



ABSTRACT

Rural Development and Panchayat Raj Department - Village Panchayats – Rationalisation of Village Panchayat Accounts and Procedure for the operation of Accounts and Guidelines framed - Creation of additional account for the salary and other allowances for Panchayat Employees – Orders – Issued.

Rural Development and Panchayat Raj (PR-I) Department

G.O.(Ms) No. 89

Dated :15.06.2015

Read:

1. G.O.(Ms)No.60, Rural Development Department, dated 16.4.2015.
2. Director of Rural Development and Panchayat Raj, Chennai-5.
letter No.74340/2013/E3 dated 24.3.2015.

ORDER:

In the Government order first read above, the Government issued orders to rationalize the Village Panchayats Accounts with guidelines and procedure for operation of the Village Panchayats Accounts by incorporating all the amendments issued by the Government so far. As per the Government order first read above, six accounts are maintained in each Village Panchayat as detailed below:-

- (1) Village Panchayats Fund Account (**Account No.1**)
- (2) Village Panchayat payment to Tamil Nadu Generation and Distribution Corporation (TANGEDCO) and /or Tamil Nadu Water Supply and Drainage Board (TWAD) and / or District Collector Account (**Account No.2**)
- (3) Village Panchayat Centrally Sponsored Schemes Fund Account (**Account No.3**)
- (4) Village Panchayat Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) Accounts (**Account No.4**)
- (5) Village Panchayat State Funded Schemes Account (**Account No.5**)
- (6) Village Panchayat Chief Minister's Solar Power Green House Scheme (**Account No.6**)

2. The Director of Rural Development and Panchayat Raj in his letter second read above has stated that the salary of employees working in Village Panchayat is paid from the Village Panchayat General Fund. The other expenditures relating to day to day maintenance of water supply, taking up of new works etc., are also met from this account. The Government had laid down guidelines regarding utilization of the Village Panchayat General Fund. But, in practice, the guidelines issued by the Government are not strictly adhered to by the Village Panchayat Presidents, which

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results in delayed disbursement of salary to the employees working in the Village Panchayats. The delay in paying salary to the Panchayat Secretaries and other employees leads to unnecessary hardships to the individuals. The Panchayat Presidents, in practice sometimes do not reserve funds in the Village Panchayat General Fund account for salary and other items as stipulated in the rules. Many petitions regarding non disbursement of pay in time and non payment of Dearness allowance to the Overhead Tank Operators are received by the Director of Rural Development and Panchayat Raj. In order to avoid delay in payment of salary to the Panchayat Secretaries and other employees working in Village Panchayat, the Director of Rural Development and Panchayat Raj has requested the Government to create a new account in Village Panchayat in addition to the existing six Accounts as “**Account No:7 - Village Panchayat Staff Salary Account**” and funds may be separately earmarked for the purpose of salary and allowances of the employees based on the requirement. Salaries of the employees may be disbursed through ECS directly from this Account to their individual Accounts.

3. The Government have examined the proposal of the Director of Rural Development and Panchayat Raj in detail and decided to accept the same. Accordingly, the Government hereby sanction the creation of a new account in each Village Panchayat as “**Account No:7 - Village Panchayat Staff Salary Account**” in addition to the existing six accounts. The District Administration shall directly apportion the required amount for payment of salary to the Employees from the State Finance Commission Grant, thus making it mandatory for the Executive Authority of Village Panchayat to disburse salary in time and avoid diversion of funds for other purposes. While apportioning funds, the District Administration should take into account the hike in Dearness allowance, bonus or any other allowance as and when sanctioned by Government and extended to the Local Body employees. Further the District Administration should exercise care with regard to vacancy position and the employees in position in the Village Panchayats before apportioning funds to this account. This account should be used only for the payment of salary of Panchayat Employees and the payment should be through ECS directly from this account to their individual accounts. Transaction other than through ECS shall not be permitted in this account. The mode of operation of this account shall be the same as to that of Village Panchayat General Fund Accounts (**Account No:1**) as stipulated in the Government Order first read above.

4. All District Collectors shall issue necessary instructions to the respective Banks/Block Development Officers (Village Panchayat) and Village Panchayats in this regard.

(By Order of the Governor)

Gagandeep Singh Bedi,
Secretary to Government

To
The Director of Rural Development and Panchayat Raj,
Chennai – 15.
All District Collectors,
All District Treasury Officers.
The Director of Treasuries and Accounts, Chennai–15.
The Director of Local Fund Audit, Chennai -118.

Copy to:

The Senior Personal Assistant to Hon'ble Minister,
MA, RD, Law, Courts and Prisons, Chennai-9

The Senior Personal Secretary , Secretary to Government,
Rural Development and Panchayat Raj Department,
Chennai-9

The Municipal Administration and Water Supply Department,
Chennai-9

The Revenue Department, Chennai 9.

The Commercial Taxes and Registration Department,
Chennai- 9

All Sections of Rural Development and Panchayat Raj
Department, Chennai-9

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Section Officer.