



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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January 14, 2016

To Chairman/MD & CEO
Scheduled Commercial Banks
(Including RRBs)

Dear Sir/Madam,

Financial Literacy Centres (FLCs) – Revised Guidelines

Please refer to our circulars RPCD.FLC.No.12452/12.01.018/2011-12 dated June 6, 2012 and RPCD.FLC.No.7641/12.01.018/ 2012-13 dated January 31, 2013 issuing operational guidelines for conduct of financial literacy camps by FLCs and rural branches of banks.

Subsequent to the financial inclusion efforts by RBI and opening of accounts by banks through the PMJDY, considerable ground has been covered in the field of financial inclusion. Going forward, the focus is going to be on keeping the already opened accounts active. Financial literacy is central to this in the coming years as it enables consumers to understand the benefits of formal products and providers and to make choices that fit their needs and represent good value for money.

FLCs and rural branches of banks may adopt a tailored approach for different target groups viz. farmers, micro and small entrepreneurs, school children, SHGs, senior citizens etc. There should also be adequate synchronization at the ground level between the different stakeholders viz. LDM, DDM of NABARD, LDO of RBI, District and Local administration, Block level officials, NGOs, SHGs, BCs, Farmers' clubs, panchayats, PACS, village level functionaries etc. during the conduct of financial literacy camps.

In view of the above, the guidelines have been revised to align with the current financial landscape. Accordingly, the revised guidelines for Financial Literacy Centres of Lead Banks and the operational guidelines for the conduct of camps by FLCs and rural branches of banks have been prepared and are **annexed** (Annex I) herewith along with the reporting mechanism to be followed by SLBC Convener banks/lead banks.

वित्तीय समावेशन और विकास विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, पो.बॉ.सं. 10014, मुंबई 400 001
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हिंदी आसान है, इसका पयोग बढ़ाइए

चेतावनी: रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



Banks may note that this set of revised guidelines supersede RPCD.FLC.No.12452/12.01.018/2011-12 dated June 6, 2012 on Financial Literacy Centres - Guidelines. The financial literacy guide issued vide circular RPCD.FLC.No.7641/12.01.018/2012-13 dated January 31, 2013 may be utilized by trainers as per requirements **barring pages iii, iv and v** that specify the operational guidelines for conduct of camps.

The financial literacy camps will be assessed/evaluated on an ongoing basis by the Lead District Officers (LDOs) of Reserve Bank of India.

Yours faithfully,

Sd/-

(A Udgata)

Principal Chief General Manager

Revised Guidelines for FLCs of banks and Operational Guidelines for conduct of camps

I. Stronger FLC Architecture – Board Approved Policies

Financial Literacy Centres are the building blocks or the basic units that initiate the financial literacy activities at the ground level. Hence banks should provide the minimum basic infrastructure and strengthen the existing FLC Eco-system.

1. The Financial Literacy Counsellor/Director heading the Financial Literacy Centre is the key stakeholder in driving the financial literacy initiatives at the ground level. Banks should immediately put in place board approved policies on the modalities for engagement/recruitment of Financial Literacy Counsellors in FLCs. Some points to keep in mind are:
 - a) The qualifications and the knowledge/skills of the FL Counsellor in conducting camps
 - b) Prior Experience in banking/related fields
 - c) Working knowledge of computers
 - d) Knowledge of the local language
 - e) Maximum Age for FL Counsellors
 - f) Fixed Remuneration at market rates with incentives for better performance
2. Physical Infrastructure: The FLC being a part of the lead bank office or a rural branch should have a separate room/space with a seating capacity of minimum 10 members to address walk in customers.
3. Basic amenities like Computers/laptops and printers and furniture and fixtures to be provided.
4. Vehicular support may be provided for FL counsellors.
5. Each FLC should have a dedicated Help line for addressing grievances of the public in the district and the helpline should be adequately publicized.
6. Skill building of FL Counsellors: RBI will organize a workshop/training program in collaboration with CAB, Pune to train the Financial Literacy Counsellors this year. Regional offices of RBI will hold workshops at state level every year as part of the Financial Literacy Week in each state.

Each SLBC Convenor bank should update the database on Financial Literacy Centres through their SLBC/UTLBC Website on a real time basis with inputs from the LDMs/Sponsor banks (**Format as per Annex II**).

II. Tailored Approach to Financial Literacy and conduct of camps

In a diverse country like ours, financial education should be customized to meet the requirements of different target groups, besides the basic financial literacy that every person is expected to know.

In this regard, FLCs and rural branches should identify different target groups at the ground level and conduct camps for a homogenous audience so that there could be more focus and in depth transmission of financial education.

Going forward, the approach of FLCs and rural branches of banks on conduct of camps will be as follows:

1. Special camps for the newly included people in the financial system, including PMJDY account holders:



FLCs and rural branches of banks across the country should address this target group on a special footing given that they have recently come into the financial system. They should be encouraged to make meaningful transactions and start using the associated benefits of having a bank account. A sample booklet containing the information to this target group has been prepared and is enclosed herewith. Banks may translate the booklet in the local language and provide to the camp participants.

Target: Minimum of one outdoor camp per month by each FLC and rural branch of banks. The special camps need to be conducted for a period of one year. In each camp, efforts may be taken to cover maximum number of participants.

2. Target group specific camps for the following segments:
 - Farmers
 - SHGs
 - Micro and Small Entrepreneurs
 - Senior citizens
 - School children
 - Others (may be identified by the FLCs)

Target: One camp per month for each target group by each FLC and rural branch of banks. Adequate publicity may be given before the conduct of the camps.

III. Concerted Approach & financial support

FLCs should try to get on board as many stakeholders as possible at the district/panchayat/village level viz. LDM, DDM of NABARD, LDO of RBI, District and Local administration, Block level officials, NGOs, SHGs, BCs, Farmers' clubs, panchayats, PACS, village level functionaries etc. during the conduct of the camps. Adequate publicity should be given before the camps are conducted. Distribution of pamphlets, intimation through panchayat and local administration, media publicity etc. should be considered to make the camps a success.

Currently, NABARD is in the process of preparing a comprehensive policy on funding for setting up of FLCs by all banks. With regard to detail on funding on financial literacy activities from the Financial Inclusion Fund, banks may follow guidelines issued by NABARD.

Reporting Mechanism

SLBC/UTLBCs will submit the enclosed excel sheet (Annex III- Part A, B and C) on a quarterly basis to the respective Regional offices of RBI within 20 days from the end of the quarter.

Apart from what has been indicated in this circular, FLCs are free to undertake financial literacy activities as deemed necessary, as per local needs.



Revised Guidelines for selection of FLC Counsellors

Affix
passport
size photo

Financial Literacy Centre

Bio-Data-for Financial Counsellor

Name	
Father/Husband	
Native Place	
Native State	
Permanent address	Present address
Contact Numbers	
Emailid	
Languages known	
Qualification	
Category	Gen BC MBC SC/ST Minority
Religion	
Date of birth	
Age	
Gender	
Marital status	
Earlier Employment : Previous employer	
Joined on	
Joined as	
Retired/VRS on	
Any other relevant information/experience in teaching etc	

Career path:

Place of work	Designation	From	To

Two references with address and phone number:

- 1.
- 2.

Signature and Date



Revised Guidelines for selection of FLC Counsellors

Functioning of FLC:

- ❖ Financial Literacy and Credit Counseling Centres are to be funded by Trust set by bank or funded by the banks themselves
- ❖ Separate premises easily approachable to the public may be hired preferably in local panchayat or administrative offices.
- ❖ As far as possible FLC to be kept as a separate entity and should maintain arms-length from Bank and should not be perceived as a recovery or marketing agent of the Bank.
- ❖ Wide publicity to be given to the concept of credit counselling and free availability of such services.
- ❖ FLC may be funded fully by Bank , However , as suggested by RBI possibility of cost sharing through Financial Inclusion Fund set up by NABARD may be explored
- ❖ A counsellor who may be a retired or serving bank employee, is to be available to assist anyone seeking their help free of cost , and supervising the day to day functions of the FLC
- ❖ Reputed specialists from diverse fields like Banking, Law, Management, Social mobilization, Gender and Agriculture may be involved in the counseling services
- ❖ Counsellors to assist peoples on a face to face basis as well those who approach them over telephone, email, or by means of letters without restricting themselves to their own Bank's customers.
- ❖ Where ever possible training and awareness camps may be organized to educate people of the need to save
- ❖ Working time 5 days a week between 10.00 AM to 4.00 PM
- ❖ **Financial Literacy Centers (FLCs) to conduct camps as below**
 - ✓ Minimum of one outdoor camp per month by each FLC and rural branch of banks.
 - ✓ Minimum of One camp per month for each target group (Farmers, SHG, Pensioners, School Children, Micro & small Enterprises) by each FLC and rural branch of banks.



Revised Guidelines for selection of FLC Counsellors

S no	Existing guidelines	Revised Guidelines												
1	Engaging Counsellor													
a	<p><u>Eligibility/Qualification:</u> Retired employee of Financial Institution, RBI, NABARD, SIDBI, and Commercial Banks.</p> <p><u>Experience:</u> Five years as Officer in Bank/Service as Officer/Branch Manager/Knowledge in Rural Banking/Latest Govt. schemes</p> <p><u>Preference :</u> The preference will be given to Middle Management Grade Banker</p>	<p>Retired employee of Financial Institution, RBI, NABARD, SIDBI, and Commercial Banks,</p> <p>Served for Five years as Officer in Bank/ Financial Institution. Should have Knowledge in Rural Banking/Latest Govt. schemes</p> <p>The preference will be given to Middle Management Grade Banker</p>												
b	<p>Age:</p> <p>Entry Age-60 Years Exit Age -67 years</p>	<p>No entry age</p> <p>Exit age up to 68 years</p>												
2.	<p>Remuneration</p> <p>For Metro area –Rs.20,000/- Other places –Rs.15,000 /-</p>	<p>For Metro area –Rs.20,000/- Other places –Rs.15,000 /-</p> <p>TA/News paper /Call Charges can be claimed by FLC Counsellors on declaration Basis</p> <p>Details of allowances to be paid for conducting FLC camps as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>S no</th> <th>No of Camps to be Conducted per Month</th> <th>Amount per Month</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0-4 camps</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>5-9</td> <td>2000/-</td> </tr> <tr> <td>3</td> <td>10 and Above</td> <td>4000/-</td> </tr> </tbody> </table> <p>No pro-rata basis allowances are allowed. The FLC Counsellor should claim it from respective Zonal Office, Zonal Office to</p>	S no	No of Camps to be Conducted per Month	Amount per Month	1	0-4 camps	Nil	2	5-9	2000/-	3	10 and Above	4000/-
S no	No of Camps to be Conducted per Month	Amount per Month												
1	0-4 camps	Nil												
2	5-9	2000/-												
3	10 and Above	4000/-												



Revised Guidelines for selection of FLC Counsellors

		get reimbursement from the Trust on monthly basis. Statutory TDS will be deducted as applicable by the paying authority
3	<p>Engagement period:</p> <p>Contract period 3 years extendable by another 2 years depending up on the Performance of counsellor and based on the recommendation of the Zonal Manager concerned</p> <p>Subject to Annual review once in a yea</p>	Appointment will be on contract basis for a period 2 years extendable by another 3 years subject to maximum of 68 years with annual review by respective Zonal Managers subject to satisfactory performance.
4	<p>Selection Process:</p> <p>Based on Zonal Office recommended applications, Executive President with two Trustees of IBTRD is empowered for selection and engagement of the counsellor on contract basis and final recommendations to be placed to Chairman of IBTRD</p>	Existing procedure may be followed
5	<p>Annual Reviewing Authority /Renewal of Contract :</p> <p>IBTRD Trust</p>	Zonal Manager may review annually the performance and renew the contract period for further one year and place a note to Trust.
6	<p>Discontinuation/ Termination of Services:</p> <p>A notice period of 60days or in lieu 60days (2 months) honorarium is suggested for disengagement. The decision will be final on all matters of engagement/Disengagement</p>	A notice period of 60 days is suggested for disengagement. The decision of Executive President will be final on all matters of engagement/Disengagement