

**20.16 The Tamil Nadu Village Panchayats, (Receipts and Expenditure and Maintenance of the Accounts of Village Panchayats) Rules, 2000****(G.O. (Ms) No. 43, Rural Development (C-4), Department, Dated 21<sup>st</sup> February, 2000)**

In exercise of the powers conferred by section 90 and sub-section (1) of section 191 read with sub-section (1) of section 242 of the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994), and in supersession of the rules relating to Receipts and Expenditure, the Governor of Tamil Nadu hereby makes the following rules:-

**RULES**

1. **Short title** - These rules may be called the Tamil Nadu Village Panchayats (Receipts and Expenditure and Maintenance of the accounts of Village Panchayats) Rules, 2000.

**PART I - RECEIPTS.**

2. **Definitions** - In these rules, unless the context otherwise requires,-

(a) **"Act"** means the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994);

(b) **"Form"** means the Form appended to these rules.

3. **Maintenance of accounts and registers** - Every Village Panchayat shall have as many accounts and maintain separate cash books and other registers for each one of the accounts as the Government may direct from time to time in the specified forms.

4. **Collection and remittance of taxes** - (1) The house tax levied under sections 171 and 172 of the Act or the profession tax levied under section 198-A of the Act or the tax on agricultural land levied under sub-section (3) of section 171 of the Act or any other tax which may be levied in future shall be collected from the assesseees by granting a printed receipt, using double side carbon, in the form prescribed by the Government. As and when receipts are granted, the details of collection shall be entered in a collection register maintained for this purpose. The receipt for the collection of taxes shall bear the signature of the Executive Authority in the form of facsimile and shall be signed in ink by the Panchayat Assistant/Part-time clerk of the Village Panchayat.

(2) The amounts collected shall be entered in the tax and miscellaneous items collection register and in the cash book. The amount collected shall be remitted to the credit of the Village Panchayat Fund Account. Whenever the remittances are made and credited to the fund accounts of Village Panchayat, the details of the remittance shall be entered on the debit side of the cash book on the date of remittance.

(3) No part of receipt received in cash shall be directly appropriated for any expenditure.

5. **Fees for licence and permission** - (1) The fee payable in respect of every licence or permission granted under the Act or any rule or regulations made thereunder, shall be collected in advance when the application for the licence or permission is presented.

(2) The particulars relating to the collection of fee and the grant of such licence or permission shall be entered consecutively in the register of licences and permissions which shall be maintained in such form as may be laid down by the Government from time to time.

6. **Income from endowments and trusts** - (1) The Executive Authority of the Village Panchayats shall maintain or cause to be maintained in the office of the Village Panchayat, an up-to-date-record of every endowment or trust managed by it. Such record shall show -

(a) the authority under which the management of the endowment or trust was vested in the Village Panchayat;

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(b) the assets and sources of income of the endowment or trust; and

(c) the expenditure chargeable to the endowment or trust.

(2) The Executive Authority of the Village Panchayat shall, in addition to the record in sub-rule (1), maintain or cause to be maintained in the office of the Village Panchayat, a register of endowments and trusts showing in separate pages, the yearly transactions relating to each endowment or trust.

7. **Contributions** - The receipt of contributions payable to a Village Panchayat from the Government, other Panchayats, Municipal Councils, other local authorities and private persons shall be watched through the miscellaneous demand collection and balance register.

8. **Sale proceeds of tools and plants, sweepings, old stores materials** - The orders of the Village Panchayat shall be taken for the disposal of old and unserviceable tools and plants, stores and materials, sweepings, wind fallen and withered trees, and usufruct of avenue trees over which the Village Panchayat has control or ownership and they shall be sold in public auction unless otherwise ordered by the Village Panchayat, for specific reasons to be recorded. The sales shall be subject to confirmation by the Village Panchayat. The receipts from all such sales shall be shown in the register of taxes and miscellaneous items collection register.

9. **Fees from markets, cart-stands, landing or halting places, slaughter houses, fisheries and ferries** - (1) The Village Panchayat shall collect fees in respect of the use of any market, cart-stand, landing or halting place, slaughter house, fishery or ferry through lease by public auction as per the rules prescribed by Government. Collection of amounts due shall be watched through the miscellaneous demand register.

10. **Collection of fees by Village Panchayat** - (1) Where any market, cart-stand, landing or halting place, slaughter-house, fishery or ferry is managed directly by Village Panchayat, all fees levied in respect of the use thereof, shall be collected by means of tickets printed and supplied by the Executive Authority.

(2) The tickets shall be printed in foil and counterfoil in different colours for different rates of fees, the rates being printed in each case. Each kind of ticket shall be bound in books of 100 each and shall bear consecutive machine numbers. Before issue to the collecting officers, they shall be stamped with the common seal of the Village Panchayat in the presence of the Executive Authority or any person authorised by him in this behalf.

(3) A register in two parts shall be maintained in the office of the Village Panchayat in respect of these tickets.

(a) The first part shall be a stock register, the entries for receipts being attested by the Executive Authority or an officer authorised by him and the entries for issue being attested by the collecting officer concerned.

(b) The second part shall be a personal ledger account for each officer entrusted with the collection of revenue by means of these tickets. It shall be debited with the number and value of each kind of ticket issued to each collecting officer and shall be credited with the amount of the collections paid by him into the office of the Village Panchayat. Remittances shall be made by the collecting officer every day and shall be accompanied by the details of the number and value of each kind of ticket issued by him.

4. Where any ticket book has been completely used, the counterfoil shall be sent to the office of the Village Panchayat for check with actual credits.

5. The collecting officer shall also keep an account of the tickets entrusted to him and the collection made by him. The daily collections by each kind of ticket shall be entered in such account and the balances struck at the end of every day. The account and the stock of tickets shall be verified at regular intervals by the Executive Authority or any officer authorised by him who shall certify such verification.

**11. Income from buildings, lands and other immovable property** - (1) If any building belonging to Village Panchayat is rented out, then prompt recovery of the rent of such building shall be watched through the miscellaneous demand collection and balance register.

(2) A register in such form as may be laid down by the Government, from time to time, shall be maintained in every traveller's bungalow, rest-house or chatram under the control of the Village Panchayat and the person occupying such traveller's bungalow, rest-house or chatram shall be required to fill the particulars specified in the register. Fees shall be charged for such occupation as prescribed by the Village Panchayat.

**12. Advance collection for services to be rendered** - Save as otherwise provided in the Act, no work for any private individual or body shall be undertaken by a Village Panchayat unless the estimated cost and service charges thereof has been paid in advance.

**13. Tax and miscellaneous item collection register** - All transactions relating to miscellaneous dues for which miscellaneous receipts are issued shall be recorded in the tax and miscellaneous item collection register.

**14. Utilisation of moneys** - No moneys received on behalf of the Village Panchayat shall be utilised for its expenditure without first being brought into the concerned account. No part of any receipt received in cash shall be directly appropriated for expenditure.

**15. Refunds of revenue** - (1) No item of revenue received by a Village Panchayat shall be refunded without the sanction of the Village Panchayat. The sanction accorded by the Village Panchayat shall lapse after one year from the date of grant thereof and thereafter a fresh sanction shall be necessary.

(2) Bills for refunds of revenue shall be drawn in **V.P. Form 34** (Appendix - XIII). As soon as a refund is made, a note of the grant thereof shall be made against the original credit entry in the relevant accounts.

**16. Sale of usufruct of trees, wind fallen trees, etc** - (1) All sales of -

- (a) the produce or usufruct of trees;
- (b) wind fallen and withered trees;
- (c) sweepings;
- (d) tools and plants; and
- (e) old stores and materials;

belonging to Village Panchayats shall be effected by public auction by the Executive Authority of the Village Panchayat as per the procedure laid down by the Government.

(2) The sale proceeds realised by the Executive Authority of the Village Panchayat shall be remitted immediately in the Village Panchayat Fund.

**17. Security for collection of fees** - security adequate in the opinion of the Executive Authority shall in all cases be taken for the due fulfilment of the terms of a lease of the produce or usufruct of trees or of the right to collect fees in respect of markets, cart stands, landing places, halting places, slaughter-houses, fisheries or of any other similar right. The security so taken shall not be repaid to the lessee unless and until he has satisfactorily complied with all the terms of the lease. But the amount of security may be adjusted towards the last instalment due under the lease.

Rules 18, 19, 20 omitted.

**21. Seigniorage Fees** - (1) The Village Panchayat shall receive a sum equivalent to the seigniorage fees collected by the Government every year from persons permitted to quarry minor minerals in the panchayat village.

(2) The District Collector shall adjust the seigniorage fees to the Village Panchayat Fund once a year.

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**22. Devolution grant by the State Government** – (1) Each Village Panchayat shall receive a devolution grant based on the recommendation of the State Finance Commission based on the norms fixed by the Government from time to time. This grant shall be credited to Village Panchayat fund.

(2) The Government may also sanction equilisation and incentive grant to the Village Panchayat based on the norms as may be fixed by the Government from time to time.

**23. Devolution grant by the Government of India** – (1) Each Village Panchayat shall receive a devolution grant based on the recommendation of the First Finance Commission as per the norms fixed by the Government of India from time to time. The grant and other such amounts shall be credited to Village Panchayat Earmarked Funds.

**24. Receipt of money** – All money received by the Executive Authority or under this authority by an officer or servant of the Village Panchayat including a Government servant, whose services have been placed at the disposal of the Village Panchayat in his capacity as such, shall be brought into account as soon as they are received. All money so received shall be credited into the Village Panchayat office daily.

**25. Payment into Co-operative Bank, Regional Rural Bank, Post Office Savings Bank or Nationalised Bank** – Every payment into a Co-operative Bank, Regional Rural Bank, Post Office Savings Bank or Nationalised Bank shall be accompanied by a chalan, which shall show the amount of the payment made, the nature thereof and the person or office on whose account it is made.

**26. Application of capital receipts to ordinary expenditure** – No Village Panchayat shall apply its capital receipts, such as sale proceeds of land, building or machinery, to ordinary expenditure without the previous sanction of the Inspector.

**27. Supply of collection book** – Every Village Panchayat servant or the Village Administrative Officer entrusted with the collection of revenue due to Village Panchayat shall be supplied with a collection book.

**28. Collection of taxes and other revenues** – Collection of taxes and other Village Panchayat revenues made by Bill Collectors or Village Administrative Officer or his subordinates or any other person shall be remitted into the Village Panchayat office through the taxes and miscellaneous items collection register maintained in the Village Panchayat office.

**29. Issue of receipts** – Receipts in the form laid down by the Government shall be given for all moneys received in the Village Panchayat office from the public except in the case of the receipts acknowledged in the taxes and miscellaneous item collection register. Such receipts shall be signed by the Executive Authority or by official of Village Panchayat authorised by him.

**30. Cash book and subsidiary registers** – The Executive Authority shall maintain or cause to be maintained such accounts and registers in the Village Panchayat office in such form as laid down by the Government.

### PART II – EXPENDITURE

**31. Payments from Village Panchayat** – All payments out of the Village Panchayat fund against bills presented to the Village Panchayat shall be made only after the bills are passed by the Executive Authority or by any person authorised by Government in respect of any particular scheme or fund.

**32. Payments by cheque** – (1) Payments shall be made only by crossed account payee cheques drawn in favour of the parties as per the procedure laid down by the Government from time to time. The Executive Authority may draw amounts in self-cheque only in respect of the following payments:-

- (1) Salaries to the Village Panchayat staff;
- (2) Travelling allowance payable to the Executive Authority, members and staff of the Village Panchayat;

- (3) Petty office contingent expenditure; and
- (4) Advances to the staff for festival.

**33. Drawal of cheques** – Where the Executive Authority or other person of a Village Panchayat who is authorised to draw cheques against the funds of the Village Panchayat hands over charges of the office either temporarily or permanently, he shall send a specimen of the signature of the relieving person together with a certificate in the Form-I to the local official of the bank, or the post master or secretary of the co-operative bank, as the case may be.

**34. Maintenance of cheque books** – Cheque books shall be kept in the personal custody of the drawing authority and when a transfer of charge takes place, a note shall be recorded in the cash book over the signature of both the relieved and the relieving persons showing the number of unused cheques and cheque books made over and received by them respectively.

**35. Procedure for claims against the Village Panchayat Fund** – (1) Every person having any claim against the Village Panchayat Fund shall present a bill in Village Panchayat Office.

- (2) Wherever possible, printed forms shall be used in preparing bills.
- (3) Where a claimant presents a bill in a form different from the form provided for the purpose, a separate bill in the proper form shall be prepared by the officer incurring the expenditure and the claimant's bill shall be attached thereto as a sub-voucher.
- (4) Every bill shall be presented to the Executive Authority of the Village Panchayat who shall enter it in the register of bills and then check and examine the bills as regards its admissibility with reference to sanction or other documents, the propriety of the claim and the arithmetical accuracy. If on such check and examination the bill is found to be correct, the Executive Authority shall pass the bill.
- (5) In respect of any Scheme or Fund, where the bill is to be scrutinised and passed by a person authorised by Government, the Executive Authority shall send such bill to the authorised person, who shall thoroughly scrutinise the bill as aforesaid and if the bill is found to correct and in order, pass and send it back to the Executive Authority within three days for drawing the cheque for the amount passed by the notified person.

**36. Acknowledgements for recurring of money** – (1) Separate acknowledgements (stamped where necessary) shall be taken in the acquittance register from each officer or servant of the Village Panchayat to whom any salary or allowance is paid except where the drawer of the bill is the sole payee and has already furnished a receipt (stamped where necessary), on the bill itself.

(2) Where any officer or servant of a Village Panchayat makes any payment from any sum drawn by him, he shall unless a receipt (stamped where necessary) has been furnished on the bill itself obtain and attach to the bill a separate receipt (stamped where necessary).

**37. Sanction of expenditure** – Where any item of expenditure requires the sanction of any authority higher than the officer or servant drawing the bill, such sanction shall be obtained and the terms thereof shall be quoted on the bill.

**38. Certificate for sanctioning of expenditure** – (1) No item of expenditure shall be sanctioned by a Village Panchayat unless a certificate furnished by the Executive Authority in **Form II**.

If there is no budget provision under the head concerned and the Executive Authority of the Village Panchayat decides to find the amount by re-appropriation from another head, the words '**by re-appropriation**' shall be added after the word "**met**".

The certificate shall be entered in the agenda, circulated before the meeting and if accepted by the Village Panchayat need not be written again as part of the resolution in the minutes book. If, however, the Village Panchayat makes any alteration either in the amount of expenditure or in the head from which the expenditure is to be met, the certificate shall form part of the resolution of the Village Panchayat and be entered as such in the minutes book.

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(2) A sanction for any fresh charge which has not been acted on for a year shall be held to have lapse unless it is specifically renewed:

Provided that this sub-rule shall not apply to a expenditure on works which shall be governed by the provisions laid down in sub-rule (3).

(3) (a) The sanction to an ordinary annual maintenance estimate shall lapse on the last day of the financial year to which it relates. If, however, inconvenience would arise in any exceptional case from stoppage of the work on that date, the repairs may be carried on to completion, the expenditure incurred after that date being treated as expenditure against a fresh repair estimate for the next financial year.

(b) Estimate for special repairs shall remain current till the completion of the repairs in the same manner as estimates for original works.

(c) The approval of sanction to an estimate for any public work other than annual maintenance shall, unless such work has been commenced, cease to operate after a period of three years from the date from which it was accorded.

**39. Limitation of claims** - No claim made against a Village Panchayat other than one relating to any officer or servant of the Village Panchayat which will be governed by rules separately framed in that behalf, shall be laid-

(1) where the bill is presented more than six months but not more than one year from the date on which the claim became due without the order of the Executive Authority; and

(2) where such bill is presented more than one year from the date on which the claim became due without the order of the Village Panchayat.

**40. Over payment** - The responsibility for the over payment shall rest primarily with the drawer of a bill who shall be required to make good the over payment and in cases where the bill is passed by a person notified by Government in respect of any scheme of fund, the over payment shall be recovered from such notified person.

**41. Defalcation or loss of moneys or stamps** - (1) Any defalcation or loss of moneys or stamps belonging to a Village Panchayat shall be reported immediately after discovery by the president or any one of the inspecting officer to the Inspector and Auditor appointed under section 193 of the Act. A further and complete report shall also be submitted to such Auditor as soon as may be after the matter has been fully enquired into, by such inspecting officer setting forth the nature and the extent of the defalcation or loss. The errors or neglect of rules by which such defalcation or loss was rendered possible, and the prospects of effecting a recovery.

(2) Loss by theft or otherwise of any property belonging to a Village Panchayat shall also be reported by the president or inspecting officer to the Auditor, if the purchase value of the property exceeds rupees one thousand.

(3) The submission of the reports prescribed by sub-rules (1) and (2) shall not be deemed to debar the Village Panchayat or the Executive Authority from taking such further action as may be considered necessary.

**42. Loss of property due to other causes** - (1) Any loss caused to any immovable property belonging to Village Panchayats due to calamity, such as, fire or flood or cyclone other than wear and tear shall be reported to the Inspector and Auditor appointed under section 193 of the Act in **Form III.**

(2) In case of loss by way of damage to any portion of any immovable property belonging to Village Panchayats, it shall not be necessary to write off the value of the damaged portion, if the damaged portion is replaced or reconstructed within a period of two years from the date of such damage.

(3) For the purpose of write off, the value of the temporary structures damaged or destroyed which have served the period intended for and which are therefore not proposed to be replaced or

reconstructed the value of such structures shall be assessed by the Block Engineer/Assistant Engineer (Rural Development) as on the date of damage or destruction.

**43. Establishment bills** - (1) Pay bills shall be prepared in such form as may be laid down by the Government from time to time. The monthly pay bill of the establishments shall be supported either by an absentee statement in such form as may be laid down by the Government from time to time or by a certificate in the bill that no leave has been granted to any member of the establishment.

**44. Increment Certificate Form** - To the first pay bill in which a periodical increment is drawn, an increment certificate in such form as may be laid down by the Government from time to time shall be attached.

**45. Drawal of Pay of Officers** - The Pay of an Officer or servant lent by the Government to a Village Panchayat or transferred to it from any other local body shall be drawn only after the receipt of the last pay certificate which shall be in such form as may be laid down by the Government, from time to time, granted by the head of his former office. Such certificate shall be attached to the first pay bill drawn after such loan or transfer.

**46. Payment due to a deceased officer or servant** - (1) Pay, leave salary and allowances may be drawn for the day of death of an officer or servant of the Village Panchayat. The hour at which death takes place does not affect the claim.

(2) Payment due to a deceased officer or servant of a Village Panchayat shall not be made except on the production of an authority of the nature specified in clauses (i), (ii), (iii), (iv) or (v) of sub-section (1) of section 214 of the Indian Succession Act, 1925 (Central Act XXXIX) of 1925)

Provided that payment may be made without the production of such authority -

(i) to the extent of Rs.250 under the orders of the Village Panchayat, if it is satisfied after such enquiry as it may consider sufficient, about the right and title of the claimant; and

(ii) above Rs.250 under the orders of the Inspector on the execution of an indemnity bond with such security or securities as he may require if he is satisfied, after such enquiry as he may consider sufficient, about the right and title of the claimant and considers that undue delay and hardship would be caused by insisting on the production of such authority.

**47. Drawal of arrears of pay** - Arrear pay shall be drawn not in the monthly bill but in a separate bill which shall quote the bill from which the charge was omitted or withheld or on which it was refunded by deduction.

**48. Authority to sign and pass pay bills** - Pay bills shall be signed and passed by the Executive Authority.

**49. Date of payment of salaries and allowances** - Payment of salaries and fixed allowances shall be made on the last working day of the month to which the payment relates:

Provided that in the event of an officer or servant finally quitting the service of the Village Panchayat or being transferred to the service of another local body or the Government, payment may be made on the date of such event.

**50. Responsibility of the drawer of a bill** - The drawer of a bill for salary and allowances shall be personally responsible for the amount so drawn until it has been disbursed to the proper person or persons concerned and their acquittances have been obtained. If the payee does not present himself within thirty days from the date of drawal of moneys, the amount drawn for him shall be refunded by short drawal in the next bill. The amount of salary and allowances drawn shall not in any circumstances be placed under deposit.

**51. Audit register** - In order to facilitate the check of monthly bills for recurring charges, such as establishment, house-rent and conveyance, an Audit register shall be maintained in the office of every Village Panchayat.

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**52. Drawal of Travelling Allowance** - Travelling allowance other than fixed travelling allowances shall be drawn in a separate bill in such form as may be laid down by the Government from time to time.

**53. Drawal of conveyance allowance** - Conveyance Allowance shall be drawn in the pay bill of the officer or servant concerned and not on travelling allowance bills. To every bill for conveyance allowance, a certificate shall be attached that the conveyance was actually maintained in good condition and used by him during the month.

**54. Placing of all bills before the Village Panchayat** - All bills for expenditure incurred in a month, whether with or without the sanction of the Village Panchayat, shall be placed before it as early as possible for being passed after such scrutiny as it may be consider necessary.

### **PART III – GENERAL**

**55. Limited Number of accounts** - Every Village Panchayat shall have accounts preferably Saving Bank Account in the Post Office, Primary Co-operative Bank, the Nationalised Bank available in the panchayat village. Total number of Accounts to be opened and operated by Village Panchayat shall on no occasion be more than five.

**56. Reconciliation of receipt and expenditure** - The Executive Authority of Village Panchayat shall be responsible to reconcile Village Panchayat funds with receipts and Bank accounts. He shall be responsible to reconcile all the expenditure accounts.

**57.Placing receipts and expenditure details before the Grama Sabha** - The President of each Village Panchayat shall present in every Grama Sabha meeting, the receipts and expenditure of Village Panchayat upto previous month of the financial year. Once in a year president of the Village Panchayat shall present the annual report of the Village Panchayat for the previous financial year which will include the Annual Accounts clearly indicating the receipts and expenditure.



**FORM - I**

(See rule 33)

**FORM OF CERTIFICATE.**

(Signed) A. B.

Signature and designation of the relieving person.

I certify that the above is the signature of the individual to whom I have made over charge of my office with effect from the forenoon/afternoon of \_\_\_\_\_ (date) of \_\_\_\_\_ (month) \_\_\_\_\_ of \_\_\_\_\_ (year).

(Signed) C. D.

Signature of the authority handing over charge with date.

**FORM - II**

(See rule 38)

**CERTIFICATE FOR SANCTIONING EXPENDITURE.**

The amount may be met from the budget allotment of under the head-	Rs. _____
The amount spent under this head up-to-date is	Rs. _____
The amount sanctioned up-to-date but not spent is	Rs. _____
The amount to be sanctioned now is	Rs. _____
	-----
Total	...
	-----
The balance remaining amount will be	Rs. _____

**FORM - III**

(See rule 42)

**REPORT OF DAMAGE TO IMMOVABLE PROPERTY BELONGING TO VILLAGE PANCHAYAT.**

1. Name of the Village Panchayat.
2. Name and location of the property damaged or destroyed.
3. Description of the property damaged or destroyed.
4. Cause of the damage or destruction.
5. Value of the damaged or destroyed portion of the property at the time of damage or destruction.
6. (a) Is it proposed to replace or reconstruct the damaged or destroyed portion?  
(b) If so, what is the estimated cost of the replacement or reconstruction?
7. If it is not proposed to replace or reconstruct the damaged or destroyed portion of the property, what is the amount to be written off in the capital value of the property in the accounts?
8. What action is being taken to effect such write-off, if any?

**RAMESH CHANDRA PANDA**  
SECRETARY TO GOVERNMENT