

4. Organizational Accountability

Sl#	Criteria	Good 3 marks	Average 2 marks	Poor 1 Mark	Methodology	Means of verification
1	Board of Management	Board of Management is selected/elected as per bye laws and performs its representational role	Board of Management is selected/elected as per bye laws but only office bearers perform their representational role	Board of Management is selected/elected as per bye laws but majority of them do not perform their representational role	Interaction with Board of Members and selected SHGs & federations.	Byelaws and AGM meeting minutes book
2	Providing services	All the following services are provided to all the member CBOs; 1 .Trainings 2. Annual auditing 3. Annual grading 4. Financial linkage 5. Problem solving 6. Programme linkage 7. Faculty/consultancy services 8. Need based information dissemination	At least 1 to 6 of the following services are provided to all the member CBOs; 1 .Trainings 2. Annual auditing 3. Annual grading 4. Financial linkage 5. Problem solving 6. Programme linkage 7. Faculty/consultancy services 8.Need based information dissemination	At least 1 to 5 of the following services are provided to all the member CBOs; 1 .Trainings 2. Annual auditing 3. Annual grading 4. Financial linkage 5. Problem solving 6. Programme linkage 7. Faculty/consultancy services 8.Need based information dissemination	Interaction with staff and Board of Management and selected SHGs	Reports and documents
3	Staff performance	BOMs have conducted annual appraisal of CMRC Manager and other staff on their own	BOMs have conducted annual appraisal of CMRC Manager and other staff with the help of the promoting organization/agency	Only CMRC Manager is appraised by promoting organization/agency	Verification of Appraisal report	Appraisal report

5. Linkage.

Sl#	Criteria	Good 3 marks	Average 2 marks	Poor 1 marks	Methodology	Means of verification
1	Linkage & network with other Resource Institutions.	Established good linkage with the following resource agencies; 1. Bank/Financial institutions 2. Government line departments 3. Training/ Research institutions 4. Panchayat Raj Institutions 5. Local CBOs 6. Non- Government and social organizations 7. Corporate agencies 8. Medical institutions 9. Legal cells 10. Technical institutions	Established good linkage with the following 1 to 6 resource agencies; 1. Bank/Financial institutions 2. Government line departments 3. Training/ Research institutions 4. Panchayat Raj Institutions 5. Local CBOs 6. Non- Government and social organizations 7. Corporate agencies 8. Medical institution 9. Legal cells 10. Technical institutions	Established good linkage with the following 1 to 4 resource agencies; 1. Bank/Financial institutions 2. Government line departments 3. Training/ Research institutions 4. Panchayat Raj Institutions 5. Local CBOs 6. Non- Government and social organizations 7. Corporate agencies 8. Medical institution 9. Legal cells **10.** Technical institutions	Interaction with staff, BoMs and selected resource agencies	Programme mobilization register

6. Learning & Evaluation

Sl#	Criteria	Good 3 marks	Average 2 marks	Poor 1 marks	Methodology	Means of verification
1	Trainings, orientation and exposures	All the BoMs and staff have undergone need based trainings/exposures and have applied their learnings to work	50% – 70% of BoMs and staff have undergone need based trainings/exposures and have applied their learnings to work	Less than 50% BOMs and staff have undergone need based trainings/exposures and have applied their learning to work	Interaction with BoMs and staff	Record of trainings
2	Customer satisfaction survey	Conducted customer satisfaction survey done of all the member SHGs and general community every year	Conducted customer satisfaction survey of a few member SHGs and general community once in two years	No customer satisfaction survey has ever been conducted since inception	Interaction with staff and Board and selected SHGs	▪ Survey Reports. ▪ Interactions with member CBOs
3	CMRC Self-Assessment	Assessment conducted every year; based on the assessment, future action plan drawn	Assessment conducted every year but future action plan not drawn	Assessment is not conducted every year	Interaction with BoM and Staff	35/17 Assessment Report 35/17 Action plan

ANNEXURE 2: CMRC ASSESSMENT FORMAT – General Information

Name of the CMRC : _____
Date of Assessment : _____
Assessed by : _____

Sl#	Particulars	Details
1	Name of CMRC	
2	Registration date, number and Act	
3	Full Address	
4	Phone Number & E-mail Id	
5	Number of Board of Management members	
6	Name of the CMRC Manager, qualification & experience	
7	Name of the CMRC Assistant & qualification	
8	Total No. of CRPs	
9	No. of villages covered by CMRC	
10	No. of GPs covered by CMRC	
11	Total population covered by CMRC	
12	No. of SAGs/CBOs enrolled in CMRC	
13	No. of SAG/CBOs Federations in CMRC	

ANNEXURE 3: CMRC ASSESSMENT: Consolidation format

1. Vision & Mission

Sl#	Criteria	Responses/ Brief explanation	Marks for each out of 3
1	Vision established, understood, documented & displayed		
2	Achievement of vision for the assessment period		
Average Marks			

2. Organizational Management

Sl#	Criteria	Responses/ Brief explanation	Marks for each out of 3
1	CMRC□s knowledge of the Byelaws		
2	SHGs/CBOs enrollment in CMRC		
3	Membership of CMRC General Body		
4	Frequency & regularity of meeting		
5	Participatory decision making		
6	Statutory compliance requirement		
7	Basic infrastructure of CMRC		
8	Staffing of CMRC		
9	Policy guideline		
Average Marks			

ANNEXURE 4: EXAMPLE OF CONSOLIDATED SCORING SHEET

Feature	Total Marks to be obtained	Actual marks obtained	% of marks obtained
Vision & Mission	**6**	**5**	**83 %**
Organizational Management	**27**	**18**	**66%**
Financial Management	**15**	**11**	**73%**
Organizational Accountability	**9**	**6**	**66%**
Linkage	**3**	**2**	**66%**
Learning & Evaluation	**9**	**5**	**55%**
Total marks and percentage	**69**	**47**	**68%**

Parameter

Particulars	Parameter	Grade
Good	> 80% Marks	
Average	60 to 79% Marks	
Poor	< 59% Marks	

Feedback by the Assessment Team:

3. **Financial Management**

Sl#	Criteria	Responses/ Brief explanation	Marks for each out of 3
1	Maintenance of books of accounts		
2	Collection of annual service charges from all members CBOs		
3	Financial sustainability		
4	Auditing		
5	Systems and procedures		
Average Marks			

4. **Organizational Accountability**

Sl#	Criteria	Responses/ Brief explanation	Marks for each out of 3
1	Board of Management		
2	Providing services		
3	Staff performance		
Average Marks			

5. **Linkage**

Sl#	Criteria	Responses/ Brief explanation	Marks for each out of 3
1	Linkage & network with other Resource Institutions		
Average Marks			

6. **Learning & Evaluation**

Sl#	Criteria	Responses/ Brief explanation	Marks for each out of 3
1	Trainings, orientation and exposures		
2	Customers satisfaction survey		
3	CMRC Self-Assessment		
Average Marks			

ANNEXURE 5: SWOT ANALYSIS OF THE CMRC

Please identify the Strengths, Weakness, Opportunities & Threatsof CMRCs

Strengths	**Weaknesses**
Opportunities	**Threats**

SWOT analysis results/outcomes need to be documented. The facilitator should suggest the CMRC to evolve an action plan to fill the gaps identified during the assessment and also at the time of SWOT analysis. This exercise needs to be carried out by the CMRC.

For preparing the action plan to fill the gaps which the CMRC Assessment/SWOT analysis has identified following format can be adopted:

What (Activity)	Why (Objective)	Where (Location)	When (Time Bound)	Who (Responsibility)	How (Strategy)

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