

13. ASSIGNED REVENUES

13.15 Pooling of select Assigned Revenues at State Level - one-third of the pooled amount - Constitution of Fund for priority schemes in rural areas

Rural Development and Panchayat Raj (C4) Department

G.O. (Ms) No. 191

Dated : 22.11.2007

Read :

1. G.O.(Ms.) No.168, Rural Development and Panchayat Raj Department, dated 4.10.2007.
2. From the Director of Rural Development and Panchayat Raj, Chennai, Letter Rc.No.71497/2007/PRI.II-2, dated 7.11.2007.

ORDER

In the Government Order first read above orders were issued to pool the Assigned Revenues due to the Rural Local Bodies from the proceeds of Local Cess, Local Cess Surcharge, Surcharge on Stamp Duty, and Entertainment Tax at State level and apportion the same to Rural Local Bodies as detailed below:

- a) The two-third of the pooled amount shall be apportioned to the Rural Local Bodies by the Director of Rural Development and Panchayat Raj on quarterly basis, following the procedure applicable to the State Finance Commission devolution; and
- b) The balance one-third of the pooled amount shall be credited to a Fund (to be constituted separately) as contribution on behalf of Rural Local Bodies and the Fund shall be utilized for implementing specific development schemes in rural areas.

In the said order it was contemplated that the orders constituting the Fund for Priority Schemes in Rural Areas and framing the guidelines will be issued separately.

2. In the letter second read above the Director of Rural Development and Panchayat Raj has submitted proposals for framing guidelines so as to utilize the said fund for infrastructure development in rural areas.

3. The Government after careful consideration has decided to constitute the Fund for Priority Schemes in Rural Areas. Accordingly, Government now direct that the **Fund for the Priority Schemes in Rural Areas** be constituted as detailed below:

- a) **Corpus of the Fund** - The contribution made by the Rural Local Bodies i.e., one-third of the pooled Assigned Revenue shall constitute the Corpus of the Fund. For the year 2007-2008 a sum of Rs.90 Crore has been provided in the following heads of account under *Grant 42 Rural Development and Panchayat Raj Department*:

Land Revenue (Rs.12.73 Cr.)

3604 00 Compensation and Assignments to Local Bodies and Panchayat Raj institutions – 101 Land Revenue – I Non-Plan – AE Contribution on behalf of Rural Local Bodies to the Fund for Priority Schemes in Rural Areas – 10 Contributions – 01 Contribution to Specific Funds (DPC 3604 00 101 AE 1010)

Stamp Duty (Rs.76.44 Cr.)

3604 00 Compensation and Assignments to Local Bodies and Panchayat Raj institutions – 102 Stamp Duty – I Non-Plan – AB Contribution on behalf of Rural Local Bodies to the Fund for Priority Schemes in Rural Areas – 10 Contributions – 01 Contribution to Specific Funds (DPC 3604 00 102 AB 1014)

Entertainment Tax (Rs.83 lakh.)

3604 00 Compensation and Assignments to Local Bodies and Panchayat Raj institutions
– 103 Entertainment Tax – I Non-Plan – AE Contribution on behalf of Rural Local Bodies
to the Fund for Priority Schemes in Rural Areas – 10 Contributions – 01 Contribution to
Specific Fund (DPC 3604 00 103 AE 1016)

The provisions so made shall be credited to the Fund in Part III Public Account of the State under a new head of account to be opened as detailed below:

J. Reserve Fund

(b) Reserve funds not bearing interest

8229 00 Development and Welfare Funds – 200 Other Development
and Welfare Funds – AY Fund for Priority Schemes in Rural Areas.

(DPC 8229 00 200 AY 000D) (Receipts)

(DPC 8229 00 200 AY 0007) (Outgo)

b) Administration - The Fund for the Priority Schemes in Rural Areas shall be administered by the Director of Rural Development and Panchayat Raj.

c) Audit: The accounts of the Fund for the Priority Schemes in Rural Areas shall be audited by the Accountant-General or such auditor as Comptroller and Auditor General may suggest;

d) Utilization of the Fund - The fund shall be utilized for executing works to create basic infrastructure in rural areas only. The sanction of expenditure shall be restricted to the balance available in the Fund and covered by guidelines framed for the purpose. The detailed guidelines for utilization of the Fund and sanction of schemes are shown in the Annexure I to this order and the details of expenditure items excluded from the purview of the above Fund are listed in the Annexure II to this order;

e) Accounting Procedures - The provision for expenditure to be met from the Fund for the Priority Schemes in Rural Areas shall be made under a new head of account to be opened under *Grant 42 Rural Development and Panchayat Raj Department* as detailed below:

2515 00 Other Rural Development Programmes – 102 Community Development – I Non Plan
– AE Creation of Basic Infrastructure in Rural Areas – Expenditure met from the Fund for Priority
Schemes in Rural Areas – 09 Grants-in-Aid – 03 Grants for Specific Schemes (DPC 2515 00 102 AE
0939)

The adjustment of expenditure shall be by way of debiting from the fund account by opening a new head of account as detailed below:

2515 00 Other Rural Development Programmes – 902 Deduct amount met from Reserve
Fund – I Non Plan –AA Deduct – Amount met from the Fund for the Priority Schemes in Rural Areas
– 30 Inter – Account Transfer (DPC 2515 00 902 AA 3009)

4. The Director of Rural Development and Panchayat Raj shall be the Estimating, Reconciling and Controlling Authority for the above mentioned new heads of account.

5. The Pay and Accounts Officers/Treasury Officers shall open the above new heads of account in their accounts.

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6. The Director of Rural Development and Panchayat Raj shall obtain adequate budget provision to meet the expenditure initially under Revenue Account and sanction the expenditure.

7. The Rural Development and Panchayat Raj Department shall furnish the particulars of the amount to be credited to the Fund for the Priority Schemes in Rural Areas and the Statement of expenditure to be met from the Fund to the Accountant-General at the close of each financial year.

8. The specific Government Orders shall be issued annually before closure of Accounts so as to enable the Accountant-General to effect the transfer of contribution to the Fund and to meet the expenditure from the Fund.

9. The order issues with the concurrence of Finance Department vide U.O.No.312/DS (B)/2007, dated 21.11.2007.

(By order of the Governor)

K.ASHOK VARDHAN SHETTY
SECRETARY TO GOVERNMENT

ANNEXURE I

GUIDELINES FOR SANCTIONING EXPENDITURE UNDER THE FUND FOR PRIORITY SCHEMES IN RURAL AREAS

(i)	Objective of the Fund:	The Fund shall be utilized for executing works towards creation of basic infrastructure in rural areas.
(ii)	Sanctioning Authority:	A Committee comprising the Secretary, Rural Development and Panchayat Raj Department, Director of Rural Development and Panchayat Raj and Superintending Engineer (Rural Development) shall scrutinize the proposals forwarded by District Collectors and accord approval for expenditure under the Fund. The Director of Rural Development and Panchayat Raj shall issue sanction order based on the approval of the Committee subject to availability of adequate budget provision to meet the expenditure initially under Revenue Account.
(iii)	Details of work admissible under the Fund:	Any kind of work except those shown in Annexure II to this Order.
(iv)	Proposals for schemes:	The District Collectors shall forward proposals along with detailed estimates for works and a certificate to the effect that sufficient land is available to execute work.
(v)	Executing Agency:	The execution of work shall be entrusted to the District Collectors. The District Collectors may execute the works through District Rural Development Agency (DRDA), Block Development Officers and Village Panchayat concerned as deemed fit.
(vi)	Executing Agencies not allowed:	No work shall be entrusted to line departments such as Public Works, Highways and Rural Works, Agricultural Engineering and Tamil Nadu Water Supply and Drainage (TWAD) Board for execution. However, the installation of street lights may be entrusted to the Tamil Nadu Electricity Board (TNEB).
(vii)	Implementation of special schemes:	The above Committee may also formulate certain schemes and allocate funds to Districts for implementation. In such cases, the District Collectors shall accord administrative sanction as per guidelines of such schemes.
(viii)	Award of works:	The Tender procedures and Procurement guidelines applicable to Government departments shall be followed while awarding works.
(ix)	Drawal and release of funds:	The Director of Rural Development and Panchayat Raj shall be authorized to draw and release the funds to District Collectors.
(x)	Modification in the guidelines:	The Secretary to Government, Rural Development and Panchayat Raj shall modify any of the above guidelines in consultation with the Director of Rural Development and Panchayat Raj based on exigencies that may arise from time to time.

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ANNEXURE II

LIST OF EXPENDITURE ITEMS DISALLOWED UNDER THE FUND FOR PRIORITY SCHEMES IN RURAL AREAS

1	Construction of office and residential buildings for the Central and State Governments, their departments, Government Agencies/Organizations, and Public Sector Undertakings;
2	Construction of office and residential buildings for private, co-operative and commercial organizations;
3	All works involving commercial establishments/units;
4	All maintenance works of any type;
5	All renovation and repair works except heritage and archaeological monuments and buildings with specific permission available from Archaeological Survey of India (ASI);
6	Payment of grants, loans and contribution to any Central and State/Union Territory relief funds;
7	Creation of assets in the name of any person;
8	Purchase of all movable items;
9	Acquisition of land or payment of compensation for land acquired;
10	Reimbursement of expenditure on completed or partly completed works;
11	Any revenue or recurring expenditure;
12	Execution of work within the places of religious worship and on land belonging to or owned by any religious faith/group;
13	Construction of monuments, memorials, statues, idols, arch gates/welcome gates; and
14	De-silting of ponds, tanks, channels and rivers.

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