



FRONTIER EDUCATION FOUNDATION

Established under Act-III of 1992 by the Government of North West Frontier Province

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NOTIFICATION

DATED 19.03.2008

FRONTIER EDUCATION FOUNDATION **RULES FOR FINANCIAL ASSISTANCE TO PRIVATE SECTOR** **EDUCATIONAL INSTITUTIONS, 2008**

Loan Rules

Notification: FEF/17-XVII/BOD. In exercise of the powers conferred by section 17 of the Frontier Education Foundation Act, 1992, the Board of Directors, Frontier Education Foundation is pleased to make the following rules w.e.f 14.03.2008, namely Frontier Education Foundation Rules for Financial Assistance to Private Sector Educational Institutions, 2008.

PART - I GENERAL

1. Short Title and Commencement:

- 1) **Title** These Rules may be called the Frontier Education Foundation, financial assistance to private sector educational institutions rules, 2008.
- 2) **Commencement:** These rules shall come into force at once.
- 3) **Application:** a) The Foundation through its Board of Directors reserves the right to frame, repeal, amend or modify all or any of these rules as it may deem necessary and such amendments shall be binding on all concerned.
b) The Board of Directors may decide any question related to rights and duties of the employees, which are not provided for in the service rules.

1. Definitions:

In these Rules, unless the context otherwise require.

- (a) "Act" means the Frontier Education Foundation Act, 1992.
- (b) "District Education Foundation Advisory Committee" means a Committee Constituted under of the Act, hereinafter referred to as "DEFAC"

- (c) "Loan" means refundable sum of money advanced by the Foundation to any non-government organizations or individuals under these rules.
- (d) "Non-Government Organization" means non-government organization or a Corporate body set up for object relating to social welfare including running of an educational institutions duly registered under the relevant rules, hereinafter referred to as "NGO".

PART- II DISTRICT EDUCATION FOUNDATION
ADVISORY COMMITTEE

3. (1) There shall be constituted in each district a committee to be known as the District Education Foundation Advisory Committee of the District concerned, hereinafter referred to as "DEFAC".

(2) "DEFAC" shall consist of the following:

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| 1. District Coordinator Officer of the District concerned | Chairperson |
| 2. Executive District Officer (Education) of the District concerned | Member/
Secretary |
| 2. Nominee of the Chairman, preferably a prominent educationist | Member |
| 3. A District based representative of Director Education Colleges, NWFP | Member |
| 4. A representative of the private education sector to be nominated by District Nazim | Member |
| 5. District Revenue Officer (concerned) | Member |
| 6. EDO Works and Services (concerned) | Member |
| 7. Representative of Foundation | Member |

(3) Functions of the District Education Foundation Advisory Committee shall be as under:

- i. To inspect and monitor the project for ascertaining proper utilization of funds and submit a report in respect thereof to the FEF recommending release or withholding of financial assistance.
- ii. To verify any complaint made by the Managing Director regarding misuse of funds or default on part of the loanee.
- iii. On receipt of application DEFAC shall cause to inspect the location of the proposed institution in order to ensure viability of the proposed project and its genuineness and credibility including implementation capacity of the applicant and forward a report, recommending the

proposal or otherwise, to the Managing Director, who shall place the same before the Board.

- (4) The Chairman of DEFAC shall be designated as “District Education Foundation Officer” hereinafter referred to as “DEFO”

**PART- III CONDITIONS FOR PROVISIONS OF LOAN
AND LEASE OF LAND**

- (1) The Foundation may provide assistance in the shape of loan for the purpose of encouraging individuals and non-government organizations for establishing and operation of Educational Institutions on an agreed pattern basis in the province.
- (2) The assistance shall be provided to individuals and NGOs for all or any of the purposes mentioned in section 13 of the Act.
- (1) In order to qualify for assistance, educational Institutions being run by individual or NGOs shall have to be registered under the North West Frontier Province (Registration of private educational institutions) rules, and shall abide by the provisions of any law for the time being in force, these rules and the instructions by the Board from time to time.
- (2) The Institutions shall be recognized by or affiliated or registered with the Directorate of Education having jurisdiction to the institution, or Board of Intermediate and Secondary Education, Board of Technical Education or the University, as the case may be.
- (3) The individuals or the NGOs shall provide bank guarantee or shall mortgage adequate property in favour of the Foundation under the relevant procedure.
- (4) The applicant shall have to submit a project proposal on the prescribed application form alongwith a rough cost estimate of the construction component duly authenticated by a technical expert.
- (5) The individuals or the NGOs shall maintain accounts of income in respect of their institutions and while applying for loan and shall submit proof of the income and expenditure duly audited by chartered Accountant.
- (6) (i) The Foundation may ordinarily sanction loan for different categories of institutions not exceeding Rs 10 Million.

(ii) The foundation may relax in special cases the maximum ceiling as specified above for areas where the cost of land/ construction/ services may be high e.g. in the urban areas etc.

- (7) The premises of the institution shall be hygienic, and consist of well ventilated suitable class-rooms laboratories, workshops (if required for the instructional program) and shall have suitable accommodation for students, office, etc.
- (8) The institution shall have adequate and suitable furniture and equipments.
- (9) The staff engaged in the institution shall be properly qualified as per standard laid down by Government.
- (10) The administration, discipline and academic tone of the institution are satisfactory; the instruction imparted is upto the standard as judged from the methods of teaching and results and is also in accordance with the prescribed curricula.
- (11) The institution shall provide reasonable facilities for extra curricular and recreational activities to the students.
- (12) Plot or land shall ordinarily be 12 Kanals for setting up the educational institution, however in congested urban area where land is not available minimum three kanals is required for establishment of educational institutions.
- (13) The fees and funds levied and concessions allowed are reasonable.
- (14) The institutions shall keep the following record and register:-
 - a. Admission and Withdrawal Register.
 - b. Attendance Register for Students and Teachers.
 - c. Cash Book.
 - d. Acquittance Role.
 - e. Log Book
 - f. Stock Register
 - g. Examination Register
 - h. Statistical Register
 - i. Correspondence Register
 - j. Personal Files of Staff
 - k. Annual Schools Census Report

6. (1) Loan shall be allowed to individuals and NGOs to meet partially the Expenditures incurred on:

- a) Construction or extension of building.
 - b) Purchase of Land for setting up the educational institution.
 - c) Purchase of equipment, machinery, furniture, books, laboratory materials and other educational materials.
 - d) Any other project assigned or taken up by an individual and NGO for the fulfillment of any of the functions of the Foundation as enumerated in sub-clauses (e) to (g) of Section 13 of the Act.
- (2) Loan may also be advanced in kind for all or any of the purposes mentioned in sub rule (1).
 - (3) The Foundation after satisfying itself will sanction loan on the recommendation of DEFAC.
7. (1) The loan for the construction of building will be released in three equal Installments as under:-
- (a) 1st installment On completion of plinth level.
 - (b) 2nd installment On completion of building upto roof level
 - (c) 3rd installment On completion of the roof.
- (2) Loan for other specified purposes may be released in lump sum.
8. The loan shall be utilized for the purpose for which it is sanctioned and, in case, any individual or N.G.O is found utilizing the amount of loan for a purpose other than the purpose for which it was sanctioned, the unspent amount of loan shall be withdrawn, further advances shall be stopped and the amount of loan already utilized shall be recovered in the manner provided for in the agreement, if any, executed under section 14.1 or as arrears of land revenue section 14.3 of the Act, as the case may be.

PART-IV PROCEDURE FOR APPLICATION FOR AWARD OF LOAN

9. An application for the sanction of loan shall be made to the Managing Director through the DEFAC in the prescribed form.
10. No application under sub-rule (1) shall be entertained unless it is supported by the documents required within the meanings of sub rules (1) to (4) or rule 5 and the following documents:-
- (a) Proof of ownership or lease of land (if available).
 - (b) Class-wise enrollment of the institutions.

- (c) Rates of fee charged
 - (d) Details of staff with their qualifications and emoluments.
 - (e) List of management committee or managers(s) or list of trustees.
 - (f) Details of the existing or proposed facilities of the institution like building, furniture, equipment, library, etc.
 - (g) Statement of accounts of the institution, duly audited, as the Foundation may require.
 - (h) Any other document/information required by the Foundation.
- 11.** (1) On receipt of application under rule 10, the DEFO shall cause to inspect the institution or location of the proposed institution, as the case may be, in order to ensure the viability including the implementation capability of the applicant and forward his report, recommending the proposal or otherwise to Managing Director.
- (2) The Managing Director shall consider the recommendations of the DEFO and pass such orders as it deem appropriate.
- (3) Formal orders of sanction of loan, shall be issued by the Managing Director and he/she shall issue a cross cheque in the name of the individual or the NGO, as the case may be.
- 12.** In case of loan for construction of building, the disbursement of subsequent installments under rule 8 will be made after a certificate is issued by the DEFO and verified by the Foundation to the effect that the borrower has.
- (a) Not deviated from the purpose for which the loan was sanctioned and is eligible for release of installment as envisaged by rule 8(1);
 - (b) Carried out the project according to the plan; and
 - (c) Not transferred the assets to any person, or cause damage or made allocation in the property, land or assets belonging to the institution.
- 13.** The DEFAC for the purpose of rule 9 shall have the power to inspect and monitor the project to ascertain proper utilization of the funds and may submit a report in respect thereof to MD FEF for recommending release or with holding of financial assistance.

PART-V SANCTION AND RE-PAYMENT OF LOAN

14. Loans advanced under these rules will be subject to mark up at the same rate at which loans and grants are made available to the Foundation or as the Advisory Committee and BOD may decide
15. While sanctioning loan the Foundation may prescribe or attach such conditions in writing as it may deem necessary or expedient to protect and safeguard its interests for recovery of the loan.
16. The borrower shall repay the loan within seven years commencing from the date of disbursement of last installment of the loan on the basis of half-yearly equal installment or as agreed between the borrower and the Foundation.
17. The borrower shall execute an agreement with the Foundation in the form of mortgage of his immovable property or other assets or surety.
18. The borrower after the sanction of the loan shall not make amendment or alteration in the plan or estimates without the approval of the Foundation
19. The borrower shall not, without the approval of the Foundation transfer or sell the land, property or assets, against which the loan has been advanced or sanctioned.
20. Besides cash, financial assistance may be granted or sanctioned in the shape of equipment, apparatus, machinery and building.
21. In case the misuse of the funds by an individual or a NGO comes to the notice of the foundation the Managing Director FEF will issue show cause notice to the defaulter and get the compliant verified by the DEFO. The DEFO shall forward its findings to the Managing Director within fifteen days. The Managing Director will, after affording an opportunity of being heard to the representative of the individual or the NGO submit his/her findings to the Board. The Board makes take any action it deems proper in the light of the findings of the Managing Director including black listing of the concerned individual or NGO with the social welfare Department
22. **Required Documents for Loan:** The following documents of the property to be mortgage are usually required or as required by the foundation.
 1. Non Encumbrance Certificate
 2. Verification of Fard of the property to be mortgaged
 3. Naqal Intiql of the Property to be mortgaged
 4. Registry of the property to be mortgaged
 5. Aks Shajra Kist- war

6. Naqsha –e- Tasweeri
7. Valuation Certificate by the revenue Office
8. Aust Yak Sala or valuation Notification by the district Revenue Office.

(Ali Begum)
Managing Director
Frontier Education Foundation /
Secretary Board of Directors