

16.1 Panchayat Union General Fund - Utilisation of surplus funds for works**Rural Development Department**

G.O. (Ms) No. 229

Dated : 15.10.1996

Read :

1. G.O. (Ms) No.1531, RDLA, dated 24.7.76
2. G.O. (Ms) No.310, RDLA., dated 3.3.81
3. G.O. (Ms) No.678, RD., dated 25.8.87

ORDER

In the G.Os. read above, the Government have formulated a scheme of Utilising the surplus funds of Panchayat Union for the Execution of works specified therein for the purpose of providing certain amenities to the people. Keeping in view of three tier Panchayat Raj set up that will come into existence after local body elections, the Government have reviewed the above said scheme and direct that the following items of works alone should be taken up for execution from out of surplus funds of Panchayat Unions, after incurring expenditure under Section 191 of the Tamilnadu Panchayats Act, 1994.

- i) Drinking Water Supply Works;
- ii) School (Main) building works/Additional School Building
- iii) Road works involving:-
 - a. Improvement to Panchayat Union and Village Panchayat Roads including upgrading such as gravelling, metalling and black-tapping.
 - b. Bridges, culverts, causeways, road dams and revetments on the Panchayat Union and Village Panchayat Roads.
- iv) Improvement and restoration of minor irrigation tanks vested in the Panchayat Union.

The minimum balance to be kept as reserve should be Rs.5 lakhs. The amount kept as reserved should be excluded for the purpose of arriving at the surplus for utilization. The surplus funds should be utilised only for the above said items of work. If there are any other works to be executed utilizing surplus funds, prior permission of Director of Rural Development should be obtained.

2. The question of enhancement of limit for financial sanction of individual works to be taken up from surplus funds of Panchayat Unions has been referred to the State Finance Commission. Pending receipt of the recommendation of the Commission, the Government direct that the existing limit prescribed in G.O. (Ms) No.678, dated 25.8.87 for sanction of individual works to be taken up from surplus funds of Panchayat Union should be followed. The Administrative sanction for each work will be accorded by the Panchayat Union Council. Instructions issued by the Government in the G.O.s read above, shall be followed scrupulously while sanctioning works.

3. The working of the scheme will be reviewed after the period of six months.

4. These orders issued with the concurrence of the Finance Department Vide U.O.No.3884/FS/I/96, dt 23.9.96.

(By order of the Governor)

S.NARAYANSPECIAL COMMISSIONER AND
SECRETARY TO GOVERNMENT