



ABSTRACT

Rural Development and Panchayat Raj Department - Village Panchayats – Rationalisation of Village Panchayat Accounts and Procedure for the operation of Accounts and Guidelines framed – Orders – Issued.

Rural Development and Panchayat Raj (PR-I) Department

G.O.(Ms) No.60

Dated :16.04.2015

Read:

1. G.O.(Ms)No.92, Rural Development Department, dated 26.3.1997
2. G.O.(Ms)No. 146, Rural Development and Panchayat Raj (PR.1) Department, dated 17.8.2007.
3. G.O.(Ms) No. 178, Rural Development and Panchayat Raj (C4) Department, dated 25.11.2008.
4. G.O.(Ms) No.180, Rural Development and Panchayat Raj(PR.1)Department, dated 1.12.2008.
5. G.O.(Ms) No.62, Rural Development and Panchayat Raj (PR.1)Department, dated 27.5.2010
6. G.O.(Ms) No.46, Rural Development and Panchayat Raj (SGS-1) Department, dated 17.08.2011
7. Director of Rural Development and Panchayat Raj, Chennai 15, letter No.13891/2014/PRI-4 dated 19.2.2015 & 4.3.2015.

ORDER:

In the Government order first to sixth read above, the Government issued orders for rationalization of Village Panchayat Accounts and guidelines for maintenance and operation of the Village Panchayat Accounts. The Director of Rural Development and Panchayat Raj in his letter seventh read above has sent necessary proposals to Government for the rationalization of Village Panchayat Accounts and stated as follows:-

(a) As per the orders in force, there are 6 Accounts maintained by the Village Panchayats as detailed below:-

- (i) Village Panchayat Fund Account (**Account No.1**)
- (ii) Village Panchayat payment of Tamil Nadu Generation and Distribution Corporation (TANGEDCO) and/or Tamil Nadu Water Supply and Drainage Board (TWAD) Account and/or Payment to Collector (**Account No.2**)

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- (iii) Village Panchayat Schemes Fund Account **(Account No.3)**
- (iv) Village Panchayat Mahatma Gandhi National Rural Employment Guarantee Scheme Account **(Account No.4)**
- (v) Village Panchayat Rural Housing Scheme Account **(Account No.5)**
- (vi) Village Panchayat Chief Minister's Solar Powered Green House Scheme Account **(Account No.6)**

(b) Account No.3 is maintained by Village Panchayats for both the Central Schemes and the State Schemes. The Central Schemes implemented through Village Panchayats are:-

- (i) Indira Awas Yojana (IAY)
- (ii) Total Sanitation Campaign (TSC)/Nirmal Bharat Abhiyan (NBA)/ Swachh Bharath (Gramin)
- (iii) Member of Parliament Local Area Development Scheme (MPLAD)
- (iv) Backward Regions Grant Fund (BRGF)
- (v) Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)
- (vi) National Rural Drinking Water Programme(NRDWP)etc.,

Similarly, the State schemes implemented through the Village Panchayats are:-

- (i) Rural Building Maintenance and Renovation Scheme (RBMRS)
- (ii) Member of Legislative Assembly Development Scheme (MLACD).
- (iii) Infrastructure Gap Filling Fund (IGFF)
- (iv) Mines and Minerals Amount
- (v) Scheme Component of Pooled Assigned Revenue (SCPAR)
- (vi) Self Sufficiency Scheme (SSS)

(c) The existing Village Panchayat Schemes Fund Account **(Account No.3)** is in existence for more than 15 years. Receipts and expenditure under various schemes at Village Panchayat level are jointly operated in this Account. This has led to a situation that the closing balance of this account is a mixture of unspent amount, interest, Earnest Money Deposit Unclaimed Earnest Money Deposits, Savings etc., of different schemes of Central and State Governments. Similarly, amount to be released currently to the beneficiaries/contractors of various schemes and unremitted statutory deductions such as Income Tax, Value Added Tax and Labour Welfare Fund are maintained in the same account. Moreover the scheme Kalaigarnar Veetu Vasathi Thittam/ Rural Housing Scheme which is maintained as Account No.5 is not in existence.

2. The Director of Rural Development and Panchayat Raj has informed that the accounts operated at Village Panchayat level need to be revised taking into account the current position and for that he has sent a comprehensive proposal with guidelines for rationalization of Village Panchayat Accounts and procedure for operation of accounts incorporating all the amendments issued by the Government so far and for the substitution of the existing Village Panchayats Scheme Fund Account (Account No.3) and the Village Panchayat Rural Housing Scheme Account (Account No.5) with the Centrally Sponsored Schemes Fund Account and State Sponsored Schemes Fund Account respectively. He has requested the Government to issue suitable orders for rationalization of Village Panchayat accounts with guidelines.

3. The Government have examined the proposal of the Director of Rural Development and Panchayat Raj in detail and decided to accept the proposal of the Director of Rural Development and Panchayat Raj to rationalize the Village Panchayats Accounts with guidelines and procedure for operation of the Village Panchayat Accounts by incorporating all the amendments issued by the Government so far and for the substitution of the existing Village Panchayat Scheme Fund Account (**Account No.3**) and the Village Panchayat Rural Housing Scheme Account (**Account No.5**) with Centrally Sponsored Scheme Fund Account (**Account No.3**) and State Sponsored Fund Account (**Account No.5**) respectively. Accordingly the Government issue orders on rationalization of Village Panchayats Accounts as per the guidelines for the operation of Village Panchayats Accounts annexed to this order.

4. All District Collectors are requested to issue necessary instructions to the Banks/Block Development Officers (Village Panchayats) and Village Panchayats in their district on this.

(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 MAWS 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.

Annexure

(G.O.(Ms)No.60,Rural Development and Panchayat Raj(PR 1) Department dated: 16.04.2015.)

Guidelines for the operation of the Village Panchayat Accounts.

There shall be 6 accounts in each Village Panchayat as detailed below:

1. Village Panchayat Fund Account (Account No.1):

The receipts, which shall be credited to, the types of expenditure that can be incurred out of and the mode of operation of Village Panchayat Fund Account, are described as under:

(A) Receipts

1. Revenue from all the components as mentioned in section 188 (1) of Tamil Nadu Panchayat Act, 1994.
2. State Finance Commission Grant other than the portion released to the Village Panchayat Account No.2
3. Deposits received for drinking water supply house service connections.
4. Water charges and any other receipts related to drinking water supply including public contribution.

(B) Expenditure

All the day-to-day as well as urgent operations of the Village Panchayats are to be carried out through the funds taken out of the Village Panchayat Fund Account.

All the administrative expenditure, capital works, maintenance expenditure, other essential items and other duties of Village Panchayats which enable the Village Panchayats to function autonomously are to be carried out of the Village Panchayat Fund Account. Hence, the types of the expenditure that can be incurred out of Village Panchayat Fund Account are as follows:

(a) Administrative expenditure

- (i) Sitting fee for elected representatives
- (ii) Travelling allowance for elected representatives.
- iii) Pay and Allowances for Village Panchayat Employees.
- iv) Pension contribution for Village Panchayat Employees
- v) Purchase of Stationery
- vi) Purchase of Forms and Registers

- vii) Building Rent
- viii) Expenditure towards Village Panchayat fairs and Festivals
- ix) Contingency expenditure
- x) Interest on Loans
- xi) Any other Administrative Expenditure allowed from time to time.

(b) Capital Expenditure

- i) Construction of Building
- ii) Formation of Roads
- iii) Construction of Bridges and Culverts
- iv) Water Supply and Sanitation works
- v) Other Capital Expenditure allowed from time to time

(c) Maintenance Expenditure

- i) Maintenance of street lights
- ii) Maintenance of Hand pumps and power pumps
- iii) Maintenance of Village Panchayat Roads
- iv) Maintenance of Sports Centres
- v) Maintenance of Library
- vi) Maintenance of burial and burning grounds
- vii) Sanitation works
- viii) Any other maintenance expenditure allowed from time to time

(d) Miscellaneous Expenditure

- i) Repayment of Loan and advances
- ii) Refund of Deposits
- iii) Advances repaid
- iv) Any other expenditure as permitted under section 191 of Tamil Nadu Panchayat Act, 1994
- v) Funeral Grants as permitted by the Government.

Administrative sanction for the items of expenditure of this Account shall be accorded based on the norms and conditions specified in G.O. (Ms) No.203, Rural Development and Panchayat Raj (PR-1) Department, dated: 20.12.2007.

(C) Mode of Operation:-

The Village Panchayat Fund Account shall be jointly operated by the President and the Vice-President. In exceptional cases, where there is adversarial relationship between the President and the Vice-President, the Village Panchayat, may by a resolution authorize any member other than

the Vice-President to operate the account along with the President, provided that the prior approval of the Inspector of Village Panchayats (District Collector) will be obtained for this.

2. Village Panchayat Payments to TANGEDCO and /or TWAD Board and/or District Collector Account (Account No.2):

(A) Receipts:

The details of receipts to be credited to the Village Panchayat payments to TANGEDCO and / or TWAD Board Payments Account shall be;

1. Central Finance Grants
2. The portion of State Finance Commission minimum grant determined from time to time by the Director of Rural Development and Panchayat Raj, based on the actual requirement of the Village Panchayat to cover the payments to TANGEDCO / TWAD Board.
3. A part of State Finance Commission Grant (Other than the minimum grant) that may be released to those Village Panchayats where items No.1 and 2 above are not sufficient to cover the payments to TANGEDCO / TWAD Board.
4. Central Finance Commission Grant if any released to this Account.

(B) Expenditure:

- i) Payment electricity charges towards (a) street lights, (b) water supply systems maintained by the Village Panchayats, (c) buildings owned and maintained by the Village Panchayats and (d) other items of electricity consumption as billed to the Village Panchayats.
- ii) Service charges payable to the TWAD Board for Combined Water Supply Scheme if any.

(C) Mode of Operation:

The account shall have to be operated only for the payment of electricity consumption charges to TANGEDCO or the service charges payable to TWAD Board for the Comprehensive Water Supply Schemes if any, or for remittance of surplus amount, if any, to the District Collector for redistribution of this amount to the Village Panchayat Fund Account of the Village Panchayat concerned. So, all cheques from out of the above account will only be pertaining to payment to TANGEDCO and / or TWAD Board and/or the District Collector. No self drawal will be permitted. The District Collectors should instruct all the concerned bank branches in writing to make suitable ledger/computer entries to ensure that payments only to TANGEDCO / TWAD Board /District Collector are honoured for cheques pertaining to this account and no self-cheque or drawals based upon withdrawal forms are permitted for this account. The words "for payments to TANGEDCO and /or TWAD Board and /or District Collector only" should be printed / stamped on each cheque leaf of the cheque books issued for this account.

3. Village Panchayat Centrally Sponsored Schemes Fund Account (Account No.3)

(A) Receipts :

1. Funds received under Centrally Sponsored Schemes (Other than the funds received under MGNREGS) such as IAY, Swachh Bharat(Gramin), BRGF, MPLADS, RGPSA, NRDWP etc.
2. Funds received from any other Central Government Department/Agency/Board/Corporation for implementation of schemes through Village Panchayat.

(B) Expenditure:

The funds credited into the Village Panchayat Centrally Schemes Fund Account will be spent for payment to the works pertaining to the Central Schemes as prescribed in the respective scheme guidelines.

(C) Mode of operation:

The above account shall be operated by the President and Vice President of the Village Panchayats concerned. However, the District Collectors should instruct the concerned bank branches in writing to make suitable ledger/computer entries to honour the cheques signed by the President and Vice-President only if they are accompanied by the release orders in the form of proceedings of the Block Development Officer (Village Panchayats) for the payment to works from the Village Panchayat Schemes Funds concerned. The cheque leaves should also be stamped with "To be paid only if accompanied by proceedings of the B.D.O. (Village Panchayats)" and no self-cheques or drawals based upon withdrawal form are to be permitted for this account.

4. Village Panchayat MGNREGS Account (Account No.4):

This account will be operated in all districts in Tamil Nadu. The receipts which shall be credited to, the types of expenditure that can be incurred out of and the mode of operation of Village Panchayat MGNREGS Account are described as under:

(A) Receipts:

The receipts to be credited to the Village Panchayat MGNREGS Account shall be the funds received under MGNREGS Scheme.

(B) Expenditure:

The funds credited into the Village Panchayat MGNREGS Account will be spent for payment of the works pertaining to the MGNREGS Scheme as prescribed.

(C) Mode of Operation:

The above account shall be operated jointly by the President and Vice President of the Village Panchayats as is done for the Village Panchayat Funds Account concerned. However, the District Collectors should instruct the concerned bank branches in writing to honour the cheques signed by the President and Vice-President of the Village Panchayats only if they are accompanied by the release orders in the form

of proceedings of the B.D.O (Village Panchayats) for the payment to works from the Village Panchayat MGNREGS Account concerned. The cheque leaves should also be stamped with "To be paid only if accompanied by proceedings of the Block Development Officer (Village Panchayats)" and no self-cheques or drawals based upon withdrawal form are to be permitted for this account.

5.Village Panchayat State funded Schemes Account (Account No.5)

(A) Receipts :

1. Funds received under State funded Schemes such as MLACDS, RBMRS, IGFF, SCPAR, SSS etc.
2. Funds received from any other Department of State Government /Agency/Board/Corporation for implementation of the schemes as may be prescribed.

(B) Expenditure:

The funds credited into the Village Panchayat State funded Schemes Account will be spent for payment of the works pertaining to the State Schemes as prescribed.

(C) Mode of operation:

The above account shall be operated by the President and Vice President of the Village Panchayats concerned. However, the District Collectors should instruct the concerned bank branches in writing to make suitable ledger/computer entries to honour the cheques signed by the President and Vice-President only if they are accompanied by the released orders in the form of proceedings of the B.D.O (Village Panchayats) for the payment of works from the Village Panchayat Schemes Funds concerned. The cheque leaves should also be stamped with "To be paid only if accompanied by proceedings of the B.D.O. (Village Panchayats)" and no self-cheques or drawals based upon withdrawal form are to be permitted for this account.

6. Village Panchayat Chief Minister's Solar Powered Green House Scheme(CMPGHS) Account (Account No.6)

This account will be operated only for **Chief Minister's Solar Powered Green House Scheme**. The receipts which shall be credited to, the types of expenditure that can be incurred out of and the mode of operation of Village Panchayat CMPGHS Account are described as under:

(A) Receipts:

The receipts to be credited to the Village Panchayat in the CMPGHS Account shall be the funds received under the Scheme.

(B) Expenditure:

The funds credited into the Village Panchayat CMPGHS Account will be spent for the payment to the beneficiaries for the works pertaining to the construction of houses under the Scheme as prescribed.

(C) Mode of Operation:

The above account shall be operated jointly by the President and Vice President of the Village Panchayats as is done for the Village Panchayat Funds Account concerned. However, District Collectors should instruct the concerned bank branches in writing to make suitable ledgers / computer entries to honour the cheques signed by the President and Vice-President of the Village Panchayats only if they are accompanied by the release orders in the form of proceedings of the B.D.O (Block Panchayats) for the payment to works from the Village Panchayat CMPGHS Account concerned. The cheque leaves should also be stamped with "To be paid only if accompanied by proceedings of the Block Development Officer (Block Panchayats)" and no self-cheques or drawals based upon withdrawal form are to be permitted for this account.

The Secretary to Government, Rural Development and Panchayat Raj Department, in consultation with the Director of Rural Development and Panchayat Raj is authorized to amend these guidelines based on the exigencies that may arise from time to time.

Gagandeep Singh Bedi,
Secretary to Government.

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Section Officer.