

F-1-72/NFCH/2005

Government of Pakistan
Ministry of Culture, Sports & Youth Affairs
(National Fund for Cultural Heritage)

Islamabad, 4th May 2005

Subject: Financial Rules & Accounting Procedures of National Fund for Cultural Heritage (NFCH)

In exercise of powers conferred under Section -9 of the NFCH Act 1994, the Board of Governors (BOG) is pleased to make and approve the following rules:-

1. Short title, extent and commencement:

- (i). These rules may be called the National Fund for Cultural Heritage (NFCH) Financial Rules & Accounting Procedures, 2004.
- (ii). These rules shall apply to all the Projects of Cultural Heritage of the Fund.
- (iii). These rules shall be applicable from the date of their approval from BOG i.e 29th May 2000. The Board of Governors (BOG) reserve the right to change or amend these rules from time to time and such changes and amendments, if and when made, shall be binding on all the projects of the Fund to whom these rules apply.

2. Definitions:

- i). "Fund" means National Fund for Cultural Heritage.
- ii). "Act" means, Act of National Fund for Cultural Heritage (NFCH) (Act VIII of 1994) as amended from time to time.
- iii). "Board" means the Board of Governors of NFCH.
- iii). "Executive Committee" means the Committee constituted by the Board.

- iv). "Chairman" means Chairman of the Board of Governor or the Executive Committee of the Fund as the case may be.
- v). "Member" means member of the Board or E/C as the case may be.
- vi). "National Heritage" mean the tangible and in-tangible cultural heritage of Pakistan
- vii) "Government" means the Federal Government of Pakistan Ministry of Culture, Sports & Youth Affairs.

3. Aims & Objectives of the Fund:

The primary purpose of the fund is to promote the conservation and preservation of national heritage of Pakistan through various means, including financial and technical assistance, and to create awareness amongst the people for appreciating the preservation of archaeological, architectural, historical and cultural heritage of Pakistan. In particular and without prejudice to the foregoing purposes, the Fund shall be used to:

- (a) undertake measures for preservation and conservation of cultural heritage having archaeological, historical and architectural value;
- (b) acquire or hold in lease any material and cultural property of part thereof;
- (c) provide assistance for preservation and maintenance of a historical or archaeological monument or an archaeological site;
- (d) create and strengthen co-operation and co-ordination between international, national, provincial and regional organization involved in conservation and preservation of cultural heritage;
- (e) provide financial and technical assistance towards preservation of national heritage, and for furtherance of academic, scientific and intellectual discourses on the subjects relevant there to;
- (f) undertake promotional activities for enhancement of resources of the fund; and
- (g) undertake and promote research and arrange materials for publication of periodicals, monographs and publicity material, including pamphlets, newspapers and posters in furtherance of the objectives of the Act.

Board of Governors: The management, overall control and supervision of the affairs of the Fund shall vest in a Board of Governors.

5. **Executive Committee:** Under Section 6, sub-section (5) of the NFCH Act (Act VIII of 1994), the Board of Governors (BOG) may appoint an Executive Committee (E/C) for three years terms for carrying out its functions as may be assigned to it by the Board.

6. **Meetings of the Board & Executive Committee:** i). The Chairman of the Board or the Chairman of the Executive Committee may convene meeting of the Board or the Executive Committee at such time and place as he may deem necessary and convenient for the transactions of its business provided that two (2) meetings of the Board and four (4) meetings of the Executive Committee shall be held in a year.

i). The Chairman or in his absence, the present members may elect any member for presiding over the meeting of the Board or Executive Committee.

ii). Two half of the total number of the members of the Board or Executive Committee shall form quorum of a meeting.

iii). The decision of the Board or Executive Committee shall be taken by a majority of members present. In case of tie, the Chairman presiding over the meeting may exercise a casting vote.

7. Procedure Rules for the Grants made to Agencies / individuals for Cultural Heritage Projects.

Enrolments: All eligible organizations / individuals desirous of funding from National Fund for Cultural Heritage must enroll at the Fund's Secretariat by paying the non refundable fee of Rs. 3,000/-.

Project funding application forms: can be obtained with an introductory brochure for Rs. 500/- each from Fund's Secretariat.

Submission of Projects: Enrolled organizations / individuals can submit their proposals only on the Project Funding Application Forms of the National Fund for Cultural Heritage.

Scrutiny and Assessment: of each proposed project will be carried out in closed sessions of the Executive Committee in consultation with the Technical Committee, which will then convey their assessment to the BOG for final consideration and approval, modification and / or disapproval.

Confidentiality: All scrutiny, assessments, recommendations made by the Executive Committee and subsequent approvals by the BOG shall remain confidential until communicated to the applicant in writing. Any breach of confidentiality by a member will result in the termination of his or her membership of the E/C of the BOG or both.

Approval procedure: The BOG may only consider those projects recommended by the E/C. No direct access to the BOG may be permitted.

Release of Funds: When the project is approved by the BOG, the E/C may release the grant in suitable installments.

Monitoring / Evaluation with relation to further release of Funds:

The E/C of NFCH will monitor and evaluate the implementation report of the projects submitted by the Executing Agency, and release the second or subsequent installments only on its satisfaction on the work done and appropriate utilization of the funds by the Executing Agency.

Optional: The E/C of NFCH may co-opt any expert / (s), for the specific issue or project.

(a)

COMPONENTS OF CULTURAL HERITAGE

Physical (Tangible) Heritage	Non-Physical (Intangible) Heritage
Covers all aspects cultural and natural products and processes that exist physically.	Covers all aspects of transient or passing human phenomena that do not physically exist.
<p>- Archaeological Sites. Covers Physical evidence of all non-excavated and non-contemporary human cultural activity. This category includes, but it not limited to:-</p> <ul style="list-style-type: none"> • World Heritage Sites- As proposed by Pakistan to UNESCO, i.e Mohenjodaro and Taxila • National Heritage Sites- e.g. Ziarat Rest House, and Pakistan Monument <p>- Architectural Heritage Covers all built structures and zones of architectural merit, including but not limited to</p> <ul style="list-style-type: none"> • Forts- e.g. Ranikot and Bala Hissar • Places of worship and Shrines- e.g. Pakpattan and St Patrick's Cathedral <p>Residences- e.g. Mohalla Sethian, Havelli Bagh Sardaran and Mohatta Palace.</p> <p>- Architectural Landscapes: Covers all laid -cut and structured landscapes, including But not limited to</p> <ul style="list-style-type: none"> • Gardens- e.g. Shalimar and Wah gardens • Pleasure Pavilions- e.g. Hiran Minar and Baradari, <p>- Physical Expression of Culture .</p>	<p>Folklore</p> <p>Covers community beliefs, practices, ideas, values and indigenous knowledge systems, which include, but are not limited to:</p> <ol style="list-style-type: none"> (i) Verbal expressions, In folk narrative, pottery, sayings, proverbs, epics, legends, ballads, devotional and secular expression. (ii). Non-verbal expression in gesture, ritual and dance (iii). Musical expressions, in voice and instrument (iv). Folk medicine and healing (v). Community mobilisation <p>Traditional and Indigenous Skills</p> <p>Covers knowledge of Art & Craft Techniques of the physical and material domain.</p> <ul style="list-style-type: none"> - Living Customs and Traditions Covers all gathering in festivals, rituals-of birth, death , marriage and other rites of passage - Oral Literature Covers all forms of creations and public rendition of Literature both prose and poetry readings. - Performing Arts: Covers performance of classical and folk music, dance, and drama including puppetry and all forms of public performance. - Research and Documentation: Covers recording, analysis, research, documentation, production and national and international dissemination of all components of tangible cultural heritage, through articles, books, audio and video CDs, CD-ROMs, Public Festivals and concerts for the public of Pakistan.
<p>Covers all tangible expressions of all human creativity including, but not limited to calligraphy, pottery, jewelry, weaving, metal work, wood work, textiles, natural dyes, musical instruments, architectural forms, drawing, painting, sculpture and all other form of material culture, including acquisition, research, preservation and dissemination thereof.</p> <p>- Natural Heritage: Covers rivers, lakes, mountains, beaches and all aspects of the natural environment related to culture.</p>	

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8. Accounting Procedure:

A). 1. The Fund shall consist of :-

- i). Grant from Federal government and provincial governments.
- ii) Aid and assistance from local, national, and international agencies;
- iii). Contributions from private organizations and individuals,
- iv) Income and earning from the moveable & immovable properties acquired by, or leased to, the Fund.
- v). Profits accrued / earned from investments.

2. The amount credit to the Fund shall not lapse at the end of a financial year and shall be available for utilization at any time.

3. The Fund shall be used to achieve the objectives of the Fund.

4. Not with standing any thing contained in the Income Tax Ordinance 1979 (XXXI of 1979) all contributions and donations to the Fund shall be exempted from levy of tax.

5. The Fund will be administered by the Board of Governors of NFCH. The Chairman Executive Committee, who shall or on his behalf Joint Secretary (Admin & Culture) will approve day to day contingencies expenditures i.e salary, allowances, T.A/ DA and other contingent expenditures for running the Secretariat of NFCH. Whereas the Assistant Director NFCH / Secretary E/C, NFCH will act as DDO who shall maintain the record for Audit.

6. The DDO NFCH shall maintain Cash Book. The Cash Book will be closed regularly at the end of each month. The closing balance as on 30th June will be reconciled with balance shown in the bank statement.

7. The grant sanctioned for a project shall be released in the form of Crossed Cheque in favour of the concerned Executing Agency, who shall furnish acknowledgment.

8. The Accounts of the FUND will be Audited by the Auditor General of Pakistan through D.G (A)FG.

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B). Procedure for Utilization of Fund:-

i). Funding should not be utilized for purchasing permanent equipments, machinery, vehicles and for salary purpose. The funds should be exclusively used for conservation, preservation, protection, exploration, excavation, publication, documentation, promotion, research and projection of cultural heritage of Pakistan.

ii). All funding are subject to:-

- a). Submission of fully vouched statement of Accounts and quarterly progress report of the project. Each executing organization / individuals / agency shall furnish completion report on the expiry of the duration of the project.
- b). The organization / agency / individuals must sign an undertaking (as per **Annex-I**) and agreement (as per **Annex-II**) before release of approved grant.
- c). Audit, monitoring and evaluation report.
- d). No substitution of approved project / change of site / change of executing agency shall be allowed.
- e). In case of preservation, conservation and protection of site photographs before and after the work shall be furnished by the executing agency.
- f). Proper inventory record shall be maintained in case of project constituting of archeological excavation.
- g). Grant must not be utilized for the purpose other than as originally approved.
- h). Each executing agency shall abide by the decisions of the Board of NFCH.

C). Funding Criteria to be strictly adhered

The following criteria to be strictly adhered to for funding the projects from NFCH:

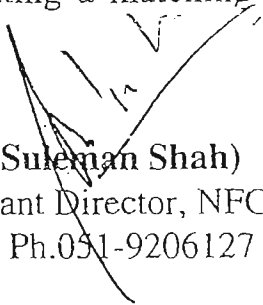
- i). Grants from the National Heritage Fund may be disbursed only from the profit / interest accrued on the principal amount. The principle amount or any part thereof may not be drawn under any circumstances, nor may it or any part thereof be encumbered in any manner such as promissory equity or guarantee.
- ii). The Grant may only be released by strictly following the rules and procedure so laid down.
- iii). The 10% of the amount should be reserved for administration. The rest of the amount (considering it as 100%) should be distributed as under:

a.	Conservation / Exploration / Excavation	30%
b.	Documentation	20%
c.	Publication	20%
d.	Training, exhibition, acquisition, and cultural activities for promotion of the Fund	20%
e.	Special allocation of grant for cultural programs at the discretion of the Chairman of the BOG.	10%

- 1. Re-appropriation of Funds from one head to another may be recommended by the E/C to the BOG from time to time along with the justification for such a re-appropriation.
- 2. The project shall be such as to provide benefit in the form of educational, cultural, visual display or conservation value for the public at large or for a defined segment of the public consistent with the cultural objectives.
- 3. The organization / body that requires funds must provide assigned guarantee on the use of such funds prior to the payment of monies.

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4. All projects (subject to the verifications of the BOG) will be divided in their gestation period and geared to the meeting of visible goals. Payment should be made in installment to cover the stated phases of the project.
5. A detailed listing of major expenditures should be provided with every cultural project requiring financing.
6. A Grant request must be accompanied by a clearly identified and enumerated list of benefits resulting from the project. The grant application form must contain space for such a list.
7. Grant from the National Fund for Cultural Heritage must not be viewed as a recurring or supplementary budget source for the Department of Archaeology projects or any other government activities.
8. Request for grants should demonstrably prove the project benefits are enduring and not-short term.
9. The Grant Application form should be scrutinized carefully to integrate all the above requirements and subsequently presented for approval in the next BOG meeting.
10. Grants from National Fund for Cultural Heritage should not fund a project in its entirety and should be limited to a maximum of half or 2/3rd of the total estimate. The applicant must satisfy the Executive Committee that the self-funding or multiple funding constituting a matching grant exists.


(Suliman Shah)
Assistant Director, NFCH
Ph.051-9206127

Distribution.

1. All members of Board of Governors,
2. All members of Executive Committee
3. DFA Culture,
4. SO (F&A)
5. SO (A-I)

Registration No.

UNDERTAKING

(This must accompany the application)

I/We hereby agree to abide by the frame work of National Fund for Cultural heritage contained in the terms of this grant and assure that grants provided hereunder will be utilized as approved only and exclusively for the purpose indicated in this application. I/We understand that willful misuse of this grant will render us liable to legal penalties as provided under law:-

Name of the Applicant : _____

Address : _____

Recommending Authority : _____
Signature & ID No. _____

Head of Project : _____
Signature & ID No. _____



**AGREEMENT FOR THE DOCUMENTATION, PRESERVATION,
CONSERVATION, RESTORATION EXPLORATION / EXCAVATION
AND PUBLICATION / PROMOTION, Etc.**

(This will be required before releasing grant)

Name of the project : _____

Duration of the project : _____

Place of the project : _____

THIS AGREEMENT is made at the office of National Fund for Cultural heritage on this _____ day of _____ 20 _____ BETWEEN National Fund for Cultural Heritage (NFCri), a Fund established for the conservation preservation publication and promotion of the National Heritage of Pakistan with its Head Office situated at ~~Green Towers~~ ^{Blue Area} Islamabad, hereafter referred to as "grantor / contributor / benefactor" on the ONE PART;

AND

M/s. _____ a registered Foundation/Agency, carrying on its professional / contractual work under the name of _____ and consisting of _____ members namely;

1. _____
2. _____
3. _____

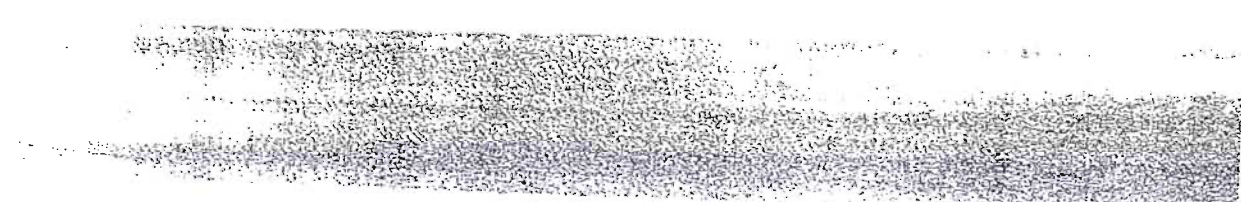
with its place of work at _____ hereafter referred to as "grantee / beneficiary" on the OTHER PART;

OR

A representative Mr. Ms. Mrs. Dr. M/s. _____ of the Provincial / Central Department of Archaeology and Museums / University

_____ carrying on the project in the name of the institution in which he/she/they belong from the address _____

hereafter referred to as "grantee / beneficiary" on the OTHER PART;



WHEREAS: It is agreed by the grantee:-

- That the grant / money shall be given as advance in installments as decided by the authorities of NFCH,
- That the money received by him / them shall be exclusively spent for the project mentioned above;
- That the money shall be spent according to the procedure laid out by the grantee in his / their proposal submitted at the office of NFCH,
- That the project shall be completed within the time limit specified by the grantee,
- That grantee assures NFCH by signing this agreement that the money shall not be used for personal or otherwise irrelevant purpose,
- That the grantee will submit the progress report as well as the report of accounts of the grant spent on the project from time to time to the office of NFCH before or whenever asked by NFCH, and the progress of project shall be checked and inspected by the members of the Technical Committee of NFCH from time to time,
- That the grantee shall acknowledge the grant of NFCH as follows:-
 - a). in case of publication the grantee shall acknowledge that the work was carried out with the financial help of NFCH,
 - b). in case of conservation/restoration of some historic monument a plaque acknowledging the financial help of NFCH shall be fixed at a prominent place for the visitors,
- That if the project is not completed as was proposed or within the time specified, the grantee shall return all the money back to NFCH without any objection,
- That NFCH reserves the right to withhold subsequent installments if any to be released with or without giving any reason / reasons to the grantee.

It is here-by understood and accepted by: Name: _____

Signature of the person / persons to the above agreement : _____

Witnesses:

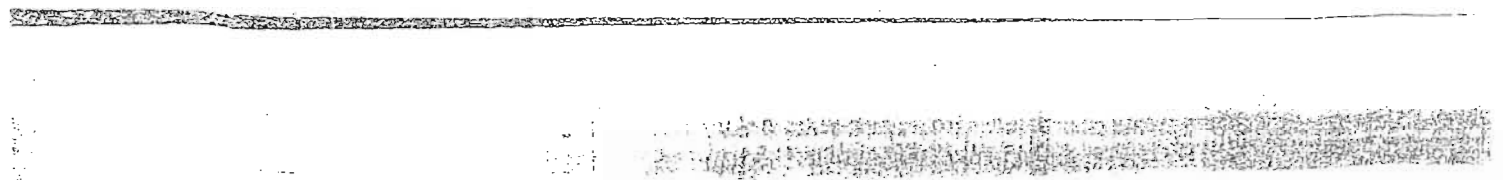
1. Name & Signature _____

ID No. _____

2. Name & Signature _____

ID No. _____

Secretary Executive Committee
National Fund for Cultural Heritage
Islamabad.



No.1-72/NFCH/2005
Government of Pakistan
Ministry of Culture
(National Fund for Cultural Heritage)

11th Floor Green Tower Blue Area
Islamabad, the 22nd January 2007

Amendment No.1

Subject: Financial Rules & Accounting Procedures of National Fund for Cultural Heritage (NFCH)

In exercise of powers conferred under Section -9 of the NFCH Act 1994, the Board of Governors (BOG) NFCH is pleased to make the following amendments in the Financial Rules & Accounting Procedures of NFCH.

i). Refer:- Clause 7.

Procedure / Rules for the Grants made to Agencies / individuals for Cultural Heritage Projects.

The following is inserted in Clause 7:-

E/C Financial Powers:-

"for immediate disposal of projects / proposals submitted for funding from NFCH, the Board authorized the Executive Committee to approve the same upto Rs 2.00 million".

ii). Refer:- Clause 8 (b) (i)

Procedure for Utilization of Fund.

A new sub-clause is inserted next to clause 8(b)(i). Clause 8(b)(i) is partially amended to the extent of the new sub-clause as under:-

"Funding should not be limited to the preservation of antiquities and conservation / restoration of monuments. Projects relating to historical buildings, intangible culture and art may also be funded".



(Suleman Shah)

Assistant Director, NFCH

Ph.051-9212969

Distribution.

1. All members of Board of Governors,
2. All members of Executive Committee
3. DFA Culture,
4. SO (F&A)

PS to Secretary with

AD (NFCH)

DG (C) on 25/1

AS
I/C

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Handwritten notes on the left margin: 25-1, 22/1/07, 22-1/07, 25-01-07, 149.