

**DR. MGR HUMAN RESOURCE DEVELOPMENT
INSTITUTE OF ANDHRA PRADESH : HYDERABAD**



**MANDAL PARISHADS &
ZILLA PARISHADS
ACCOUNTS MANUAL
PANCHAYAT RAJ &
RURAL DEVELOPMENT DEPARTMENT**



**MANDAL PARISHADS &
ZILLA PARISHADS
ACCOUNTS MANUAL**

MANDAL PARISHADS &
ZILA PARISHADS
ACCOUNTS MANUAL

A. MADHAVA REDDY
MINISTER FOR PANCHAYAT RAJ
RURAL DEVELOPMENT
RURAL WATER SUPPLY & EMPLOYMENT GENERATION

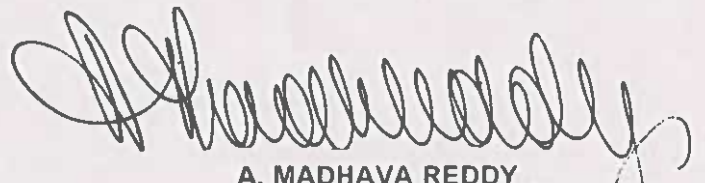
Hyderabad
Date 25-01-2000



MESSAGE

I am happy to note that, as a part of the programme launched by the Hon'ble Chief Minister Sri N. Chandra Babu Naidu, the Panchayat Raj & Rural Development Department has prepared the Functionery manual of Panchayat Raj Department keeping in view the provisions of Andhra Pradesh Panchayat Raj Act, 1994. This manual contains the rules, executive instructions/orders, important provisions and instructions relating to functions and administrative matters. This manual would be a guide and reference book not only to the elected representatives of Local Bodies, Executive authorities but also Departmental Officers.

The need for such manual has been felt for a long time. I congratulate the Panchayat Raj & Rural Development Department and all the persons who were associated in preparation of this manual.


A. MADHAVA REDDY
25-1-2000



MESSAGE

I am happy to note that as a part of the programme launched by the Hon'ble Chief Minister, Shri N. Chandrababu Naidu, the Karnataka Rural Development Department has prepared the Karnataka Manual of Panchayats. This Manual, which is a provision of the Karnataka Panchayat Raj Act, 1994, contains the rules, regulations, bye-laws, orders and instructions relating to functions and administrative matters. The Manual would be a guide and reference book not only to the elected representatives of local bodies, executive committees and Zonal Development Officers.

The fact that such a manual has been prepared is a landmark in Karnataka. The Karnataka Rural Development Department and all the groups who were associated in preparing this Manual.

(Signature)
1975/76

Dr. KODELA SIVA PRASADA RAO

M.S.

MINISTER FOR PANCHAYAT RAJ
RURAL DEVELOPMENT
RURAL WATER SUPPLY & EMPLOYMENT GENERATION

Hyderabad

Date _____



MESSAGE

I am happy to note that as a part of the programme launched by the Hon'ble Chief Minister, the Panchayat Raj & Rural Development Department has brought out the Accounts Manual for Mandal Parishads & Zilla Parishads. It contains the rules, executive orders and important instructions relating to finance and accounts matters of Mandal Parishads & Zilla Parishads. This Manual would serve, as a useful guide not only to the officers of the Mandal Parishads and Zilla Parishads but also as a reference book to the elected representatives of these bodies.

The need for such a Manual has been felt by officials and elected representatives for a long time. I congratulate the Panchayat Raj & Rural Development Department and Sri K. Pichayya, retired Financial Commissioner, PR & RD Department, in particular, who prepared the Manual as Special Officer, PR & RD Department single handedly.

(DR. K. SIVA PRASAD RAO)

Date _____
Time _____

DR. K. SIVA PRASAD RAO
Secretary to Government
Ministry of Panchayat Raj & Rural Development
Government of Andhra Pradesh, Hyderabad



MESSAGE

I am happy to note that as a part of the programme inaugurated by the Hon'ble Chief Minister, the Panchayat Raj & Rural Development Department has brought out the Accounts Manual for Mandal Panchayats & the Panchayat. It contains the rules, executive orders and important instructions relating to financial and accounts matters of Mandal Panchayats & Panchayats. The manual would serve as a useful guide not only to the officers of the Mandal Panchayats and Panchayats, but also to a large number of the elected representatives of these bodies.

The need for such a Manual has been felt by officers in a number of Government offices for a long time. I congratulate the Panchayat Raj, Rural Development Department and Shri K. Rajayya, Joint Financial Commissioner, P.R. & R.D. Department, in particular, who prepared the Manual de Panchayat Raj & R.D. Department under his leadership.


DR. K. SIVA PRASAD RAO

PREFACE

A.P. Mandal Parishad and Zilla parishads Accounts Manual is brought out for the first time. Earlier a draft was prepared by Sri K. Pitchaiah while working as Financial Commissioner, Panchayat Raj Department. Since then several new procedures have been prescribed. A new single comprehensive Act covering the three tiers of Panchayat Raj Institutions has been enacted in 1994 as the A.P. Panchayat Raj Act, 1994. The requirement of a Manual of Accounts has been felt both by the elected representatives and also the officials working in Mandal Parishad and Zilla Parishads. It is therefore felt that a compilation of an Accounts Manual covering the provisions of the 1994 Act will be helpful to the officials working in the Mandal Parishads and Zilla Parishads. This compilation has been brought out now. This compilation has been prepared by Sri K. Pitchaiah, presently Special Officer, Panchayat Raj Department with the assistance of Sri M.V. Raghava Rao, Chief Accounts Officer P.R. (Retd.), and Mohd. Taquiuddin, C.A.O. O/O Commr., of Panchayat Raj department.

Any error or omission noticed in this compilation may kindly be brought to the notice of the PR & RD (Rules) Department.

C. ARJUNA RAO
Principal Secretary to Govt.,
PR & RD Department.

PREFACE

The Manual of Practice and Procedure for the Animal Health Inspector is brought out for the first time in a book which was prepared by the author, with assistance from the Animal Health Inspector, Portland, Oregon. Several new procedures have been provided. A new single paragraph has been added to the chapter on the Animal Health Inspector's duties and responsibilities. The Animal Health Inspector's duties and responsibilities are more fully set out. The Animal Health Inspector's duties and responsibilities are more fully set out. The Animal Health Inspector's duties and responsibilities are more fully set out. The Animal Health Inspector's duties and responsibilities are more fully set out. The Animal Health Inspector's duties and responsibilities are more fully set out.

The author wishes to express his appreciation to the Animal Health Inspector, Portland, Oregon, for his assistance in the preparation of this manual.

C. ARJUN, M.D.

Animal Health Inspector
Portland, Oregon

Dear Reader,

As part of its endeavour to provide a SMART (Simple, Moral, Accountable, Responsible and Transparent) administration, the State Government of Andhra Pradesh has launched a major Human Resource Development and Training initiative aimed at developing a large human resource base of well informed and responsive functionaries and officials.

The successful and effective implementation of any initiative or programme in government is largely the result of the involvement and efforts put in by its functionaries at all levels. Obviously, the most fruitful way in which to bring this about is to make individual functionaries aware of their role functions and responsibilities. To achieve this, the Human Resource Development Institute of AP, as the apex training institution of the State Government responsible for the overall implementation and co ordination of the state training initiative, has proposed to bring out departmentwise Manuals in two parts, namely

1. Departmental Manual
2. Functionary Manual

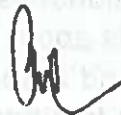
The Departmental Manual would indicate the role, responsibilities and functions of the department. The Functionary Manual will detail, as the nomenclature indicates, the functions and responsibilities of the functionaries within the department, at all levels. While doing so, the evolving role of governmental functionaries in being effective managers of change in a welfare state has been delineated. The Departmental Manual also details the department's organisational chart, the rules, regulations, legislations and enactments which govern its functioning and direct its activities and the various interdepartmental interactions it has to perform. The Manual also facilitates a definition of the Department's role in serving the general public as customer while drawing up a vision for its future development in the coming decades.

Local Self Government is the key to fulfil the aspirations of the public and for rural development through democratic decentralisation. After the 73rd Constitution amendment, the role of PR Institutions and functionaries is expected to undergo a significant change to the extent PR Institutions are empowered by the State Legislature. The functionaries need training and change of mindset for discharging the onerous functions. At this juncture, the usefulness of a Manual like this cannot be over emphasized.

The present volume developed by the Panchayat Raj Department is titled "MPs & ZPs Accounts Manual". As is evident, this publications

is the outcome of thorough study and analysis of the role, functions and procedures of PR Institutions. This is intended to serve as useful aid to every employee of the department in the effective discharge of his functions. It may be noted, however, that this manual does not replace the codes and orders on the subject but it is, at best, meant to guide and assist functionaries in the effective discharge of their duties.

Any suggestions for the improvement, extension or curtailment of this Manual may be sent directly to the Director General, Dr. MCR HRD Institute of Andhra Pradesh Road No. 25, Jubilee Hills, Hyderabad - 500 003, for consideration and incorporation in subsequent updations and revisions of the Manual.



PVRK Prasad IAS
Director General

Dr. MCR Human Resource Development
Institute of Andhra Pradesh

&

Ex officio Spl. Chief Secretary to Government (HRD)

CONTENTS

Chapter Number	Subject	Page No.
1.	Panchayat Raj Institutions Constitution, Powers and Functions.	1
2.	Constitution, Lodging and Utilisation of funds.	35
3.	Budget	65
4.	Receipts and Expenditure-General	101
5.	Procedure in regard to Revenue	133
6.	Procedure relating to Expenditure	171
7.	Procedure relating to Grants-in-Aid	193
8.	General Funds and Earmarked Funds	211
9.	Honoraria, Allowances and concessions to Chairman, Vice-Chairman, ZP, Presidents, MP and Non-Officials	225
10.	Contingencies and Refunds	247
11.	Social Welfare Funds earmarked for Weaker Sections.	289
12.	Properties, Acquisition, Transfer, Loss by the Theft.	313
13.	Deposits	331
14.	Advances	341
15.	Accounts and Registers	367
16.	Consolidated Audit Report	409
17.	Statutory Audit	417

CONTENTS

Page No.	Subject	Order Number
1	Principles of Institutions Constitution, Power and Functions	1
25	Institution, Lobbying and Unethical Practices	2
52	Budget	3
101	Finance and Economic Control	4
127	Practices in regard to Finance	5
151	Programs relating to Expenditure	6
171	Procedure relating to Grants-in-Aid	7
211	State's Financial and Economic Status	8
225	Financial Allocation and Conservation to Chairman and Chairman II President's Mr. and Mrs. Chaudhary	9
241	Financial and Control	10
267	Social Welfare for the Disabled for Welfare Services	11
277	Principles and Institution Finance from over the Top	12
301	Finance	13
301	Finance	14
351	Accounts and the Law	15
371	Government and Finance	16
417	State Finance	17

CHAPTER - 1

PANCHAYATI RAJ INSTITUTIONS-CONSTITUTION, POWERS & FUNCTIONS

PANCHAYATI RAJ INSTITUTIONS CONSTITUTION, POWERS & FUNCTIONS

Sl. No.	Heading	Para No.	Page No.
1	Introduction	1.1	5
2	Constitution 73rd Ammendment Act APPR Act 1994.	1.2	5
3	Constitution of Mandal Parishads	1.4	6
4	Standing committee of Mandals	1.5	7
5	Powers and Functions of Mandal Parishads	1.6	7
6	Control over M.P.D.Os	1.12	8
7	Power to Raise Loans	1.13	8
8	Constitution, Powers and procedures of joint committees	1.16	9
9.	Powers and Functions of President & Vice President of Manda! Parishad	1.19	11
10	Powers and Functions of M.P.D.Os	1.20	12
11.	Powers over Gram Panchayats	1.28	15
12.	Constitution and Composition of Z.Ps.	1.29	17
13.	Powers of ZPs.	1.30	17
14.	Standing Committees of ZPs	1.32	20

15.	Meetings of General Body of ZPs.	1.41	23
16	Powers and Functions of Chairman and Vice Chairman, Zilla Parishad	1.42	24
17	Powers of Chief Executive Officer	1.43	25
18	Financial	1.45	29
19	Other Miscellaneous Powers	1.46	31
20	Powers of Government to Create Posts	1.47	32
21	Powers of Commissioner / Government to give Directions to CEOs / MPDOs	1.48	32

PANCHAYATI RAJ INSTITUTIONS CONSTITUTION, POWERS & FUNCTIONS

1.1 INTRODUCTION

There were District Boards and Gram Panchayats under the Andhra Pradesh (Andhra area) Local Boards Act, 1920, Hyderabad District Boards Act, Andhra Pradesh Gram Panchayats Act, 1964, (A.P.) Andhra Area Village Panchayats Act, 1950 and Hyderabad Village Panchayat Act, 1956. In 1959 Panchayat Raj set up was introduced in the State and A.P. Panchayat Samithis and Zilla Parishads Act, 1959 was enacted. Under Section 60 of the said Act, Government abolished the District Boards in the State and constituted Zilla Parishads from 1-12-1959 at District level and Panchayat Samithis at intermediate level between District and village level. The Panchayat Raj System was reorganised in the State with the enactment of the Andhra Pradesh Mandal Parishads, Zilla Parishads, and Zilla Pranalika & Abhivrudhi Sameeksha Mandals Act 1986. In the place of Zilla Parishads, Zilla Praja Parishads were constituted from 14-1-1987. Prior to 14-1-1987, there were 330 Panchayat Samithis in the state. With a view to bring administration nearer the people to enable them to get their problems solved, 1093 smaller administrative units were constituted as Mandal Praja Parishads in the place of the then existing 330 Panchayat Samithis.

1.2 CONSTITUTION 73rd AMENDMENT ACT

ANDHRA PRADESH PANCHAYAT RAJ ACT, 1994

The Panchayat Raj Institutions are given Constitutional status introducing part IX in the Constitution of India under the Constitution

(73rd Amendment) Act, 1992. In pursuance of this Act, a single Comprehensive Act covering all the three tiers of Panchayat Raj Institutions was enacted as A.P. Panchayat Raj Act, 1994. The Act came into force with effect from 30-5-1994 vide G.O.Ms.No.304, Panchayati Raj, Rural Development (Mandal I) Department, dated 24-05-1994. There is no change in the Jurisdiction of the existing Panchayat Raj Institutions. The District Level Bodies are now known as Zilla Parishads, intermediate tier bodies as Mandal Parishads.

1.3 Thus in Andhra Pradesh, there is three tier Panchayat Raj System. Gram Panchayats, at the Village level, Mandal Parishads at the middle level and Zilla Parishads at District Level.

All the three institutions together work for overall development of the people residing in their respective areas. There are now 22 Zilla Parishads. 1093 Mandal Parishads and 21,983 Gram Panchayats in the State, after bifurcation of some Panchayats.

CONSTITUTION, POWERS AND FUNCTIONS - MANDAL PARISHADS

1.4 CONSTITUTION OF MANDAL PARISHADS

- a) The intermediate level bodies, were constituted from 1.11.59 under Andhra Pradesh Panchayat Samithis and Zilla Parishads Act, 1959. These bodies were known as Panchayat Samithis in the State. With the enactment of A.P. Mandal Praja Parishads, Zilla Praja Parishads and Zilla Parishad & Z.A.S.M. Act, 1986 Mandal Praja Parishads were constituted in the place of Panchayat Samithis from 14-1-1987 under the Andhra Pradesh Panchayat Raj Act, 1994. These bodies are known as Mandal Parishads. There are 1095 Mandal Parishads.
- b) The statutory provisions relating to the constitution and composition of Mandal Parishads are contained in Sections 148 and 149 of the Andhra Pradesh Panchayat Raj Act, 1994, hereinafter referred to as the "ACT".

1.5 STANDING COMMITTEES OF MANDALS

There are no standing Committees for Mandal Parishads.

Mandal Parishads being small with limited jurisdiction and limited members can meet once in two months for the purpose of administering the various aspects of the developmental programmes entrusted to them. In case of emergency the President may direct the execution of any work which in his opinion is necessary for the service or safety of the general public. He shall report the action taken and the reasons thereof to the Mandal Parishad at its next meeting.

1.6 POWERS AND FUNCTIONS OF MANDAL PARISHADS

The Powers and functions of the Mandal Parishads are specified in Section 161 of the Act. The Administration of the Mandal vests in the Mandal Parishad. Section 161(1) of the Act outlines the functions, in general, of the Mandal Parishad while Section 162(2) of the Act lays down the powers to be exercised and functions to be performed in particular by the Mandal Parishads, as specified in Schedule II to the Act.

1.7.1 The work of the Mandal Parishads is broadly divided into two categories :-

- i) Amenities programme.
- ii) Economic and Social Programme.

1.8 The amenities programme comprises creation of conveniences such as roads, buildings, wells etc., The economic programmes take into account fields of development such as Animal Husbandry, Minor Irrigation, Cooperation, Cottage Industries etc. The resources of the normal departments of Government which have been carrying on their activities in the various fields of development and the funds allotted under

community Development Programme are pooled and channelled through the Mandal Parishads.

1.9 The activities concerning the rural welfare and development in the fields of Animal Husbandry, Health and Sanitation, Elementary Education, Cottage Industries, Social Welfare etc. mentioned in Schedule II to the Act which are carried out by the normal developmental Departments of Government have been entrusted to the Mandal Parishads. These schemes except Elementary education are yet to be transferred with all the institutions, staff and funds to the Mandal Parishads.

1.10 The functions and powers of the District Boards mentioned in the Appendix. II to the 1959 Act with institutions, staff, assets and liabilities were transferred to Panchayat Samithis with effect from 1.12.59 and now vested with the Mandal Parishads.

1.11 The powers to accord administrative and financial sanctions in respect of schemes of Mandal Parishads are given separately.

1.12 CONTROL OVER MANDAL PARISHAD DEVELOPMENT OFFICERS

The Mandal Parishad may issue such specific directions as it may think fit regarding the performance by the Mandal Parishad Development Officer of any of the functions assigned to him under the Act.

1.13 POWER TO RAISE LOANS

1. Mandal Parishads are empowered to raise loans or borrow funds for carrying out the purposes of the Act (Sec 161 (1)) of the Act. Under section 172(viii) of the Act, the Mandal Parishad may levy contribution from the funds of the Gram Panchayats in the Mandal Parishad.

2. With the prior sanction of Government, the Mandal Parishad may levy a surcharge on any tax imposed by a Gram Panchayat or on land cess or local cess (Sec.161(4) of the Act) levied within its jurisdiction. The procedure for the levy, collection and accounting of the surcharge, contributions etc. by the Mandal Parishads is given in the Chapter "Procedure in Regard to Revenue".
3. The restrictions and conditions subject to which loans may be raised by the Mandal Parishads are contained in loans rules which are given in the Chapter "Loans".

1.14 Mandal Parishads are empowered to disburse loans under the Community development Budget and also the loan amounts if any made over to them by various departments of Government. Such assistance was given to the Panchayat Samithis as a loan and they are liable to repay it in easy instalments. The Mandal Parishads have to collect balance of I.M.S. and other loans disbursed by them and remit to Government.

1.15 The Mandal Parishads have to regularly review the progress of the works and schemes etc.

1.16 CONSTITUTION, POWERS AND PROCEDURES OF JOINT COMMITTEES

Under sec. 175 of the Act, a Mandal Parishad may, and if so required by Government constitute Joint Committee of a Mandal Parishad with one or more than one other local authority for any purpose for which they are jointly responsible. The Joint Committee may include persons who are not members of the local authorities concerned but who may in the opinion of the Government possess special qualifications or special interest for serving on such Committee, provided that the number of such persons shall not exceed one third of the total number of members of the Joint Committee.

1.17 The constitution of Joint Committees shall be by means of regulations which shall not except in the cases referred to in the rules (v) and (vi) have effect unless assented to by each of the local authorities concerned.

1.18 THE REGULATIONS SHALL DETERMINE

- (a) the total number of members of the Joint Committee**
- (b) the number of persons who shall be members of the local authorities concerned and the number of persons who may be outsiders.**
- (c) the persons who shall be members of the Joint Committee or the manner in which they shall be elected or appointed.**
- (d) the person who shall be Chairman of the Joint Committee or the Manner in which he shall be elected or appointed.**
- (e) the term of office of members and Chairman**
- (f) the powers being exercised by one or more of the local authorities concerned, which may be exercised by the Joint Committee, and**
- (g) the procedure of the Joint Committee**
- (h) the regulations made under the rule (ii) and (iii) may be varied or revoked, provided that all the local authorities concerned are consulted before such variations or revocation (G.O.Ms. No. 597 P&L.A.(S and P) dt.1.5.62)**
- (i) If the Government so desire they may issue such directions under as they think necessary or desirable in respect of all or any of the matters referred in rules (i) and (ii).**

- (j) If any difference of opinion arises between local authorities under any of the rules, it shall be referred to Government whose decision shall be final.

Rules for constitution and appointment of Joint Committee of gram Panchayats were issued in G.O.Ms. No. 435, PR&RD (Mdl.I) department dt. 15.7.94)

1.19 POWERS & FUNCTIONS OF PRESIDENT AND VICE-PRESIDENT OF MANDAL PARISHAD

1.19 (1) According to section 165 of the Act the President of a Mandal Parishad shall

- (a) exercise administrative control over the Mandal Parishad Development officer for the purposes of implementation of the resolutions of the Mandal Parishad.
- (b) Preside over and conduct the meeting of the Mandal Parishad; and
- (c) have full access to all records of the Mandal Parishad

(2) In case of emergency the President, may in consultation with the Mandal Parishad Development Officer direct the execution of any work or the doing of any act which required the sanction of the Mandal Parishad and the immediate execution or the doing of which is in his opinion, necessary for the service or safety of the general public. But he shall report the action taken and the reasons therefor to the Mandal Parishad at its next meeting.

Provided that he shall not direct the execution of any work or the doing of any act in contravention of any orders of the Government (section 165(2) of the Act.)

(3) The Vice-President shall exercise such powers and perform such functions of the President as the President may, from time to time delegate to him in writing under Section 165(3) of the Act.

(4) When the office of the President is vacant, the vice-president of the Mandal Parishad shall exercise the powers and perform the functions of the President until a new President is elected. (Section 165(4)).

(5) If the President has been continuously absent from the Mandal for more than fifteen days or is incapacitated for more than fifteen days, his powers and functions during such absence or incapacity shall devolve on the vice-president.

(6) When the office of the President is vacant or the President has been continuously absent from the Mandal for more than fifteen days or is incapacitated for more than fifteen days and there is either a vacancy in the office of the Vice-President or the Vice-president has been continuously absent from the Mandal for more than fifteen days or is incapacitated for more than fifteen days, the powers and functions of the President shall devolve on a member of the Mandal Parishad appointed by the Government in this behalf. The member so appointed shall be styled as the temporary President and he shall exercise the powers and perform the functions of the President subject to such restrictions and conditions as may be prescribed until a new president or Vice-President assumes office after his election or until the President or the Vice-President, returns to the Mandal or recovers from his incapacity as the case may be (Section 165(6)).

(7) It shall be the duty of the President or the person for the time being exercising the powers and performing the functions of the President to see that the Mandal Parishad Development Officer convenes the meeting of the Mandal Parishad so that at least one meeting of the Mandal Parishad is held in every month.

1.20 POWERS AND FUNCTIONS OF MANDAL PARISHAD DEVELOPMENT OFFICER

Section 167 of the Act deals with the powers and functions of the Mandal

Parishad Development Officer. Under Section 168 of the Act, the Mandal Parishad Development Officer and other officers and staff of the Mandal Parishad and the institutions and schools under the Mandal Parishad shall be subordinate to the Mandal Parishad.

1.21 The Mandal Parishad Development Officer is the Chief Executive Officer of the Mandal Parishad (Sec.167(I)). The Mandal Parishad Development Officer shall ordinarily attend the meetings of the Mandal Parishad and shall be entitled to take part in the discussions there at, but he shall not be entitled to vote or to move any resolution. He is responsible for the implementations of the resolutions of the Mandal Parishad.

The Mandal Parishad Development Officer shall implement the directions, if any, issued by Government for the implementation of the resolutions and if he fails he shall be liable for disciplinary action. If in the opinion of the Mandal Parishad Development Officer the Mandal Parishad passes a resolution either illegally or in excess or abuse of powers conferred on it etc, he should immediately bring the fact to the notice of the District Collector and, if necessary, also the Government through President.

1.22 The Mandal Parishad Development Officer shall with the approval of, or on the direction of the President, convene the meeting of the Mandal Parishad so that atleast one meeting of the Mandal Parishad is held every month. If the Mandal Parishad Development Officer fails to discharge that duty, with the result that no meeting of the Mandal Parishad is held within a period of ninety days from the last meeting, he shall be liable to disciplinary action under the relevant rules:

Where the president fails to give his approval for convening the meeting so as to hold a meeting within a period of ninety days aforesaid, the Mandal Parishad Development Officer may himself convene the meeting in the manner prescribed. (Section 167(3) of the Act).

1.23 It is the duty of the Mandal Parishad Development Officer to frame a Budget showing the probable receipts and expenditure of the Mandal for the following year and place it before the Mandal Parishad before 30th November, preceding the Budget year, for sanction. The Budget so sanctioned shall be submitted by the Mandal Parishad Development Officer to the Zilla Parishad before 15th January for approval. Vide section 174 of the Act and G.O.Ms. No. 15 PR&RD dated 10.1.95

1.24.1 The Mandal Parishad Development Officer is responsible to send note of meetings of the Mandal Parishad to the members of the State Legislature etc. besides the other members irrespective of the fact whether the members of the State Legislature are busy with the Sessions of the Legislature or not.

1.24.2 The Mandal Parishad Development Officer should circulate the proceedings of the Mandal Parishad to all members of Mandal Parishad along with the agenda for the next meeting of Mandal Parishad.

1.24.3 The proceedings of Mandal Parishad or any record in the custody of the Mandal Parishad Development Officer should not be shown either to an individual or a group of individuals of the Mandal.

Copies of the same may, however, be granted to any body on payment of the fee as prescribed in the rules for the conduct of the business.

1.25 The Mandal Parishad Development Officer shall soon after the completion of the financial year, cause preparation of the Annual Accounts of the Mandal Parishad for that year and after consideration of the same by the Mandal Parishad shall send a copy to the Director of Local Fund Audit not later than 30th April.

1.26 He will have administrative control and supervision over the staff borne on the establishment of the Mandal Parishad and the staff working in the institutions and schemes transferred to the Mandal Parishad.

1.27 According to the orders issued in G.O. Ms 489, PR&RD (EVII) Dept., dt. 3.12.96, the Mandal Parishad Development Officer is empowered

- i) to dispose of any sale movable property of the Mandal Parishad the value of which does not exceed rupee Five Hundred in each instance, in consultation with the President, Mandal Parishad, and
- ii) Sanction write off of cesses on a requisition made by the Revenue Department upto Rupees two hundred and fifty (G.O.Ms. No. 489 , PR&RD (EVII) Dept. dt. 3.12.96).
- iii) Sanction for printing locally without referring to Govt. press not exceeding Rs. 1000/- (Rupees one thousand only)
- iv) In case of emergency sanction of expenditure upto Rs. 500/- with the approval of the President, Mandal Parishad, Every item of expenditure sanctioned shall be placed before Madal Parishad for information.

1.28 POWERS OVER GRAM PANCHAYATS

The powers of Supervision of Mandal Parishad Development Officer over gram panchayats are given in the rules issued with G.O.MS.NO.489 P.R.&R.D (Estt. VII) Department dt.3-12-96. They are given below :-

★★★

1.28.1 In respect of any scheme, project, institution or other work of a Mandal Parishad entrusted to the gram Panchayats with in its jurisdiction and also in respect of programme of Gram Panchayats having a direct bearing on the development activities of the Mandal Parishad, the Mandal Parishad Development Officers may enter on and inspect -

- a) An immovable property, or any work in progress under the control of any Gram Panchayat or its executive authority.

- b) any institution maintained, by or under the control of, any Gram Panchayat and any records, registers or other documents kept in such institution:
- c) the office of any Gram Panchayat and any records, registers or other documents kept therein.

1.28.2 The Gram Panchayats and their Sarpanches, Executive authorities, Officers and servants shall afford to the Mandal Parishad Development Officer such access, at all reasonable times, to Gram Panchayats property or premises and to all documents as may, in his opinion, be necessary to enable him to discharge his duties in this behalf.

1.28.3 The Mandal Parishad Development Officer may in pursuance of the commentations of the Mandal Parishad :-

- a) direct any gram Panchayat to make provision for and to execute or provide public work or amenity or service corresponding to or directly bearing on any scheme of the Mandal Parishad.
- b) call for any record, register or other document in the possession or under the control of any Gram Panchayat or executive authority.
- (c) require any Gram Panchayat or executive authority to furnish any return, plan, estimate, statement, account or statistics.
- d) require any Gram Panchayat or executive authority to furnish any information or report on any matter connected with such Gram Panchayat.
- (e) record in writing for the consideration of any Gram Panchayat or executive authority any observations in regard to its or his proceedings or duties.

1.28.4 Where a scheme or work of the Mandal Parishad is entrusted to two or more gram Panchayats jointly and where two or more Gram

Panchayats have taken up any scheme or work as Joint venture having a direct bearing on any development activity of the Mandal Parishad, the Mandal Parishad Development Officer shall have the same powers as are specified in rules 1 and 2 over such Gram Panchayats in respect of such scheme or work.

1.28.5 The powers exercisable by the Mandal Parishad Development Officer, under the above paras shall be in addition to, and not in derogation of, any powers exercisable by other competent officers of the Government under the control of the Commissioner, Panchayati Raj.

II. ZILLA PARISHAD

1.29 CONSTITUTION AND COMPOSITION OF ZPS

The provisions relating to the constitution and composition of Zilla Parishads are contained in section 177 of the Act. The District Boards became Zilla Parishads from 1.12.59 under the A.P. Panchayat Samithis & Zilla Parishads Act, 1959. With the enactment of A.P. M.P.Ps, Z.P.Ps., and Z.P. & A.S.M. Act, 1986, Z.Ps., became Z.P.Ps., with effect from 14.1.87 and new bodies were created under section 60 of A.P.P.S. & Z.P.Act, Government abolished the District Boards in all the Districts in the State and constituted Zilla Parishads for each of the then 20 Districts with effect from 1st December, 1959. Under the A.P. Panchayat Raj Act, 1994, these bodies are named as Zilla Parishads. Now there are 22 Zilla Parishads for the purpose of Rural Development.

1.30 POWERS OF ZILLA PARISHAD

1.30.1 Every Zilla Parishad shall exercise such powers and perform such functions as may be entrusted to it by rules made in the behalf with regard to the subjects enumerated in the First Schedule. The Zilla Parishad shall also have the power to.

- 1) Examine and approve the budgets of Mandal Parishads in the district.

- 2) Distribute the funds allotted to the district by the Central or State Government among the Mandal Parishads and Mandals in the district for which Mandal Parishad are not constituted.
- 3) Co-ordinate and consolidate the plans prepared in respect of the Mandals in the district and prepare plans in respect of the entire district.
- 4) Secure the execution of plans, projects, schemes or other works either solely relating to the individual Mandals or common to two or more Mandals in the district :
- 5) Supervise generally the activities of the Mandal Parishads in the district :
- 6) Exercise and perform such of the powers and functions of the District Board including the powers to levy any tax or fees, as may be transferred to it under this Act :
- 7) Exercise and perform such other powers and functions in relation to any development programme as the government may by notification confer on or entrust to it;
- 8) Advise Government on all matters relating to development activities and maintenance of services in the district, whether undertaken by local authorities or government.
- 9) Advise Government on the allocation of work among gram panchayats and Mandal Parishads and co-ordination of work between the said bodies and among the various gram panchayats themselves;
- 10) Advise Government on matters concerning the implementation of any statutory or executive order specially referred by the Government to the Zilla Parishad.

- 11) Collect such data as it deems necessary :
- 12) Publish statistics or other information relating to the activities of the local authorities :
- 13) Require any local authority to furnish information regarding its activities:
- 14) Accept trusts relating exclusively to the furtherance of any purpose for which its funds may be applied :
- 15) Establish, maintain, or expand secondary, vocational and Industrial schools :
- 16) Borrow money for carrying out the purposes of this act with the previous approval of the Government and subject to such terms and conditions as may be prescribed.

1.30.2 The Zilla Parishad may, with the approval of the government levy contributions from the funds of the Mandal Parishads in the district. (Section 192 of the Act)

1.31.1 Zilla Parishads are administratively responsible for implementing (1) Rural water Supply (2) Rural Sanitation (3) MNP roads (4) Sugar cane cess fund, works (5) Flood & drought works (6) Construction of ZP/MP school buildings.

1.31.2 Zilla Parishads are also made responsible for Minor Irrigation, Secondary Education.

1.31.3 The functions of normal development departments of Government are also entrusted to Zilla Parishads to the extent and manner ordered by Government.

1.31.4 Bulk allotment of funds is made to them by Government under the above heads.

1.31.5 The restrictions and conditions subject to which Zilla Parishads are to raise loans are detailed in the rules issued by Government.

1.32 STANDING COMMITTEES OF ZILLA PARISHADS

1.32.1 It will be difficult for the general body of the Zilla Parishad to consider all aspects of administration of the various developmental activities entrusted to Zilla Parishads. Therefore, a system of functioning through various committees has been involved. The committees are named Standing Committees. Different subjects are allotted to each, Standing committee, with powers to sanction schemes up to a certain limit. The officers concerned also attend the meetings of the standing committees.

These Committees thus become the workshops of the Zilla Parishads where the technical knowledge of the officials and members interpretation of public requirements are brought together, blended and applied to achieve the felt needs of the people.

1.32.2 There are seven Standing Committees for Zilla Parishads under Section 187 of the Act for subjects shown against each.

(I) **STANDING COMMITTEE FOR PLANNING AND FINANCE :**

District Plan, Budget, taxation, finance and co-ordination of the work relating to other committees.

(II) **STANDING COMMITTEE FOR RURAL DEVELOPMENT :**

Poverty Alleviation programme, Area Development Programmes, employment, housing, cooperation/thrift and small savings, Industries including cottage, village and small scale industries, trusts and statistics.

(iii) STANDING COMMITTEE FOR AGRICULTURE

Agriculture, animal husbandry, soil reclamation including contour bunding, social forestry, fisheries, and sericulture.

(iv) STANDING COMMITTEE FOR EDUCATION AND MEDICAL SERVICES

Education including Social Education, medical services, public health and sanitation including drainage, relief for distress in grave emergencies.

(v) STANDING COMMITTEE FOR WOMEN WELFARE :

Development of women and welfare of children.

(vi) STANDING COMMITTEE FOR SOCIAL WELFARE :

Social welfare of Scheduled Castes, Scheduled Tribes and backward classes and cultural affairs.

(vii) STANDING COMMITTEE FOR WORKS :

Communications, rural water supply, power and irrigation.

1.32.3 The Government may direct that if a Standing Committee fails to discharge any of its functions, the Zilla Parishad shall perform all or any of such functions. The Standing Committees shall deal with such matters specified in the Act and rules made there-under.

1.34 The allocation of individual cases among the standing Committees should present no difficulty as the subject assigned to the Standing Committees have been broadly and clearly indicated in the Act or the rules made thereunder. If there is, however, any difficulty in deciding as to which Standing Committee a particular case appropriately relates, then

a tradition may be set-up either (i) that the Chairman of the Standing Committee may decide or (ii) that the Zilla Parishad may decide or itself dispose it, of, or (iii) that all such Standing Committees which appear to have concern with such cases may hold a joint meeting and dispose it of.

1.35 A great amount of responsibility vests in the standing Committees as most of the cases concerning the Zilla Parishad will fall within the limits of their powers of sanction. The success of the system therefore, depends mainly on the efficient working of the Standing Committees.

1.36 The powers of Standing Committees to accord administrative and financial sanctions in respect of works and schemes of Zilla Parishad are given separately.

1.37 The decisions of the Standing Committees shall be subject to ratification by the general body of the Zilla Parishad which shall have the power to approve, modify, rescind and reverse them.

1.38 Where two or more Standing Committees have taken conflicting decisions and such conflict has not been adjusted by the joint meeting of such committees, the Chief Executive Officer, Zilla Parishad shall place the matter before the Zilla Parishad and withhold all action in regard to the matter at issue pending the decision of the Zilla Parishad.

CHAIRMAN OF STANDING COMMITTEES

1.39 The Chairman of the Zilla Parishad is the Ex.Officio member of all Standing Committees. The remaining members will be elected from among the members of the Zilla Parishads in accordance with rules (vide amendment Act No.5 of 95)

For S.C. III, Agriculture, Vice Chairman, Zilla Parishad is Chairman. For two Standing Committees women members shall be Chair Women as nominated by the Chairman. The Chairman, Zilla Parishad is the

Chairman of the remaining four Standing Committees. (Sec. 187 (3) of the Act.)

1.40 The District Collector shall have right to participate in the meetings of the Standing Committees without voting rights. Section 187 (5) of the Act.

1.41 MEETINGS OF GENERAL BODY OF ZILLA PARISHAD

(1) The meetings of the General Body of Zilla Parishad will be attended by the Chief Executive Officer and other officers of the Zilla Parishad and also by the concerned District Officers. All schemes will be examined first by the appropriate subject committee and also by the Standing Committee for Planning and Finance if expenditure is involved. In the event of any difference of opinion, if any, arising between two or more Standing Committees, such issues will be settled at a joint meeting of all such Standing Committees. Items, the value of which is over and above the powers of sanction of the committees will come up before the Zilla Parishad for consideration and sanction. Each such item will thus be considered both from a particular and general view point. The Zilla Parishad will second sanction where the expenditure does not exceed the prescribed limit and in all other cases it will be seen that after approval of the Zilla Parishad, proposals are sent to the concerned authority.

(2) The officers attending the meetings of the Committees present their reports, give details of the schemes and if necessary participate in discussions to clarify any point or suggest a course of action.

(3) There should be full co-ordination between the different Standing Committees on various subjects they are responsible for. The Chairman, Zilla Parishad who is the Chairman of the four Standing Committees will be able to bring about the co-ordination in the working of the respective Standing Committees.

1.42 POWERS AND FUNCTIONS OF CHAIRMAN AND VICE-CHAIRMAN, ZILLA PARISHAD

According to section 193 of the Act, the Chairman of Zilla Parishad shall :

- (a) exercise administrative control over the Chief Executive Officer, for the purpose of implementation of the resolution of the Zilla Parishad and Standing Committee.
- (b) preside over and conduct the meetings of the Zilla Parishad.
- (c) have full access to all records of the Zilla Parishad.

(2) The vice-Chairman shall exercise such power and perform such functions of the Chairman as the Chairman may, from time to time, delegate to him in writing.

(3) When the office of the Chairman is vacant, the vice-Chairman of the Zilla Parishad shall exercise the powers and perform the functions of the Chairman until a new Chairman is elected.

(4) If the Chairman has been continuously, absent from the district for more than fifteen days his powers and functions during such absence or incapacity shall devolve on the Vice-Chairman.

(5) When the office of the Chairman is vacant or the Chairman has been continuously absent from the district for more than fifteen days or is incapacitated for more than fifteen days and there is either a vacancy in the office of the Vice-Chairman or the Vice-Chairman has been continuously absent from the district for more than fifteen days or is incapacitated for more than fifteen days, the powers and functions of the Chairman shall devolve on a member of the Zilla Parishad be styled as the temporary Chairman and he shall exercise the powers and perform the functions of the Chairman subject to such restrictions and conditions as may be prescribed until a new Chairman or Vice-Chairman assumes office after his election, or until the Chairman or the Vice-

Chairman returns to the district or recovers from his incapacity as the case may be.

(6) It shall be the duty of the Chairman to get the meetings of the Zilla Parishad convened by the Chief Executive Officer so that atleast one meeting of the Zilla Parishad is held in every ninety days or within thirty days following such period he shall, with effect from the date of expiration of the thirty days aforesaid, cease to be the Chairman or as the case may be cause to exercise the powers and perform the functions of the Chairman. Unless such cessation has otherwise occurred before that date, and for a period of one year from such date he shall not be eligible to be elected as Chairman or to exercise the powers and perform the functions of the Chairman.

In reckoning the period of 90 days or 30 days referred to above public holidays will be excluded (Sec. 193 (6) of the Act)

(7) He shall have the powers to appoint and transfer teachers of the Zilla Parishad schools, and the staff under the control of Zilla Parishad.

1.43 POWERS OF CHIEF EXECUTIVE OFFICER :

Under section 186 of the Act, the Chief Executive Officer shall :

- 1) exercise all the powers and perform all the functions specially conferred or imposed upon him by or under this Act, or under any other law for the time being in force :
- 2) lay down the duties of all officers and servants of, or holding office under Zilla Parishad in accordance with the rules made by the Government.
- 3) be entitled to attend the meeting of the Zilla Parishad or any of its Standing Committee (including any meeting of the Mandal Parishad) and

take part in the discussions there at by shall not be entitled to vote or to move any resolution :

- 4) call for any information, return, statement of account or report from any Officer or servant of a Mandal Parishad.
- 5) shall exercise supervision and control over the acts of the officers and servants holding office under the Zilla Parishad or the institutions thereunder in matters of executive administration and those relating to accounts and records of the Zilla Parishad or the Institutions thereunder.
- 6) have the custody of all papers and documents connected with the proceedings of the Zilla Parishad and of its Standing Committee.
- 7) shall be responsible for implementing the resolutions of the Zilla Parishad and of the Standing committees thereof;
- 8) supervise and control the execution of all activities of the Zilla Parishad :
- 9) take necessary measures for the speedy execution of all works and development schemes of the Zilla Parishad.
- 10) have the power to enter upon and inspect any work scheme or institution under the management of a Zilla Parishad.
- 11) shall have the power to enter upon and inspect work, scheme or institution under the management of a Mandal Parishad if the Zilla Parishad or any of its Standing Committees so direct :
- 12) shall be the competent authority to enter into agreements and to sign and execute them in the name and on behalf of the Zilla Parishad from time to time.
- 13) shall implement such specific directions issued by the Zilla Parishad as it may think fit regarding the performance by him of any of the functions assigned to him under the Act :

14) Provided that such directions are in conformity with the terms and conditions governing planning, community development and other development activities entrusted by the Government or any other authority.

15) shall immediately execute the orders passed by the Government in exercise of the powers conferred by the Act and rules made thereunder or any other law for the time being in force and shall forthwith send a compliance report to the Government and place a copy thereof before the Chairman and Vice-Chairman.

16) shall, with the approval of, or on the direction of the Chairman convene the meetings of the Zilla Parishads so that atleast one meeting of the Zilla Parishad is held every month and if the Chief Executive Officer fails to discharge that duty, with the result that no meeting of the Zilla Parishad is held within a period of ninety days from the last meeting, he shall be liable to disciplinary action under the relevant rules :

Provided that where the Chairman fails to give his approval for convening the meeting so as to hold a meeting within the period of ninety days aforesaid the Chief Executive Officer himself convene the meeting in the manner prescribed under sec 186 (5) of the Act.

17) subject to the provisions of the Section 195, the staff on the establishment of the Zilla Parishad and the staff working in institutions and schemes transferred by the Government or the Head of Department of Government to the Zilla Parishad shall be under the administrative control and supervision of the Chief Executive Officer.

1.44 The powers and functions of the Chief Executive Officer, Zilla Parishad prescribed in G.O.Ms.No.755, dated 30-11-95 G.O.Ms.No. 488 PR & RD E. VII dt. 3-12-96 are as follows :

ADMINISTRATIVE

- (1) Call for any information, return statement, account or report from any office or servant of, or holding office under Zilla Parishad or Mandal Parishad, including Parishad Educational Officer, Accounts Officer and Executive Engineer (Panchayati Raj)
- (2) Supervise and control the execution or all activities of the Zilla Parishad.
- (3) Intimate the vacancies whether casual or arising by efflux of time the Office of the various members of the Zilla Parishad and any Standing Committee thereof and fix dates for elections of ordinary meeting.
- (4) Have administrative control over the Officers working under the Zilla Parishad.
- (5) Posting and transfers of Mandal Parishad Development Officers within the districts with the approval of Zilla Parishad, sanction their increments and all kinds of leave except special Disability leave and Study leave vide G.O.Ms.No.356, PR&RD dated 5-5-87.
- (6) Make additional charge arrangement of the Mandal Parishad Development Officers during training, leave etc. and to sanction charge allowance as per rules.
- (7) Initiate confidential reports every year on the work of the district officers under the control of the Zilla Parishad including the Deputy Chief Executive Officer, Zilla Parishad, Mandal Parishad Development Officers and Parishad Educational Officer and shall countersign confidential reports of employees under Zilla Parishad (belonging to Education, Accounts General and Engineering wings) which will be initiated by Wing Officers concerned and be the custodian of the personal files.
- (8) Review the work and diaries of Deputy Chief Executive Officer, Parishad Educational Officer, Executive Engineer (Panchayati Raj)

Mandal Parishad Development Officers and other officers under the control of the Zilla Parishad.

(9) Countersign travelling allowance bills of Deputy Chief Executive Officer, Parishad Educational Officer, Executive Engineer, Panchayati Raj and other officers under administrative control of the Zilla Parishad.

(10) Sign and draw his own travelling allowance bill.

(11) (a) To inspect Mandal Parishads in the district excluding the Mandal Parishads to be inspected by the District Collector and Revenue divisional Officer/Sub-Collector, including the half yearly inspection of Loans Branch.

(b) To take up random inspection of Mandal Parishads and Gram Panchayats.

1.45 FINANCIAL

(12) (a) Sanction payment of advance of pay and T.A. on transfer to categories of employees specified below :-

1. Superintendents, Senior Assistants, Senior Accountant of Zilla Parishad.
2. All Medical Officers, of regular dispensaries and C.D.M. stores, Zilla Parishads.
3. Head masters, and teachers of Zilla Parishad Secondary Schools.

(b) Supply medicines and other accessories subject to the budget provisions and to sanction the cost of production of bills.

(c) Any other advance permissible under the rules.

(13) sanction the investigation into the delay in payment of the salaries

and allowances of employees of Zilla Parishad and sanction the payment after investigation, if the claim does not exceed two years.

(14) sanction excess consumption of petrol for vehicles of Zilla Parishad provided the excess is not more than 25% of the Scheduled quota.

(15) sanction amounts for payment of compensation for land acquisition determined by the Land Acquisition Officer.

(16) sanction time barred travelling allowance bills of Non-official except Chairman, Zilla Parishad.

(17) Seal, Endorse, transfer, negotiate or otherwise deal with Government securities, Standing in the name of erstwhile District Board and Zilla Parishad with the approval of the Zilla Parishad.

(18) Sanction investments of the funds of the Zilla Parishad in Government securities, co-operative and commercial banks and National Saving Certificates with approval of the Zilla Parishad.

(19) Sanction house rent for the Zilla Parishad or other Panchayati Raj Officer on the strength of valuation certificates upto Rs.1000/- per month, but not exceeding Rs.1500/-

(20) Sanction contingent expenditure upto Rs.1000/- in each case.

(21) Sanction expenditure towards repairs of Zilla Parishad vehicles upto Rs.10,000/- per vehicle, vide G.O.Ms.No.488 PR&RD dated 3-12-96.

(22) Permit the Head Masters of Secondary Schools to utilise upto Rs.750/- from the Audio Visual Education Fees for electrification of School buildings.

(23) Sanction payment of taxes, fees, land revenue and charges payable to State funds (Revenue Department) by the leases of endowment lands.

- (24) Sanction payment of the Printing charges.
- (25) In cases of emergency sanction expenditure upto Rs.1,000/- with the approval of Chairman, Zilla Parishad (G.O.Ms.No.14 PR&RD dated 9-1-89).
- (26) Sanction for purchase of stationery not exceeding Rs. 1,000/-
- (27) Sanction for purchase of steel and wooden furniture not exceeding Rs.2,000/- and Rs.1,000/- for repairs to furniture per annum.
- (28) Sanction for purchase of bulbs and lamps not exceeding Rs.500/- per annum.
- (29) Sanction for purchase of books, maps and periodicals not exceeding Rs.400/- p.a.
- (30) Sanction for repairs to typewriters not exceeding Rs.600/-

Note : Every item of expenditure sanctioned by the Chief Executive Officer shall be placed with the remarks of the Accounts Officer, Zilla Parishad before the Standing Committee for information.

1.46 OTHER MISCELLANEOUS POWERS

The Chief Executive Officer has also the following powers :

- (1) to acquire movable property for the Zilla Parishad within such limits he may be determined by the Zilla Parishad.
- (2) to be incharge of the buildings belonging to the Zilla Parishad.
- (3) to dispose of by rules, movable property of the Zilla Parishad, the value of which does not exceed Rs.500/-
- (4) with the sanction of the Zilla Parishad or its Standing Committees,

as the case may be, to lease, to demolish or otherwise dispose of any movable or immovable property of the Zilla Parishad.

(5) intimate the vacancies whether casual or arising by efflux of time in the office of the various members of the Zilla Parishad to the State Election Commissioner.

(6) sanction payment of the Printing charges.

1.47 POWERS OF GOVERNMENT TO CREATE POSTS

(1) Under Sec. 169/195(1) of the Act, Government may at any time sanction the creation of such posts as may be necessary for carrying out the purposes of the Act in the Mandal/Zilla Parishad.

(2) The Government shall pay, out of the Consolidated Fund of the State, the salaries, allowances, leave allowances, pension and contributions, if any, towards the provident fund or of a pension-cum-gratuity fund of the officers and other employees of a Parishad, who hold any of the posts referred to in sub-section (1)(Sec. 169(3) & 195(3)) of the Act.

(3) The provisions governing the appointment to the posts under the control of the Zilla Parishads and the transfers of the holders of such posts are dealt with in the chapter "Establishment".

(4) The Officers and the other employees so appointed in Zilla Parishad shall be under the administrative control of the Chief Executive Officer of the Zilla Parishad (Section 186(6)).

1.48 POWERS OF COMMISSIONER / GOVERNMENT TO GIVE DIRECTIONS TO CHIEF EXECUTIVE OFFICER/MANDAL PARISHAD DEVELOPMENT OFFICER

1.48.1 According to section 248(1) of the Act, the Commissioner/

Government are competent to issue such directions as they may consider necessary to the Executive authority/Mandal Parishad Development Officer or the Chief Executive Officer for the proper working of the Gram Panchayat/Mandal Parishad/Zilla Parishad or for the implementation of the resolutions thereof. The Executive Authority/Mandal Parishad Development Officer/Chief Executive Officer shall implement those directions failing which, he shall be liable for disciplinary action under the relevant rules.

1.48.2 The Sarpanch of the Gram Panchayat/President of the Mandal Parishad/the Chairman of the Zilla Parishad shall ensure that the Executive Officer/Mandal Parishad Development Officer/the Chief Executive Officer implements the directions issued by the Government and shall not do any thing in delegation to the directions of the Government aforesaid. The Sarpanch/President or the Chairman who contravenes the provisions of this Section shall be deemed to have willfully omitted or refused to carry out the orders of the Government for the proper working of the Gram Panchayat/Mandal Parishad/the Zilla Parishad within the meaning of section 249 of the Act.

CHAPTER - 2

CONSTITUTION, LODGING AND UTILISATION OF FUNDS

CONSTITUTION LODGING AND UTILISATION OF FUNDS

Sl. No.	Heading	Para No.	Page No.
1.	Lodging of funds	2.1.1	39
2.	Assigned Revenues	2.4A	41
3.	Own Resources	2.4B	41
4.	Grants	2.4C	42
5.	Under Education Fund	2.4D	42
6.	Other Items	2.4E	43
7.	Cheque Drawing Officer MPDO	2.5	43
8.	Constitution of Z.P. Fund	2.6	43
9.	Assigned Revenues	2.7 A	44
10.	Own Revenues	2.7 B	44
11.	Grants	2.7 C	45
12.	Under Education Fund	2.7 D	46
13.	Other items	2.7 E	46
14.	Lodging of Funds	2.8	47
15.	JRY Funds to kept in Bank	2.8.2	48

16.	Cheque Drawing Officer CEO	2.9	49
17.	Earmarked Funds	2.10	49
18.	Purposes for which Mandal fund, Zilla Parishad Fund may be utilised	2.11	50
19.	For Scheduled Castes	2.12	50
20.	For Scheduled Tribes	2.13	51
21.	For Women & Children	2.14	52
22.	Expenditure Incidental to Administration	2.15	52
23.	Contributions	2.15.4	54
24.	Financial Statements	2.16	55

CONSTITUTION, LODGING AND UTILISATION OF FUNDS

2.1.1 LODGING OF FUNDS

According to Section 171 of the Act, all moneys received by the Mandal Parishad shall constitute a Mandal Parishad Fund and shall be lodged in the nearest Government Treasury. The amounts are kept in the personal deposit account in the Treasury under the Head "K-Deposit and advances (d) deposits - SH(02) MP. Funds not bearing interest 8448 Deposits of Local Fund - MH109 Panchayat Bodies Funds SH(02) Mandal Parishad Separate detailed accounts are maintained in the treasury for Mandal Parishad under the following Heads as per G.O.MsNo.1 PR&RD (Accts.) dated 21.08.78, Govt. Memo No. 223239. (Accts I) dated 13.4.94 and G.O. 125 F&P Dated 7.8.97.

SH(02) MANDAL PARISHAD FUNDS :

- 001 General Funds
- 002 Education Fund
- 003 Women & Child Welfare Fund
- 004 Primary Health Centres
- 005. Special Development Programmes Funds
- 006. M.G. Panchayat
- 007. Special RRM
- 008. RWS
- 009. Rural Sanitation Programme

010 Minor Irrigation**011 RWS(TFC)**

2.1.2 According to sec. 3 of the A.P Ordinance No. 1 of 1998 dated 19.2.98 and Govt Memo No.50139 / JRY.II / AI-97 -I, PR&RD dated 2.3.98, the JRY funds should be kept in Nationalised Banks or separate and exclusive savings Bank Account at Mandal level.

2.2 The following amounts are credited to the Mandal Parishad Fund :

- i)** funds relating to institutions and schemes transferred by the Government or Heads of Departments of the Government to the Mandal Parishad.
- ii)** funds relating to the community development programme
- iii)** Central and State aid and aid received from the All India Bodies and Institutions for the development of cottage and village industries khadi, silk, coir, handicrafts and the like;
- iv)** donations and contributions received by the Mandal Parishad from Gram Panchayat or from the public in any form.
- v)** such income of the district boards as the Government may, by order, allocated to it;
- vi)** such share of the land revenue, State taxes or fees as may be prescribed:
- vii)** proceeds from taxes, surcharge or fees which the Mandal Parishad is empowered to levy under this Act or any other law.
- viii)** such contributions as the Mandal Parishad may levy from Gram Panchayats.
- ix)** any other income from remunerative enterprises and the like;

2.3 Under Section 172(2), the Government shall give Rs.5/- now Rs.8/- per capita grant to Mandal calculated on the basis of the last preceding census of rural population.

2.4 The following amounts are credited under the Head General Fund

(A) ASSIGNED REVENUES :

(1) Land cess / Local cess

Land cess (6 paise out of 18 paise in Andhra Area)

Local cess (8 paise out of 25 paise in Telangana area)

(2) Surcharge on stamp duty (1% out of 5% surcharge on stamp duty)

(3) Mineral cess (8 paise out of 25 paise in Telangana area) up to 8.4.91.

(12 paise out of 37 paise in Andhra area) now 37.5 percent of seignorage fee.

(4) 40 percent Entertainment tax.

(B) OWN RESOURCES

(1) Market fees

(2) Ferry rents

(3) Income on shops

(4) Fishery Rentals

(5) Rent on staff quarters

(6) Rent on Inspection Bungalows

(7) Balance of petty supervisions charges

(8) Balance of 1% T&P Charges

- (9) Other remunerative enterprises
- (10) Lapsed deposit and deposits which remain unclaimed for more than 3 years.

(C) GRANTS

- (1) Rs.5/- now Rs.8/- per capita grant
- (2) Salary grant for provincialised of Mandal Staff.
- (3) T.A. to staff and contingent grant for rent, stationery, petrol etc.
- (4) TA,DA, to non-officials and TA, DA, to Mandal President and honorarium.
- (5) Grants released under JRY programme. / now JGSY.

(D) UNDER EDUCATION FUND :- the following amounts are credited;

- 1) Salary grant for teaching staff authorised by the Audit Officer, Local Funds
- 2) Salary grant for teaching staff released by the D.E.O.
- 3) 6% now 2% contingent grant released by the D.E.O.
- 4) Several Plan grants released by the D.E.O.
 - (a) towards salaries of women teachers.
 - (b) grant for Salaries of teachers in upgraded schools.
 - (c) grant for salaries of teachers in school-less villages etc.,
- 5) Grant for compensation for loss of special fees to SC,ST candidates.
- 6) L.T.C. grants released by the Audit Officer, LF.
- 7) Revolving fund for Festival advance released by the D.E.O.

- 8) Recoveries of Advances
- 9) Audit Recoveries

(E) OTHER ITEMS

- (1) Grants given by Government for other programmes
- (2) Income from Endowments
- (3) Deposits
- (4) Loans repaid by the loanee.

2.5 CHEQUE DRAWING OFFICER :- MANDAL PARISHAD DEVELOPMENT OFFICER

Under Sec. 171(3) of the Act, all orders or cheques against the Mandal Parishad Fund shall be signed by the Mandal Parishad Development Officer.

ZILLA PARISHAD

2.6 CONSTITUTION OF ZILLA PARISHAD FUND

The Zilla Parishad fund shall comprise of money received by the Zilla Parishad. The sources of income of Zilla Parishad (items credited to the Zilla Parishad fund) shall consist of :

- (i) The Central or State Government funds allotted to the Parishad.
- (ii) grants from All-India bodies and institutions for the development of cottage, village and small scale industries and the like:
- (iii) such share of the land cess or local cess, State taxes or fees as may be prescribed.
- (iv) proceeds from taxes or fees which the Parishad may, under any law, levy.

- (v) income from Endowments or Trusts administered by the Parishad.
- (vi) such income of the District Board as the Govt. may by order, allocate to it.
- (vii) donations and contributions from the Mandal Parishad or from the Public in any form.
- (viii) such contributions as the Zilla Parishad may levy from the Mandal Parishad with the previous approval of the Government.
- (ix) any other income from remunerative enterprises and the like. (Vide Section 198 of the Act).

2.7 Rs.2/- now Rs 4/- per capita grant calculated on the basis of the last preceding census of Rural population (Sec.198(2)).

The following amounts are credited in the general account (General Fund Account).

2.7 (A) ASSIGNED REVENUES :

- (i) Land cess (5 paise out of 19 paise) in Andhra area / local cess (5 paise out of 25 paise in Telangana area.
- (ii) Surcharge on Stamp duty (1% out of 5%).
- (iii) Mineral cess (10 paise out of 37 paise) in Andhra area, (5 paise out of 25 paise in Telangana region (up to 8.4.91) 25 percent of seignorage fee and tax on minor minerals.

2.7 (B) OWN REVENUES

- (i) Market rents
- (ii) Ferry rents
- (iii) Fishery rents

- (iv) Lease amounts of Zilla Parishad lands.
- (v) Rent on shopping complex or offices.
- (vi) Guest house Meeting hall rents
- (vii) Rent from staff quarters
- (viii) Income from other remunerative enterprises, balance of petty supervision charges, balance of 1% T&P charges.
- (ix) Interest on investments from general funds.
- (x) Lapsed deposits (deposits unclaimed and etc and pending for more than 3 years).

2.7 (C) GRANTS

- (i) Rs 2/- now Rs 4/- per capita grant
- (ii) Grant for salaries of provincialised staff of Zilla Parishad.
- (iii) Grant for TA of Zilla Parishad staff.
- (iv) Salary & TA grant to Mandal parishad employees & contingencies grant to be distributed to Mandal Parishad.
- (v) Pension contribution grant / pension grant
- (vi) T.A./D.A and Honorarium to Chairman and Vice-Chairman and ZPTC members and TA.DA to non-officials.
- (vii) The following grants to be distributed to Gram Panchayats are also credited to Zilla Parishads for distribution to Gram Panchayats.
 - (i) grant for best Gram Panchayat in the State, District and at Mandal level

- (ii) **Matching grants to gram Panchayats for works, if any (now discontinued)**

2.7 (D) UNDER EDUCATION FUND :- The following amounts are credited;

- 1) **Salary grant for teaching staff, authorised by the Audit Officer, Local Funds.**
- 2) **Salary grant for teaching staff released by the DEO.**
- 3) **6% now 2% contingent grant released by the DEO.**
- 4) **Several plan grants released by the DEO**
 - (a) **towards salaries of women teachers**
 - (b) **grant for salaries of teachers in up-graded schools.**
 - (c) **grant for salaries of teachers in school less villages.**
- (5) **Grant for compensation for loss of special fees to SC,ST candidates.**
- (6) **LTC grants released by the Audit Officer Local Funds**

2.7 (E) OTHER ITEMS

- (a) **Under Engineering fund :- the following amounts are credited.**

(i) **2702 grant for restoration of Minor Irrigation sources.**

(ii) **2525 grant for pay and allowances of Engineering Establishment.**

(iii) **2515 grant for contingencies of Engineering Offices.**

(iv) **2515 grant for maintenance of rural roads.**

(v) **2515 grant for roads**

(vi) 2515 grant for Sugar cane roads.

(vii) Drought relief grants for roads.

(viii) Cyclone and flood repairs grants.

The grants released under JRY and other rural employment programmes under the head of 2505 are also credited to Engineering Funds.

(b) Under Rural Water supply Schemes the following grants are credited.

(1) 2215 grant for maintenance of comprehensive piped Water supply schemes.

(2) Grant for repairs and maintenance of Hand pumps.

(3) For Rural Water Supply grants.

(4) Accelerated Rural water supply grants

(5) Drought Relief grant for Rural Water supply.

(6) Grant for Rural sanitation Vimukthi programme

(7) Grant for individual latrines.

(8) Grant for community latrines.

(F) The amounts received under Railway cess, Endowments, Deposits, Loans and Advances (Loans received from Government for sanction of HBA to the non-teaching PR employees) are also credited to General funds.

2.8 LODGING OF FUNDS

2.8.1 According to Section 197(ii) of the Act all moneys received by

the ZP shall be lodged in the nearest Govt. Treasury. The amounts are kept under personal deposit account in the Treasury under the Head "K-Deposit and advances (d) deposits not bearing interest 8448 Deposit of Local Fund - MH 109 Panchayat Bodies Fund-SH (03) Zilla Parishad Funds. In G.O.Ms No. 2 Panchayat Raj (Accts-I) Act. (I) Department, dated 2-1-87 and Govt. Memo. No. 23239 / Accounts. 1/94-I) Dated 13-4-94 and G.O. Ms 125 Fin & Plg. (FW BG) dated 7-8-97, it was ordered that the following heads shall be maintained in the Treasury in the existing deposits Funds Accounts.

SH(03) ZILLA PARISHAD FUNDS :

- 001 - General Funds
- 002 - Education Fund
- 003 - Engineering Funds & Rigs divisions
- 004 - Engineering Funds for Rigs workshops
- 005 - Rural water supply scheme
- 006 - Zilla parishad loan funds
- 007 - Mandal Parishad Funds
- 008 - Engineering funds for maintenance of cyclone shelters
- 009 - Special RRM
- 010 - Rural Sanitary programme
- 011 - Minor Irrigation
- 012 - RWS (T.F.C.)

2.8.2 JRY FUNDS TO BE KEPT IN BANKS

According to Sec. 4 of the A.P. Ordinance No. 1 of 1998 dated 19-2-98 and Government Memo 50139 / JRY II / AI / 97-1 PR & RD dated 02-3-

98, the JRY Funds should be kept in Nationalised Banks in separate and exclusive savings bank account at Zilla Parishad level.

2.9 CHEQUE DRAWING OFFICER :- CHIEF EXECUTIVE OFFICER

Under Section 197(3) of the Act, all orders or cheques against the Zilla Parishad fund shall be signed by the Chief Executive Officer, Zilla Parishad. The powers can be delegated to the Deputy Chief Executive Officer, Parishad Education Officer, and Executive Engineers.

2.10. EAR MARKED FUNDS

A Mandal / Zilla Parishad shall not without the previous sanction of the Government divert, even temporarily, any of the following earmarked funds for purposes other than those for which they are collected or allotted.

- (i) funds collected for the opening and maintenance of elementary schools
- (ii) special State Grants sanctioned for specific purposes
- (iii) Receipts derived from the sale of capital assets.
- (iv) Income from Endowments and Trust.
- (v) Deposits (including Provident Fund)
- (vi) Funds relating to institutions and schemes transferred to the Mandal / Zilla Parishad by the Government or Heads of Department of the Government.
- (vii) Funds relating to the Community Development Programme.
- (VIII) Grants from All India bodies and institutions for the specified purpose of development of Cottage and Village Industries, Khadi Silk, Coir, Handi-crafts and the like;

- (ix) Donations and contributions received from the public
- (x) Proceeds from the State taxes for the specific purposes of providing expenses connected with the construction maintenance, repair, extension or improvement of road works.
- (xi) Funds allotted to Harijan house-sites or other programmes intended for amelioration of Scheduled castes and Scheduled Tribes.
- (xii) Loan Funds
- (xiii) Railway Cess fund (G.O.Ms. No. 704 PR&RD (Accts III) department dated 5-11-1994 for MPS & Go. Ms No. 229 PR&RD (Accts I) dt 17-6-97 for ZPS

2.11 PURPOSES FOR WHICH MANDAL FUND ZILLA PARISHAD FUND MAY BE UTILISED Vide Go Ms No 704 PR&RD (Acct III) dt 5-11-94 for MPs and GO MS No dt 229 PR&RD (Accts I) dt. 17-6-97 for ZPs.

The Purposes to which the Mandal/Zilla Parishad Fund may be applied include all objects expressly declared obligatory or discretionary by the relevant laws or rules and in general everything incidental to the administration; and the fund shall be applicable thereto within the Mandal/Zilla Parishad subject to these rules and such further rules or special orders and as the Government may make or issue, and shall be applicable to such purposes outside the Mandal/Zilla Parishad if the expenditure is authorised by the Act or specially sanctioned by the Government. Earmarking of Funds for Weaker Section 15%, 6%, 5% now 15 percent vide G.O.Ms.No.309, PR&RD (Acctsl) dt 21-7-98

2.12 FOR SCHEDULED CASTES

2.12.1 Every Mandal / Zilla Parishad shall allocate in every year fifteen percent of its general funds to be spent on Schemes benefiting the Scheduled Castes.

2.12.2 Out of the fifteen percent of the amount, the Mandal / Zilla Parishad shall make over one third of the amount to the Andhra Pradesh State Scheduled Castes Co-operative Finance Corporation Limited, Hyderabad, to spent on the economic upliftment programmes for the benefit of Scheduled Castes with the Mandal Praja Parishad Z.P. concerned.

2.12.3 One third of the amount earmarked shall be remitted to the A.P. Housing Corporation by Mandal Parishad.

2.12.4 The remaining one third $8\frac{2}{3}$ of the fund shall be utilised by the Mandal Parishad / Z.P. for the benefit of the Scheduled Castes in accordance with the guidelines prescribed by the Government which are explained in the Chapter relating to "General Funds & Earmarked funds."

2.12.5 The unspent balance at the end of the financial year, if any, shall be made over to the Andhra Pradesh State SC Co-operative Finance Corporation Limited, Hyderabad.

2.13 FOR SCHEDULED TRIBES

2.13.1 Every Mandal/Zilla Parishad shall allocate in every year six percent of its general funds to be spent on schemes benefitting the Scheduled Tribes, as may be prescribed by the Government from time to time, which are explained in the Chapter "General Funds & Earmarked Funds".

2.13.2 Out of the six percent of the amount allocated above, the Mandal / Zilla Parishad shall make over one third there of the Andhra Pradesh State Scheduled Tribes Co-operative Finance corporation Limited, Hyderabad to be spent for economic upliftment programmes for the benefit of Scheduled Tribes with in the Mandal / Zilla Parishad concerned.

2.13.3 One third of the amount earmarked shall be remitted to the A.P.W.S. Housing Corporation limited, Hyderabad, by Mandal Parishad.

2.13.4 The remaining one third $\frac{2}{3}$ of the amount allocated shall be utilised by the Mandal Parishad Z.P. for the benefit of the Scheduled Tribes in accordance with the guidelines prescribed by Government.

2.13.5 The unspent balances at the end of the Financial year, if any, shall be made over to the Andhra Pradesh State Scheduled Tribes Co-operative Finance Corporation Limited, Hyderabad.

2.14 FOR WOMEN AND CHILDREN

2.14.1 Every Mandal / Zilla Parishad shall allocate, in every year five percent now 15 percent of its general funds to be spent on schemes benefiting the women and children.

2.14.2 The funds shall be utilised by the Mandal/Zilla Parishad for the benefit of Women and Children in accordance with the guidelines prescribed by the Government. Which are explained in the Chapter "General Fund and Earmarked Funds."

2.14.3 The unspent balance out of the earmarked amounts of the Mandal Parishad at the end of the financial year, if any, and the amount 15% earmarked in Zilla Parishad shall be made over to the Andhra Pradesh Women Welfare Co-operative Finance Corporation Limited, Hyderabad.

2.15 EXPENDITURE INCIDENTAL TO ADMINISTRATION

2.15.1 The object of expenditure incidental to the administration of Mandal/Zilla Parishad shall amongst others, include.

- (a) the provision and maintenance of Principal Mandal / Zilla Parishad office and of the other offices including the cost of appurtenances and fittings and insurance and takes :

- (b) Salaries, Allowances of staff and members, liveries, contributions to the pensionary and provident funds, gratuities, pensions and the cost of propulsion and maintenance of the vehicles belonging to the Mandal / Zilla Parishad, and all expenditure incidental therefor:
- (c) Stationary, Printing for all offices under its control :
- (d) Law charges except in cases of appeals against surcharge issued by the auditor on the President, Vice-President and Members of the Mandal / Parishad Chairman, Vice-Chairman, Members of the Zilla Parishad or on an employees thereof :
- (e) Expenses incurred for holding elections under the Act:
- (f) The provision and maintenance of schools and other institutions.
- (g) The acquisition of land for all or any of the purposes of the Act, and
- (h) Advertisement charges.

2.15.2 The Mandal / Zilla Parishad Fund may be applied for contributing in the funds of any gram Panchayat in the Mandal / Zilla Parishad or to that of the Zilla Parishad of the district and may with the sanction of the Government be applied for :

- (i) Contributing towards the expenses of any public exhibition, ceremony or entertainment in the area within or outside its jurisdiction.
- (ii) Contributing to any charitable fund or to the funds of any institution for the relief of the poor or the treatment of diseased or infirm persons or the investigation of the causes of disease, and
- (ii) incurring any other extraordinary charges for purposes of like nature.

2.15.3 The payment of any sum out of the Mandal / Zilla Parishad fund may be made or authorised by the Mandal / Parishad Development Officer / Chief Executive Officer, Zilla Parishad in the absence of Budget provision in the case of

- (i) refund of taxes, surcharge of fees under the Act or any law.
- (ii) re-payment of money belonging to contractors or other persons and held in deposit, and of moneys collected or credited to the Mandal / Zilla Parishad fund by mistake.
- (iii) sums payable under a decree or order of Civil Court passed against the Mandal / Zilla Parishad or under a compromise of any suit or legal proceeding or claim.
- (iv) any sum which the Mandal Parishad Development Officer/Chief Executive Officer, required under any law to pay by way of compensation or expenses, and
- (v) expenses lawfully incurred in anticipation of recoupment from a person liable under any provision of law:

Provided that the Mandal Parishad Development Officer /Chief Executive Officer, Zilla Parishad forthwith communicate the circumstances to the Mandal / Zilla Parishad, which shall take such action as may in the circumstances deemed necessary or expedient to cover any expenditure not covered by a budget grant.

2.15.4 CONTRIBUTIONS :

A Mandal / Zilla Parishad may contribute in the following purposes namely :-

- (i) to any work or institution for the service on safety of the general public in the Mandal / Zilla Parishad although such work or institution is under taken, or maintained by any agency outside the jurisdiction of the Mandal / Zilla Parishad.

- (ii) To any public fund raised for the relief of human or animal suffering within or outside the area under the authority of the Mandal / Zilla Parishad.

2.16 FINANCIAL STATEMENTS

2.16.1 According to rule 1 of the rules relating placing of financial statements of Zilla Parishad / Mandal Parishads issued G.O. Ms No. 1647 Planning and Local Administration (S&P) Department dated 5-12-1961 was amended in G.O.Ms. No. 870 Planning & Local Administration (S&P) department, dated 26-12-1967. The Mandal Parishad Development Officer / Officer of the Zilla Parishad shall place before the Mandal Parishad / Zilla Parishad quarterly, a statement of the financial position of the Mandal Parishad / Zilla Parishad before the general body of the Mandal Parishad, Standing Committee for Planning & Finance of Zilla Parishad. The statement should contain the particulars as to :

- (a) the balance under each account.
- (b) the amount of outstanding bills pending payments under each account.
- (c) the amount of the uncollected arrears of the principal taxes and other main sources of revenue due to it .
- (d) the amount of the estimated expenditure for the remaining months of the year under each accounts; and
- (e) the probable closing balances at the end of the year under each account.

2.16.2 The proforma relating to financial position is prescribed in Government Memo No. 45643/Acts 1/91-1 Panchayati Raj & Rural Development, dated 25-7-91 which is given below:

2.16.3 The other statements regarding out standing bills pending payment, to the amount of non-collected arrears of taxes and other

revenue, the amounts of estimated expenditure for the remaining months of the year and the probable closing balances at the end of the year should also be prepared separately and placed before the general body of the Mandal Parishad, Standing Committee for Planning & Finance of the Zilla Parishad. The Chief Executive Officers should submit the consolidated financial statements of the Zilla Parishad / Mandal Parishads in the district to Government quarterly, to reach Government before 25th of April, July, October and January.

PROFORMA OF FINANCIAL STATEMENT MANDAL PARISHAD

Sl.No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure	Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.

GENERAL

1. General funds (Excluding Rs 8/- per capita grant)
2. Rs. 8/- per capita grant
3. M.P. Staff Salary grant
4. M.P. Staff T.A. & Contingencies grant
5. T.A.&D.A to Non-Official Members grant
6. 15% earmarked for S.Cs
7. 6% earmarked for S.Ts
8. 15% earmarked for Women & Children
9. Construction of Elementary Schools grant
10. S.T. Houses grant

SI.No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure	Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
11.	Teachers salaries grant released by L.F.								
12.	Teachers salaries grant released by D.E.O.								
13.	O.B.B. Posts grant								
14.	VIII Finance grant for School Buildings								
15.	6% contingency grants								
16.	Other grants to be specified								
	1.								
	2.								
17.	Deposits								
18.	Advances etc.								
19.	Other miscellaneous items etc (to be specified)								
	1.								
	2.								
	Grand Total								

PROFORMA OF FINANCIAL STATEMENT - ZILLA PARISHAD

Sl. No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure	Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1.	General funds (including Rs 4/- per capita grant)								
2.	Z.P. Staff salary grant								
3.	Z.P. staff T.A. grant								
4.	T.A. D.A. to non-officials, including honorarium to Chairman & Vice-Chairman Z.P.								
5.	Other items - Funds earmarked for Weaker Sections								
6.	15% for S.Cs								
7.	6% for S.Ts.								
8.	15% for Women & Children								
9.	Provident Fund								

Sl.No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure	Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
10.	Pension Fund								
11.	Loans (HBA. Loan received from Government)								
12.	Deposits								
13.	Advances								
	Secondary Education								
14.	Teaching grant released by L.F.								
15.	Teaching grant released by D.E.O.								
16.	2% Contigent grant								
17.	Other grants released by D.E.O. to be specified.								

PROFORMA OF FINANCIAL STATEMENT - ZILLA PARISHAD

Sl.No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure	Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.

RWS Section - Plan RWS MNP - Borewell Programme

1. Plain
 2. S.C.P.
- P.W.S**
3. Plain
 4. S.C.P.
- A.R.W.S**
5. Plains
 6. S.C.P.
 7. Drought
 8. 100 SC/ST Locality
 9. N.A.P.
 10. Other Grants (to be specified)
 - 11.
 - 12.
- E.W.S. Section Non-Plan**
13. Maintenance of Hand Pumps
 14. Maintenance of C.P.W.S. Schemes
- Grand Total

PROFORMA OF FINANCIAL STATEMENT - ZILLA PARISHAD

Sl.No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure	Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.

Other Plan Schemes

1. J.R.Y (now JGSY)
2. M.N.P. Roads (Plains)
3. M.N.P. Roads (S.C.)
4. Sugar Cane
5. M.I. Plains
6. M.I.S.C Components
7. 9th Finance Commission -
School Buildings
8. C.B.I. Grant
9. U.K. Assistance - School
Buildings - 1987-88
10. U.K. Assistance Bridges
(1987-88)

Sl.No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure	Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
11.	U.K. Assistance Buildings (1990-91)								
12.	U.K. Assistance Teachers Centres								
13.	Mandal Complex Praja Parishad Buildings								
14.	M.R.O. & D.E.O. Buildings								
15.	O.B.B - I								
16.	O.B.B - II								
17.	Others to be specified								
	Non - Plan								
18.	Rural Roads Maintenance								
19.	M I Non-Plan								
20.	General Funds								

PROFORMA OF FINANCIAL STATEMENT - ZILLA PARISHAD

Sl.No.	General	Opening Balance	Receipt during the month Rs.	Total Rs.	Expenditure upto the end of previous month Rs.	Expr. during the month	Total Expenditure Balance Rs.	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.
	21.							
	22.							
	23.							
	24.							
	25.							
	26.							
	27.							
	28.							
	Grand Total							

CHAPTER - 3

BUDGET

BUDGET

Sl. No.	Heading	Para No.	Page No.
1.	General	3.1	69
2.	Consultations with departmental heads	3.2	69
3.	Due dates under sub section (2) of Sections 174	3.3	69
4.	Form of Budget Estimate	3.4	70
5.	Working Balance	3.5	70
6.	Sanctioning of Budget	3.6	71
7.	General Z.P.s	3.13	73
8.	Consultation with departmental heads	3.14	73
9.	Form of Budget Estimates	3.16	74
10.	Working Balance	3.17	74
11.	Sanctioning of Estimates - Z.P.s	3.18	75
12.	Structure of Estimates Mandal Parishads and Zilla Parishads.	3.28	79
13.	General Fund Account	3.40	86
14.	Expenditure - General M.Ps. and Z.P.s	3.41	88

15.	Abstract Accounts	3.43	90
16.	Detailed Budget	3.44	90
17.	Budget Estimate	3.47	92
18.	Other Schemes	3.51	94
19.	Irregularities to be avoided	3.54	94
20.	Effect of Budget Sanction	3.55	95
21.	Allotment and Transfers	3.59	97
22.	Application for Transfers	3.63	97
23.	Application for Transfers Z.Ps.	3.64	98
24.	Allotments from balance of M.P. Budgets	3.65	98
25.	Allotments from Balances of Z.P. Budget	3.66	99
26.	Printing of Budget	3.67	99
27.	Allotments	3.68	100

BUDGET

1. MANDAL PARISHAD

3.1 GENERAL

Under Section 174 of the Act, the Mandal Parishad Development Officer of the Mandal Parishad is required annually to frame and place before the Mandal Parishad a budget estimate showing the receipt and expenditure of the Mandal for the following year. Rules prescribing the preparation of Budget have been issued with G.O.Ms No.15, PR&RD (Accts.IV), dated 10-1-1995.

3.2 CONSULTATIONS WITH DEPARTMENTAL HEADS

According to rule 1 of the above Budget rules, the Mandal Parishad Development Officers of department concerning the development before the estimates of receipts and expenditure under the developmental Heads are drawn up. The recommendations or suggestions if any of such officers should reach the Mandal Parishad sufficiently before the 30th October preceding the budget year so as to afford sufficient time to the Mandal Parishad Development Officer to prepare the budget and place it before the Mandal for sanction along with the recommendations of the Heads of Developmental Department.

3.3 DUE DATES UNDER SUB SECTION (2) OF SECTIONS 174

The Mandal Parishad Development Officer shall prepare an explanatory note on the budget with copies of the suggestions and

recommendations of the District Officers. He shall then circulate a copy of the budget as prepared by him to the members of the 30th November preceding the budget year so as to allow sufficient time to the members to examine the budget by the said date.

If for any reason the budget is not sanctioned by the Mandal Parishad under sub-section (1) before the date referred to in sub section (2) the Mandal Parishad Development Officer shall submit the budget to the District collector who shall sanction it with such modifications, if any, as he thinks fit and forward it to the Zilla Parishad which shall there upon approve the budget as it was submitted to it under sub-section (2). Where there is no Zilla Parishad for the district, the sanction accorded by the District Collector shall be final.

3.4 FORM OF BUDGET ESTIMATE

The budget of Mandal Parishad and their abstracts shall be prepared under the heads prescribed by Government.

The heads prescribed by the Government for budget and their abstracts are appended.

The abstracts to be sent along with the budget should be prepared with reference to the figures posted in the detailed budgets and the subsidiary accounts.

3.5 WORKING BALANCE

According to rule 2 of the Budget rules like working balance to be provided by Mandal Parishads in their budgets shall not be less than 2½% of the estimated receipts including the assigned revenues i.e., land cess, surcharge on stamp duty, entertainment tax minor minerals seigniorageness etc., and Rs.5/- now Rs.8/- per capita grants of the year excluding the specific purpose grants debt heads, trusts and endowments and public contributions for specific works.

3.6 SANCTIONING OF BUDGET

3.6 The Mandal Parishad Development Officer of the Mandal Parishad shall submit the sanctioned budget to the Zilla Parishad and where there is no Zilla Parishad to the District Collector on or before 30th November preceeding the budget year for approval with such modification as it or he may consider necessary under sub-section (2) of Section 174 of the Act.

3.7 Before such submission, the budget shall be sanctioned at a meeting of the Mandal Parishad to be held on or before the date as aforesaid with such modifications, if any, as it thinks fit after satisfying itself on the following points namely:-

- (a) The estimate of receipts is exhaustive and cautious and provides for the collection of the entire loans outstanding and those falling due during the budget year.
- (b) The recommendations, if any, of the Government or of the Heads of Development Departments including Commissioner, Panchayati Raj & Rural Employment have been duly considered in framing the budget.
- (c) Provision has been made for all obligatory charges including functions institutions, trusts and the like transferred from the District boards, other development activities prescribed by the Government and of all India bodies and Institutions.
- (d) Provision has been made for the due discharge of all liabilities in respect of loans contracted by the Mandal Parishad and for all other commitments.
- (e) Variations between the figures of the budget year and those of the previous year have been adequately explained.
- (f) The working balance is not less than the minimum of 2½% specified above.

- (g) Due account is taken of contributions from people and institutions for aided self help programme.

(Vide rule 6 of the Budget rules)

3.8 The annual budget of the Mandal Parishad constitutes the soul of the Mandal Parishads programme. The Presidents of the Mandal Parishads have therefore to allow proper discussion of the proposals embodied in it on the receipts and expenditure side as well. If there is no resolution even after inviting the views of the members, the resolutions should be recorded accordingly after ascertaining clearly that there are no amendments to the budget to be proposed by any members.

3.9 It is incumbent on every Mandal Parishad to sanction the budget with such modifications, if any, as it thinks fit, but it has no right to reject the budget as a whole.

3.10. If for any reason, the budget is not sanctioned by the Mandal Parishad before the date as aforesaid the Mandal Parishad Development Officer shall submit the budget to the District Collector who shall sanction it with such modifications, if any, as he thinks fit and forward it to the Zilla Parishad which shall there upon approve the budget as if it was submitted to it by the Mandal Parishad as provided. Where there is no Zilla Parishad the sanction accorded by the District Collector shall be final (Sec. 174 (31)).

3.11 The Zilla Parishad or the District Collector if there is no Zilla Parishad, is competent to modify the budget if it or he is not satisfied that adequate provision has not been made therein for giving effect to the provision of the Act and to approve the budget with such modifications as may be necessary to secure such provision.

3.12 The Mandal Parishad Development Officer of the Mandal Parishad shall forward to the Auditor a copy of the Sanctioned budget as also the modifications, if any, made in such budget by the Zilla Parishad or the District Collector, as the case may be, on or before 15th January preceding the budget year (Rule 7 of the Budget Rules).

If the budget are not prepared and placed before the General Body of the Mandal Parishad before 30th November, the Mandal Parishad Development Officer shall be liable for disciplinary action (G.O.Ms.No. 199, P.R. & R.D. (Mandal I) dated 30-3-1991)

ZILLA PARISHAD

3.13 GENERAL

Under Section 199 of the Act, the Chief Executive Officer, Zilla Parishad is required annually to frame and place before the Zilla Parishad a budget estimate showing the receipts and expenditure of the Zilla Parishad for the following year.

3.14 CONSULTATION WITH DEPARTMENTAL HEADS

The Chief Executive Officer, Zilla Parishad, should consult the Districts Officers concerning development in respect of heads concerning those departments. The special recommendations or suggestions if any of such officers should reach the Zilla Parishad sufficiently before 30th November preceding the budget year so as to afford reasonable time to Chief Executive Officer to prepare the budget and place it before Standing Committee for Planning and Finance for scrutiny (Rule 4 (1) of the Budget Rules)

3.15 DUE DATES UNDER SUB-SECTION (2) OF SECTION 199

- i) The Chief Executive Officer, Zilla Parishad should circulate a copy of the budget as prepared by him to the members of the Zilla Parishad in the language of the District on or before the 30th November preceding the budget year so as to allow sufficient time to the members to examine the budget before the said date (Rule 4 (iii) of the Budget rules)

- ii) The Standing Committee for Planning and Finance of the Zilla Parishad shall complete the scrutiny of the Budget and offer its remarks and comments if any within five weeks from the date on which the budget is placed before it by the Chief Executive Officer, Zilla Parishad.
- iii) The Budget shall, after it has been circulated and after scrutiny by the Standing Committee for Planning & Finance, be placed before the Zilla Parishad with an explanatory note on the budget with copies of the suggestions and recommendations of the District Officers and the proceedings of the Standing Committee for Planning and Finance.

In case the Standing Committee for Planning and Finance fails to complete the scrutiny as aforesaid before the specified time, the budget shall be placed by the Chief Executive Officer before the Zilla Parishad immediately after the expiry of the specified period as if the Standing Committee has completed its scrutiny.

3.16 FORM OF BUDGET ESTIMATES

The budgets of Zilla Parishad and their abstracts shall be prepared under the heads prescribed by Government.

These heads of Zilla Parishad for budgets and their abstracts are appended. The abstracts to be sent along with the budgets should be prepared with reference to the figures posted in the detailed budget and the subsidiary account.

3.17 WORKING BALANCE

The working balance to be provided by Zilla Parishads in their budgets shall not be less than 2½% of the estimated receipts of the year including the assigned revenues i.e., land cess/local cess/surcharge on stamp duty minerals seigniorage for etc., and Rs.2/- now Rs.4/- per

capita grant excluding the specific purpose grants, debt heads, accumulations of Railway cess fund, trusts and endowments and public contributions for specific works.

3.18 SANCTIONING OF ESTIMATES - ZPS

The Chief Executive Officer, Zilla Parishad shall submit the budget of the Zilla Parishad to the Government on or before the 15th January preceding the budget year for approval with such modifications, as it may consider necessary.

3.19 Modifications, if any, made in the budget by the Government under sub-section (2) section 199 of the Act shall be communicated to the Auditor by the Chief Executive officer of the Zilla Parishad.

3.20 Before such submission, the budget shall be sanctioned at a meeting of the Zilla Parishad to be held on or before the date as aforesaid, with such modifications, if any, as it thinks fit after satisfying itself on the following points, namely :-

- (a) The estimates of receipts is exhaustive and cautious and provides for the collection of the entire loans outstanding and those falling due during the budget year.
- (b) The recommendations, if any, of the Government of the Heads of Development Department including Commissioner of Panchayati Raj have been duly considered in framing the budget.
- (c) Provision has been made for all obligatory charges including functions, institutions, trusts and the like transferred from the Dist. Boards other development activities prescribed by Govt. and of All India Bodies and Institutions.
- (d) Provision has been made for the due discharge of all liabilities in respect of loans contracted by the Zill Parishad and for all other commitments.

- (e) Variations between the figures of the budget year and those of the previous year have been adequately explained.
- (f) The working balance is not less than the minimum of 2 ½% specified above.
- (g) Due account is taken of contributions from people and institutions for aided self help programme.

3.21 The annual budget of the Zilla Parishad constitutes the soul of the Zilla Parishads programme. The Chairman of the Zilla Parishads should, therefore, allow proper discussion of the proposals embodied in it on the receipts and expenditure side as well. If there is no resolution even after inviting the views of the members, the resolutions should be recorded accordingly after ascertaining clearly that there are no amendments to the budget to be proposed by any members.

3.22 It is incumbent on every Zilla Parishad to sanction the budget with such modifications, if any, as it thinks fit. in the budget; but it has no right to reject the budget as a whole.

3.23 If for any reason, the budget is not sanctioned by the Zilla Parishad under sub-section (1) before that date referred to in sub-section (2) of the Act, the Chief Executive Officer shall submit the budget to the Government who shall thereupon approve the budget as if it were submitted to them under sub-section (2).

3.24 If, in the course of a year, the Zilla Parishad finds it necessary to make any alteration in the budget with regard to its receipts or items of expenditure a revised or supplemental budget may be framed submitted and sanctioned or approved as far as may be in the manner provided in sub-sections (1) (2) and (3).

3.25 If the budgets are not prepared and placed before the Standing Committee before 30th November, the Chief Executive Officers shall be

liable for disciplinary action (G.O.Ms.No. 199, P.R. & R.D. (M.1) dated 30-3-1991.

3.26 The Chief Executive Officer of the Zilla Parishad shall forward to the Auditor a copy of the sanction of budget and as also the notification. If any, made in such budget by the Zilla Parishad or the District Collector as the case may be on or before 15th January of the preceeding budget year.

3.27 STATEMENTS & SCHEDULES TO BE ENCLOSED

3.27.1 The following statements shall be enclosed to the Budget :

(a) **Unspent balances of purposive grants** - It is obligatory to provide for the due discharge of all liabilities in respect of loans contracted by Mandal Parishad/Zilla Parishad and for all other committments. Hence, provision shall be made for the refund of unspent balances of previous grants released in the previous years which are liabilities to the Mandal Parishad / Zilla Parishad.

The unspent balance of grants under plan and non-plan, shall be worked out upto the year previous to the year in which the budget estimate is prepared and indicated in the Annexure. These balances shall be shown against the detailed head "Refund of unutilised grant to Government" under the appropriate head of account on the expenditure side of the Budget estimate of Mandal Parishad / Zilla Parishad.

(b) **Number statements** - The Statement in the prescribed form giving particulars of posts in each permanent and temporary establishment, the sanctioned monthly pay that will be drawn on 1st April and the number of officers at each rate of a pay for which provision is made in the budget estimates for establishment shall be given for each category of employees.

Under pay of officers and pay of establishment full details of their number and the rates of pay and allowances shall be entered separately for each service class or category viz : Planning Establishment, Secondary School Establishment, Mandal Headquarters Establishment, Teaching staff under Elementary Education, General Fund Establishment, Provident Fund Establishment, Pension Establishment, Engineering Establishment etc. The permanent staff shall be distinguished from the temporary and in the case of temporary officers and establishments for whom full year provision is not made in the estimate. and the period for which provision is made shall be specified. With regard to fixed allowances the designation of the officers drawing them and their number, the rate of pay and allowances shall be shown, viz. Fixed Travelling Allowance.

In respect of Secondary Schools / Elementary Schools the proceedings of District Educational Officer according sanction to temporary or permanent recognition shall be quoted against each school.

(c) **Loan Statement** : - A Demand collection and balance statement in respect of loan instalments due for repayment to Government during the budget year including arrear instalments shall be prepared and provision made in the loan account towards refund of unspent balances to Government.

The amount of loan instalments due from the loanees shall be worked and shown separately as amount recoverable from individual loanees and institutions.

(d) List of works proposed to be taken up during the Budget year (Govt. Memo No. 120412/Accts.I V/84-1, PR & RD dated 24-12-1984).

(e) Working sheet showing the calculation of funds earmarked for weaker sections (15%, 6%, 15%)

(3) List of pending works

3.27.2 The following schedules should be appended to the estimates in respect of schools.

- (a) Particulars of teachers & staff their scales of pay and allowances.
- (b) Particulars of expenditure towards pay etc. of teachers and the grades of the posts.
- (c) Details of new schools or sections to be opened for which additional provision is made in the Budget.
- (d) Details of capital expenditure provided in the estimates.
- (e) The number and date of the G.Os in which grants of Government have been sanctioned, in cases, where credits are taken for them.
- (f) Break-up for the closing balance on 31st March of the previous year (Govt. Memo No. 56065 / Accts. IV / 86 - I, PR & RD dated 24-7-86).

3.28 STRUCTURE OF ESTIMATES, MANDAL PARISHADS AND ZILLA PARISHADS

The structure of the estimates consists mainly of the following divisions namely :-

- (a) Section I Revenue or Ordinary account.
- (b) General Fund Account
- (c) Development
- (d) Maintenance grants (Section I)
- (e) Endowments accounts.

- (f) Debt and Deposit accounts (i.e. Advances, loans, P.F., Pension Fund and Deposits)

3.29 Section I is the account of the current income and expenditure of the Mandal Parishad/Zilla Parishad. The income is derived from (a) assigned revenues, taxes, duties, cesses such share of land revenue (land cess local cess, seignorage fees, surcharge on stamp duty etc.,) and (b) Own resources i.e. fees for service rendered or contributions and revenues from other miscellaneous items like markets, ferries, shopping complexes or buildings (c) maintenance grants, salary grants, TADA grants for non-officials, Rural Roads maintenance grant, grants for maintenance of Family Planning and Primary health Centres, two percent Education Contingencies grant.

3.30 Section II account is the account of revenues and expenditure of developmental works normally capital values. Such expenditure is met from the services other than the general revenues, Government Grants, contributions and other receipts of a capital value, surplus revenues of previous years if any and capital receipts from sale of capital assets and the like.

3.31 The debt and deposit accounts include also the loans account and they embrace the accounts of those transactions in which the Mandal Parishad /Zilla Parishad, Act as bankers receiving amounts which they afterwards repay and paying out amounts which they subsequently recover.

3.32 The main heads of accounts in the Budget of the Mandal Parishads and Zilla Parishads are given hereunder :

MANDAL PARISHADS

(A) General Fund

(B) 2515 Community Development

- (C) 2202 Primary Education
- (D) 2225 Social Welfare
- (E) 2403 Animal Husbandry
- (F) 2235 Women & Child Welfare
- (G) 2702 Minor Irrigation
- (H) 2515 Roads & Bridges
- (I) 2215 Rural Water Supply
- (J) Other Programmes
- i) 2215 Rural Sanitation (Vimukti)
- ii) Other programmes
- 1.
- 2.
- 3.
- 2505 J.R.Y.
- (K) Endowments
- (L) Deposits
- (M) Advances
- (N) Loans

ZILLA PARISHADS

A. GENERAL ACCOUNT

- A. i) General Fund
- ii) Management (Administration)
- B. 2202 Secondary Education
- C. 2225 Social Welfare.
- D. 2702 Minor Irrigation
- E. Railway cess.
- F. Endowments.
- G. 2515 roads and Bridges
- H. 2215 Rural water supply
- I. Other programmes
 - 1. 2505 JRY
 - 2. 2215 Rural Sanitation (Vimukti Programme)
 - 3. Other programmes
- J. Deposits
- K. Advances
- L. Loans

PREPARATION OF BUDGET ESTIMATES OF MANDAL PARISHADS AND ZILLA PARISHADS

GENERAL PRINCIPLES

3.33 All proposals relating to establishment should be excluded from the Budget and care should be taken that all proposals for increases or decreases in establishments are, as a rule, fully considered and disposed of prior to the time of preparing the Budget estimates.

3.34 The Budget estimates should provide for all the receipts and charges whether under service or debt heads, appertaining in the Mandal Parishad and Zilla Parishad. Provision should be made for what is expected to be actually released or paid (under proper sanction) during the year including the arrears of past years and not for the demand or the liabilities falling due within the year.

3.35 Mandal Parishads and Zilla Parishads should include in their annual budget estimates under the appropriate major heads, provision for the establishments or other charges which, although not specifically sanctioned at the time the budget estimates are prepared, will yet in all possibility come under sanction in the course of the year. Such probable expenditure must be of a character sufficiently definite for atleast a rough forecast of it to be formulated and explained.

3.36 Lumpsum provisions for unforeseen expenditure should not be made in the Budget estimates. Budget provision may with advantage be made under appropriate major heads for specific projects or schemes which may probalby be undertaken during the year even though their execution may not be definitely sanctioned owing to such causes as for example, the want be detailed estimates etc., provided the estimates are likely to be sanctioned before the beginning of the year to which the budget relates. Measures should be taken to obviate the necessity for frequent demand for supplementary budget grants.

3.37 Explanations for variations in figures should be furnished in detail for each item.

Explanation for variations should include not only the differences between the present and the proposed budget but also between the actuals of the past year and the present and proposed budgets.

3.38 The detailed budgets of Mandal Parishads and Zilla Parishads are prepared in the form prescribed. The following instructions which define the scope and contents of the budgets have to be kept in mind.

Col. 1 : Head of Account : The heads prescribed by Government for the budget should be adopted. Any new head of account cannot be opened without the specific approval in writing of Government.

Col. 2 : Should give the budget estimate figures of the year previous to the one for which budget estimates are prepared.

Col. 3 : Should give the revised estimate figures of the year previous to the one for which budget estimates are prepared.

Col. 4 : Should give the difference between column 2 and 3. If figures under columns 3 are more than the figures under column 2 of the figures under column 4 should be shown as deficit and if figures under column 3 are less than the figures under column 2 the figures under column 4 should be shown as excess.

Col. 5 : Should show the estimates for the year for which the budgets are prepared.

3.39 PROVISION FOR RECEIPTS : MANDAL PARISHADS

(a) In drawing up the budget estimate, the closing balance in the revised estimate (of the year previous to the one for which the budget estimate is prepared) should be adopted as the opening balance of the budget.

(b) The budget estimates for receipts should be based on the existing rates of taxes, duties, surcharges, fees etc., and no increase or reduction in such rates which has not been sanctioned by Govt. should be proposed in the Budget estimates. When several items of revenue of a miscellaneous nature are grouped under a detailed head of account, details of the more important items should be given in the remarks column with the budget estimates proposed for each. The revenue anticipated to be released under the all account heads should be exhaustively out accurately provided and the over estimating of revenue to show the prescribed minimum balance should be avoided.

(c) The detailed heads shown under receipts are those under which the Mandal Parishads are likely to receive amount by way of receipts regularly every year.

(d) Under grant-in-aid and other releases from State funds either by Government or by the Heads of Departments relating to schemes transferred to the Mandal Parishads, provision should be made in the budgets for such special assignments made by Government in respect of various development and other schemes as well as other educational subsidies or other contributions sanctioned by Government from time to time. The orders of Govt. sanctioning such allotments should invariably be referred in such cases.

(e) The contents of certain heads of account mentioned in the budget are illustrated below for guidance in the preparation of the Budget estimates

3.40 GENERAL FUND ACCOUNT

- (a) **Land cess/Local cess etc.** Under this head the Mandal Parishad budget should give receipts relating to the land cess / local cess adjusted by the M.R.Os at 6 paise out of 18 paise (land cess in Andhra area) and 8 paise out of 25 paise (local cess in Telangana area)
- (b) Similarly land cess adjusted to Mandal Parishads (5 paise of 18 paise in Andhra Area) and 8 paise out of 25 paise (local cess in Telangana area) should be shown against the head land cess in Zilla Parishad Budgets.
- (c) Similarly one percent out of the five percent surcharge on stamp duty collected by the Registration Department and transferable to Mandal Parishads should be noted against the head surcharge on stamp duty. One percent out of the 5 percent surcharge on stamp duty payable to Zilla Parishads will have to be shown against the head surcharge on stamp duty in Zilla Parishad budgets.
- (d) Similarly 37.5 percent of tax on minor minerals, seignorage fee creditable to Mandal Parishads and 25 percent creditable to Zilla Parishad should be shown against the head minor minerals. From 8-4-91 mineral cess is not levied. The arrears received are to be shown.
- (e) **ENTERTAINMENT TAX :** Forty percent of the entertainment tax creditable to Mandal Parishads, should be credited to this Head in the Mandal Parishads.
- (f) **REFUNDS :** Under this head the amount which are to be refunded either in the case of excess credits or in case of refunds of revenue taken under any of the items should be shown.

Under general account 2515 C.D. the grant-in-aid given by Government for the following items have to be shown in the concerned Sub Heads.

1. For salaries of Mandal Parishad Office Staff (Non teaching).
2. Grants for TA to staff and contingencies to Mandal Parishad Office.
3. TA and DA to non-officials and TA, DA. & Honorarium to President Mandal Parishad.

(g) The expenditure from the above Heads should be shown on the expenditure side.

(h) Similarly grants for Primary Education, Social Welfare (including 15 percent and 6 percent Ear marked Funds) Women and Child Welfare (5% now 10 percent as per G.O.Ms.No.229) PR & RD Acct. I dated 17-6-97 earmarked funds) Communications, Endowments, Advances, Deposits, Loans etc. should be shown in the respective heads.

2225 SOCIAL WELFARE : Grants from Government and 15%, 6% of general funds earmarked for welfare of S.Cs and S.Ts have to be shown under this head.

2235 WOMEN & CHILD WELFARE : Grants from Government and 5%, 10% now 15% of general fund earmarked for Women & Child Welfare have to be shown under this head.

(i) **AMOUNT TRANSFERRED TO SECTION II (DEV.)** Out of the ordinary revenue account (section I) the Mandal Parishads and Zilla Parishads may, if necessary, transfer funds to Section II (Dev) for utilisation and development activities. Funds proposed to be transferred to Section II account should be shown under this head.

(j) **DEPOSIT ACCOUNT :** The amount of the total receipts reflected in the subsidiary account under deposits or Provident Fund and Pension Fund expected to be released and advances anticipated to be recovered during the budget year should be shown under this head.

- (k) **LOAN ACCOUNTS** : The figures have to be taken from the loan register and statement prescribed for the purpose which include details of loans received by the Zilla Parishad from Government for sanctioning House Building advances to non-technical employees etc.
- (l) **RAILWAY CESS ACCOUNT** : The transactions of the railway cess fund account which are hitherto being maintained by the former District Boards continue to be maintained by the Zilla Parishads. The income from investment of railway cess fund is estimated and shown under receipts.
- (m) **SECTION I (A) INCOME FROM INVESTMENTS** : The amount of interest to be recovered on investments is shown under this Head : Whereas the amount to be released on the date of maturity of the investments shown as estimate under receipts Section II (a) Investments released if the investment mature during the year.

3.41 EXPENDITURE - GENERAL - MANDAL PARISHADS AND ZILLA PARISHADS

- (a) For fixed charges the estimate should provide for the full amount of the sanctioned scale and where it is found by experience that a saving will arise from absence or other cause a lumpsum deduction may be made. The estimate is to be worked out based on the total number of appointments under each head, the detailed rates of pay and the number of persons at each rate of pay.
- (b) Pay and fixed allowance of an officer for month becomes due only after the end of the month. Provision for them for the month of March, should, therefore be made in the budget estimates of the following year.
- (c) The estimates of the pay of establishments should be framed on the basis of the expenditure likely to be incurred in the coming year on account of the officers and subordinates likely to be on duty and the

actual pay likely to be drawn by them irrespective of the actual sanctioned strength. No provision should be made for posts which are kept in abeyance and it is considered necessary to revive any of them. The proposals should be duly considered and disposed of prior to the time of preparing the budget estimates. Provision should be made in the estimates for leave allowances. The amount provided should be an estimate of what will actually be required but should in no case exceed 2½% of pay in the case of officers or subordinates in the vacation department and of 5% of the pay in the case of the officers of non-vacation department.

(d) It is possible that the estimates of pay of establishment prepared in accordance the foregoing instructions may still be too high. They should therefore be examined with reference to the difference between the estimate and actuals of past years and a lumpsum deduction should be made for probable savings.

(e) For every item of fluctuating charge as travelling allowance other than fixed travelling allowance and contingent charges explanatory note should be given indicating the actual expenditure of each of three years last passed together with a brief explanation of the abnormal variation, and in all cases where estimates differ from those of the preceding year, full explanation should be given. The estimates of the fluctuating receipts and charges should not merely be an arithmetical average of previous figures. The average is a guide but it should not be taken absolutely, but should be corrected with reference to the circumstances of the year concerned.

INSTRUCTIONS FOR PREPARATION OF BUDGET ESTIMATES OF MANDAL PARISHADS/ZILLA PARISHADS

3.42 In the Schedules II and III as amended by Act 5 of 1995 to the Andhra Pradesh Panchayat Raj Act 1994, the functions of the Mandal

Parishads/Zilla Parishads have been specified. Government have also from time to time issued instructions specifying the schemes of the normal departments which are to be transferred to the Mandal Parishads and Zilla Parishads. With a view to facilitate preparation of the Budgets on correct lines, the following, instructions are issued defining the scope and contents of certain heads of account usually occurring in the Budget. It shall be noted that these are not to be treated exhaustive as clarification has been made only in respect of items where such clarification is found necessary.

3.43 ABSTRACT ACCOUNTS

The abstract accounts to be sent along with the Budget shall be prepared with reference to the figures in the detailed budget and the subsidiary accounts maintained.

3.44 DETAILED BUDGET

(A) ACCOUNTS : The figures shall correspond as nearly as possible with the figure recorded in the Annual Account and shall be expressed to the nearest hundred rupees. The Chief Executive Officer/Mandal Parishad Development Officer shall reconcile all differences between his figures and those of the treasury and certificate stating that the reconciliation has been made shall be appended to the revised Budget Estimate.

(B) BUDGET ESTIMATE : The figures in the Budget estimate for the year in which the budget estimate or the succeeding year is to be prepared shall be given.

(C) REVISED ESTIMATES : The revised estimate for year is an estimate of the probable receipts or disbursements under each head for that year framed in the course of the year with reference to the actual transactions recorded for the months of that year for which complete accounts have become available. The revised estimates of the current year are prima facie the best indication as to what the probable budget estimates for

the coming year would be. They shall therefore be prepared with great care.

(2) Assuming that at the time of the preparation of the estimates the actuals of the first six months of the current year are available, then the revised estimates may be calculated as follows :-

- 1) By adding to the actuals of the first six months of the current year those of the last six months of the previous year : or
- 2) By taking proportionate figures, so that the revised estimate will be, two times the actuals of the first six months : or
- 3) By assuming that the revised estimate for the current year will bear the same proportionate of the actuals for the first six months as the actuals of the previous year because to those of the first six months of that year.

(3) The estimating officers shall use their discretion and adopt one of the above three methods which is considered to be most suitable for each particular case. If the amount under any head of account is fixed there is of course no need to use any of these methods. If it is not subject to any regular influences but fluctuates quite irregularly, method (3) is not applicable. When method (1) and (2) is used for framing the estimates for the remainder of the year it is generally better to take average of the figures for a single year. Due allowance shall be made for any exceptional phenomena which effected the results of the year from which the features of the year for which the revised estimate is framed.

(4) The opening balance of the revised estimate columns will be actual closing balance in the accounts of the previous year as certified by the Audit Officer, Local Funds, after audit by him.

(5) When the revised estimates for the remainder of the year are framed on the basis of the actuals for the previous year only the audited figures in the account of the previous year should be adopted.

(6) Excess receipts either under the opening balance or any head of revenue and grants-in-aid from Government or other Heads of Departments specially occurring during the course of the year should be taken into account in preparing the revised estimates.

3.45 (a) No separate figures shall be given in the revised estimate for leave salaries

(b) The revised estimates shall allow for any additional appropriations that have been sanctioned after the budget was passed and references to the orders regarding them shall be given in the Remarks column.

3.46 The revised estimates do not authorise any expenditure. If provision is made for additional expenditure in them, it shall be necessary to apply separately for the additional appropriation required, unless this has already been sanctioned. Similarly a reduction is any provision of formal surrender of any amount provided in the budget estimates which is not likely to be spent.

3.47 BUDGET ESTIMATE

The Budget estimate for the coming year shall generally follow the revised estimates of the current year after allowing for any abnormal circumstances that have existing in the current year or expected in the Budget year. No increase shall be made over the revised estimate unless adequate reasons are given. It shall not, however, be assumed that provision should be always made for the budget year on the basis of the revised estimate as a matter of course. It is the duty of every estimating officer to take the opportunity to review the working of his office and suggest economics wherever possible. A change once provided for and accepted may have subsequently become unnecessary or additional provision may have to be make up for short expenditure, during a period of year of financial stress and such extra provision may no longer be necessary.

3.48 The budget estimate for receipts shall be based in the grants released during the previous year, the taxes, duties contributions and fees levied etc., and no increase or reducing in such rates which has not been sanctioned by the competent authority shall be proposed in the budget estimates. If proposals of this kind have already been sent to Government or to Zilla Parishads separately, the financial effect of such proposals shall be indicated in the "Remarks" Column. In the case of more important heads of revenue the actuals of the first five or six months, as the case may be shall be compared with those of the corresponding period in each of the last three years. When several items of a miscellaneous nature are grouped under a detailed account head, details of the more important items shall be given in the "Remarks" column with the budget estimate proposed for each.

3.49. As regard expenditure, provision shall be made for all sanctioned schemes, but not for schemes, of new expenditure where proposals have been submitted to the Government, but not yet sanctioned, the provisions shall be omitted and the necessary explanation given in the "Remarks" Column.

EXAMPLES : If the Budget estimates are prepared for 1998-99 column (2) shall give the actuals for 1996-97 Column (3) shall give the budget estimate for 1997-98. Column (4) shall give the revised estimate for 1997-98 and Column (5) the budget estimate for 1998-99.

3.50 The budget estimates have to be divided into two section viz., Section I (Maintenance) and Section II (Development). Section I (maintenance) deals with the budget estimates of grants to be received from Government and heads of Departments and revenues derived from the Ex. District Boards Assets towards the maintenance of functions and institutions transferred to the Mandal Parishads and Zilla Parishads, such as, maintenance of Secondary Schools, and rural roads etc., Section II (Development) of the budget estimates deals with grants received and expenditure incurred for development works relating to plan schemes and other capital works.

3.51 OTHER SCHEMES

Under the head "Other Schemes" the transactions relating to programme like Cyclone, Drought, JRY. E.G.S. etc, shall be shown separately, in respect of such programmes.

3.52 It was ordered from time to time that the Mandal Parishads Zilla Parishads shall earmarks 6 percent, 15 percent and 5 percent now 15 percent from its general funds respectively towards (1) Welfare of the Scheduled Tribes (2) Welfare of the Scheduled castes, and (3) Welfare of Women & Children. The amounts due at the prescribed percentages shall be worked out on the estimated total receipts of general funds and provision made in the budget estimate.

3.53 It is irregular to set apart the working balance and invest the same in interest bearing securities as it is intended to be carried forward as opening balance to the next years account.

3.54 IRREGULARITIES TO BE AVOIDED

THE FOLLOWING IRREGULARITIES SHOULD BE AVOIDED :-

(a) Repairs to school buildings from general funds should not exceed Rs 3 lakhs / Rs.30,000 per annum in the case of Zilla Parishads / Mandal Parishads respectively as per the orders issued by the Government. Provision excess of these limits in general fund account without obtaining orders of the Government, should not be made.

(b) In coastal districts where there is railway cess fund, the amount is carried forward every year without utilisation. It should be utilised as per the provision of A.P. Dist. Boards Act.

(c) Endowments fund should be utilised only for the purposes for which the endowment is created and should not be utilised for other purposes.

This aspect has to be kept in view while formulating budget proposals for expenditure from endowments fund.

(d) The general tendency on the part of the institutions is to take more credits for grants particularly on the works side. Credits for grants should normally be worked out with reference to the grants received under that particular head during the current year, unless there is an indication from the grant releasing authority that additional grants will be given in the Budget year.

(e) While preparing estimates for expenditure either it is for stationery or service postage or other items it has to be seen that they do not exceed provision made in the current year, keeping in view of the expenditure incurred in the last year.

3.55 EFFECT OF BUDGET SANCTION

The sanctioning of a budget does not relieve the Mandal Parishads / Zilla Parishads from the necessity of obtaining the specific sanction of the Government or other prescribed authority, When sanction of the Government or other prescribed authority, when sanction is required and has not been specifically accorded, before the establishments of works for which provision has been made in the estimate are entertained or commenced.

3.56 The Mandal Parishads or Zilla Parishads shall not authorise the incurring of any item of expenditure not included in the budget or in excess of the budget allotment without indicating the source from which the money required for the proposed expenditure is to be found. Wherever the sanction of any authority is required for any proposed expenditure such sanction shall be obtained before the Mandal Parishad or Zilla Parishad consider the proposal.

3.57 The payment of any sum out of the Mandal Parishad or Zilla Parishad fund may however be made or authorised by the Mandal

Parishad Development Officer of the Mandal Parishad or Chief executive Officer of Zilla Parishad as the case may be in the absence of the Budget provision in the case of

- (a) refund of rates, surcharge on fees under the act of any law.
- (b) repayment of moneys belonging to contractor or other persons and held in deposit and of moneys collected or credited to the Mandal Parishad / Zilla Parishad fund by mistake.
- (c) Sums payable under a decree or order of a civil court passed against the Mandal Parishad / Zilla Parishad or under programme of any suit or legal proceedings or claim.
- (d) Any sum which the Mandal Parishad Development Officer of the Mandal Parishad or Zilla Parishad is required under any law to pay by way of compensation or expenses, and
- (e) Expenses lawfully incurred in anticipation of recupment from a person liable under any provision of law.

Provided that the Mandal Parishad Development Officer / Chief Executive Officer of Mandal Parishad / Zilla Parishad shall forthwith communicate the circumstances to the Mandal Parishad / Zilla Parishad which shall take such action as may in the circumstances be deem necessary or to cover any expenditure not covered by a budget grant.

3.58 In special circumstances where the budget of a Mandal Parishad was not sanctioned in the time as aforesaid or in cases of unavoidable delay, in sanctioning the budget Government advised that the Mandal Parishad Development Officers may incur expenditure on only inevitable items such as salaries and allownaces to staff of the Mandal Parishad, Honororium of the President, salaries to teachers, contingencies like stationery and petrol provided that such expenditure is not incurred indefinitely without getting the Budget approved by Zilla Parishad as required in the rules.

3.59 ALLOTMENT AND TRANSFERS

(1) GENERAL

The allotments entered in the approved budget will be the originally sanctioned allotments of the year and all expenditure during the course of the year must be incurred in accordance with these allotments.

3.60 The appropriation of funds should be watched through the register of bills passed for payment (Form No. 78) by noting it at the top of the right hand corner in and by striking progressive total expenditure under the detailed head of account:

3.61 The Mandal Parishad may permit the transfer of funds from one head of account in the budget to any other head of account after obtaining the orders of the Zilla Parishad for a specific reappropriation being made from an allotment sanctioned in the budget. Applications for additional grants as well as for reappropriations of existing grants should always be submitted in time to the Zilla Parishad to admit of orders being passed before the close of the year.

3.62 The Zilla Parishad may permit the transfer of funds from one head of account in the budget to any other head of accounts after obtaining the orders of the Government for a specific reappropriation being made from an allotment sanctioned in the budget.

Application for additional grants as well as for reappropriations of existing grants should always be submitted in time to the Government to admit or orders being passed before the close of the year.

3.63 APPLICATIONS FOR TRANSFERS

I. MANDAL PARISHAD

Applications for transfer of allotments by way of reappropriations should invariably be accompanied by a statement in (APPENDIX - X) to Budget

rules and should be submitted first to the Mandal Parishad by the Mandal Parishad Development Officer and after approval of the Mandal Parishad the same should be submitted to the Zilla Parishad. When the transfer of funds is sanctioned by the Zilla Parishad the Mandal Parishad Development Officer should forward to the auditor a copy thereto within a week of the date of such sanction by the Zilla Parishad.

II. ZILLA PARISHADS

3.64 Applications for transfers of allotments, by way of reappropriations should invariably be accompanied by a statement in (APPENDIX - X) to the Budget Rules and should submit first to the Zilla Parishad by the Chief Executive Officer and after approval of the Zilla Parishad the same should be submitted to the Government. When the transfer of funds is sanctioned by the Government the Chief Executive Officer, Zilla Parishad should forward to the auditor a copy thereto within a week of the date of such sanction by the Government.

3.65 ALLOTMENTS FROM BALANCES OF MANDAL PARISHAD BUDGETS

- (a) Additional allotments from balances of any kind, General, Endowments and others should not as a general rule be sanctioned during the course of the year. The budget for all heads should therefore be so framed as to obviate the necessity for such allotments.
- (b) In case where, however, fresh or addition of expenditure cannot be provided for by specific reappropriations from the budget grants, the Zilla Parishad may on application from Mandal Parishad sanction allotments from balances of the budgets of Mandal Parishad provided that the closing balances revised with reference to the actual opening balance is not thereby reduced below 2½ percent of the estimated receipts of the year.

- (c) Application for allotment from balances should be submitted (APPENDIX-I) to the Budget Rules by the Mandal Parishad Development Officer to admit order on them being passed before the close of the year. The Mandal Parishad Development Officer shall within a week from the date of such sanction by the Zilla Parishad forward a copy thereof to the auditor

3.66 ALLOTMENTS FROM BALANCES OF ZILLA PARISHAD BUDGET

- (a) Additional allotments from balances of any kind, General, Endowments and others should not as a general rule be sanctioned during the course of the year. The budget for all heads should therefore be so framed as to obviate the necessity for such allotments.
- (b) In cases where, however fresh or additional expenditure cannot be provided for by specific reappropriations from the budget grants. The Government may on application from Zilla Parishad sanction allotments from balances of the budget of Zilla Parishad, provided that the closing balances revised with reference to the actual opening balance is not thereby reduced below 2½% of the estimated receipts of the year.
- (c) Application for allotment from balances should be submitted (APPENDIX) to the Budget Rules by the Chief Executive Officer to admit orders being passed before the close within a week from the date of such sanction by the Government forward a copy thereof to the auditor

3.67 PRINTING OF BUDGET

The Mandal Parishad / Zilla Parishad shall after receipt of the orders of the Zilla Parishad / Government, carry out the alterations if any made by

the Zilla Parishad / Government in the Mandal Parishad / Zilla Parishad budget and the budget as thus revised should then be printed. The cost of Printing the budgets should be met form the Mandal Parishad / Zilla Parishad funds.

3.68 ALLOTMENTS

All allotments expire at the close of the year any part unexpended during the year cannot be reserved or appropriated by transfer to deposits or any other head or drawn to avoid the sanction lapsing and for expenditure after the expiration of the year for which the allotment is made. Provision should be made, if necessary in the succeeding year budget for expenditure from allotments which expire on the 31st March but against which payments may afterwards have to be made.

CHAPTER - 4

RECEIPTS & EXPENDITURE - GENERAL

RECEIPTS & EXPENDITURE - GENERAL

Sl. No.	Heading	Para	Page
1.	Receipts and Expenditure General	4.1	105
2.	Classification of Funds MPs and ZPs	4.2	105
3.	Classes of Revenue	4.3.	106
4.	Levy taxes & Surcharge by MP procedure	4.5	108
5.	Contributions - Levy	4.6	110
6.	Other receipts - Receipts from Seed stores	4.8	110
7.	Procedure to be observed in the collection of rent for the Staff Quarters.	4.12	111
8.	Miscellaneous Receipts	4.13	113
9.	Income from Endowments	4.14	114
10.	Zilla Parishads	4.16	115
11.	Secondary Education	4.17	117
12.	Classification of Charges - Mandal Parishads	4.18	118
13.	Classification of Charges - ZPs	4.19	122
14.	Special fee fund in Schools.	4.21	126
15.	Miscellaneous Receipts	4.22	131

RECEIPTS AND EXPENDITURE - GENERAL

4.1 The funds constituted by the Andhra Pradesh, Pancayati Raj Act, 1994 are of two kinds namely (1) Zilla Parishad funds and (2) Mandal Parishad funds. They are at the disposal of the Zilla Parishads and Mandal Parishads respectively :

4.2 CLASSIFICATION OF FUNDS

Mandal Parishads and Zilla Parishads :-

(A) GENERAL FUNDS :

General funds of the Mandal Parishads, Zilla Parishads consist of General purpose grants like per capita grants, stamp duty etc., & assigned revenues like land cess, surcharge on grants sanctioned to the financial resources of the Mandal / Zilla Parishads.

(B) SPECIAL EARMARKED FUNDS :

- (1) Funds set apart for the opening and maintenance of Elementary / Secondary Schools.
- (2) Special State grants sanctioned for specific purposes like salaries, pension, R.W.S., J.R.Y., (now JGSY) communications etc.,
- (3) Receipts derived from sale of capital assets;
- (4) Income from Endowments and Trusts :

- (5) Deposits including Provident Fund & Pension.

4.3 CLASSES OF REVENUE :-

4.3.1 ASSIFICATION OF RECEIPTS :- The receipts credited to Mandal Parishads and Zilla Parishads funds are of the following categories :-

- (1) Own resources (a) taxes (b) non-taxes (c) income from remunerative enterprises and (d) miscellaneous receipts.
- (2) Assignments
- (3) Compensations.
- (4) Grants
- (5) Public contributions.
- (6) Deposits
- (7) Advances.

They are dealt with in detail in the respective chapters.

4.3.2 MANDAL PARISHADS :

The classes of revenue pertaining to the Mandal Parishads are as follows (Section 172 of the Act)

- (a) Funds in the shape of grants-in-aid released from the normal budget provisions and adjusted to the heads of Mandal Parishads in respect of institutions and schemes transferred by the State Government and Heads of Departments to the Mandal Parishads.
- (b) Funds relating to the Community Development Programme.
- (c) Central and State Government aid and aid received form All India bodies and Institutions etc,

- (d) Donations and contributions received by the Mandal Parishads from Gram Panchayats or from Public in any form.
- (e) Matching contributions received from the Gram Panchayats and Public under self-aid scheme.
- (f) Such shares of surcharge on stamp duty received under section 69 of the A.P. Panchayati Raj Act, 1994.

(1% out of 5% surcharge)

The local authorities duty on transfers of property Rules 1948 as amended and adopted in the case of Zilla Parishad and Mandal Parishads may be referred to :

- (g) Per capita Grant calculated at the rate of Rs.5 now Rs. 8 per head population in the Mandal according to latest census figures.

(Section 172 (3) of the Act.)

- (h) Share of Land cess (Andhra area) local cess (Telengana area)
 - (a) The proceeds of the land cess collected at the rate of Eighteen paise on every rupee of annual rent is apportioned among Zilla Parishads, Mandals and Gram Panchayat in the ratio of 5:6:7 respectively :

(G.O. Ms. No. 890, P.R., dated 8-9-63)

- (i) The proceeds of local cess collected at the rate of TWENTY FIVE paise on every rupee of land revenue in Telangana area is apportioned among the Zilla Parishads, the Mandal Parishads and Gram Panchayats in the ratio of 5:8:12 respectively.

(G.O. Ms. No. 383, P&PR(Samithi III) Department dated 9-4-63).

- (j) Mineral cess at the rate of 12 paise out of 37 paise in Andhra area and 8 paise out of 25 paise in Telangana area collected by the

Mines & Geology Department is credited to the Mandal Parishad. There is no levy from 8-4-91. Now 37.5 percent of tax on Minor minerals and seignorage collected by Government is credited to Mandal Parishads as per G.O.Ms. 335 PR & RD (PtIII) dated 6-8-96

- (k) The teaching etc. grants released by the Director of school Education/authorised by Audit Officer, local Fund.
(G.O.Ms. No. 3405, dated 22-11-1963)
- (l) Proceeds from taxes, fees surcharge, contributions etc., as may be levied by the Mandal Parishads under 172(l) (vii) of the Act.
- (m) Sale proceeds of condemned stores, tools and plant etc., and other items detailed below:

4.4 SURCHARGE ON TAXES LEVIED BY GRAM PANCHAYATS :

A Mandal Parishad may levy with the prior sanction of Government, a duty with force of surcharge on the taxes levied by a Gram Panchayat. The surcharge shall be collected by the Gram panchayat along with the taxes and paid to the Mandal Parishad promptly. The present of the proceeds of the surcharge so collected shall be paid to the Gram Panchayat or town committee concerned towards charges for collection.

4.5 LEVY TAXES & SURCHARGE BY MP PROCEDURE

When a Mandal Parishad decides to levy a tax authorised by the Act, the following procedure shall be followed for publication of resolutions and notifications.

- (i) (a) Any resolution of a Mandal Parishad/Zilla Parishad determining to levy any tax shall specify the local limits of the area in which, the rate at which, the date from which and the period of levy, if any, for which, such tax shall be levied.

(b) When by any such resolution a Mandal Parishad/Zilla Parishad determines to levy any tax, the Mandal Parishad Development Officer/Chief Executive Officer shall forth-with publish a notification.

ii) Every notification referred to in sub-rule (6) of rule 1 shall be published :-

(I) in all cases -

(a) In the District Gazette, if one is published and in one newspaper circulating in the district, and

(b) by affixing a copy of the notification in some conspicuous place in the office of the Mandal Parishad/Zilla Parishad.

(2) If the notification relates to any tax the proceeds of which, in whole or in part, are credited to any Mandal Parishad or Zilla Parishad. Zilla Parishad also by affixing a copy of the notification in some conspicuous place in the offices of Mandal Parishads or Zilla Parishads, and

(3) If the notification relates to any tax the proceeds of which are credited, in whole or in part, to any Panchayat or Panchayats, also:-

(4) by affixing a copy of the notification in some conspicuous place in :-

i) the office or offices of such Panchayat or Panchayats :

ii) in the village chavadi or chavadis, if any, of the village or villages concerned.

iii) in the office of offices of Mandal Parishad or Mandal Parishads concerned.

(G.O.Ms. No. 479, Panchayati Raj & Rural Development (Mandal-I) Department, dated 23rd July, 1990).

4.6 CONTRIBUTIONS - LEVY

Mandal Parishads may with the prior approval of the Zilla Parishad levy contributions from the funds of the Gram Panchayats in the mandal and such contributions shall be paid by such Gram Panchayats notwithstanding any other provision.

4.7 The proceeds of the contribution shall be utilised for :

- i) The execution and maintenance of works which
 - (a) shall be beneficial to two or three Gram Panchayats in the Mandal.
 - (b) Shall be a work which cannot be taken up advantage only by a single Gram Panchayat or shall be economical to maintain it jointly.
 - (c) Shall be a common service station, common water works scheme, major road or a bridge beneficial to more than one Gram Panchayat or shall be common medical institution or the like.
- ii) the purchase and equipment of machinery which will be useful to the public in general.
- iii) Any other purpose which the government may approve.

The aggregate contributions levied in any year by a Mandal Parishad shall not exceed the estimated expenditure for that year.

4.8 OTHER RECEIPTS - RECEIPTS FROM SEED STORES

When the Mandal Parishad decides to supply seeds on a no profit no loss basis, separate records should be maintained for these transactions.

The Senior Assisnat of the Mandal Parishad should be made responsible for daily remittance of the sale proceeds if the Mandal Parishad is situated at the Sub-treasury Head Quarters or twice a week along with other moneys of Mandal-Parishad.

4.9 Receipts of hospitals and dispensaries maintained by the Mandal Parishads from General funds.

4.10 Fees for the use of cart stands, markets and slaughter houses belonging to the Ex-District Boards, transferred for maintenance by Mandal Parishads and fees for the temporary occupation of choultries, traveller Bungalows, Rest Houses, market sites, village sites, roads and other similar public places or parts thereof and also fees for private cart stands and markets.

4.11 RENTS OF STAFF QUARTERS :

- (a) The Mandal Parishad Development Officers shall be responsible for the collection of rent in respect of staff quarters of the Mandal Parishad.
- (b) The Mandal Parishad Development Officer shall prepare a statement of date for the calculation of the rent leviable at the rate of 10 percent of the pay which the occupant is drawing or the standard rent whichever is less exclusive of water supply and electric consumption charges, which are to be paid by the consumer.

4.12 PROCEDURE TO BE OBSERVED IN THE COLLECTION OF RENT FOR THE STAFF QUARTERS -:

- i) The Mandal Parishad Development Officer shall prepare a demand statement of rents due from the employees of the Mandal Parishad in respect of staff quarters and for residence.

- ii) In preparing the demand statement of rent due from all employees, the Mandal Parishad Development officer shall take into account the pay of the employees from time to time.
- iii) The demand statement shall provide also for the collection of additional rent which may be due either because the full amount due has not been collected in the previous month or because the emoluments of the occupant were in arrears.
- iv) The officer who prepares the establishment bills and draws pay shall recover from each bills by short deduction the rents of staff quarters demanded as due either from himself or from any of the subordinates whose pay is drawn by him. A copy of the demand statement of rents shall be attached to the pay bill of the employees concerned.
- v) When an employee of a Mandal Parishad is transferred or proceeds on leave or retires, the drawing officer shall
 - (1) If the employee is paid upto the date of making over charge recover from the pay bill the rent due upto that date, or
 - (2) If the employee is not paid upto the date making over charge recovers from the pay bill which is paid, the rent due from him for the period covered by the pay bill had note on the reverse of the last pay bill certificate the balance of rent due for recovery on account of the remaining period upto the date of working overcharge.
- vi) An employee in occupation of the quarters shall except in the case of sudden transfer give at least a month advance intimation to the Mandal Parishad Development Officer of his intention to vacate the quarters, failing which he shall be liable to pay rent for one month from the date of receipt of the intimation to vacate the quarters or till the date of occupation of the quarters by other employee whichever is earlier.

- vii) An employee under orders of transfer shall on receipt of such orders of transfer give intimation of his intention to vacate the quarters. He shall vacate the quarter in his occupation within the date of expiry of the joining time allowed to him.
- viii) If the employee occupying the quarters is deputed for training or transferred to other stations for a period not exceeding three months, he may be allowed to retain the quarters during the period of such training or transfer subject to the payment of the rent. In all other cases he shall vacate the quarters on the date on which he hands over charge.
- ix) Employees retiring from service shall vacate the quarters under his occupation on the date of retirement or on the date of going on leave preparatory to retirement. In exceptional cases the Mandal Parishad may permit the occupation of the quarters by the retired employee beyond the date for a period not exceeding three months during which rent fixed for the quarters and other charges for water supply, electric consumption and the like shall be recovered from him.

(G.O. No. 139, P. & .L.A.(S.III) dated 8-11-1962)

4.13 MISCELLANEOUS RECEIPTS

There are other miscellaneous items of receipts, as detailed below :-

- i) Income from Endowments under the management, of the Mandal such as rent and produce of lands, interest on securities etc.,
- ii) Loan Funds
- iii) Miscellaneous receipts such as :-
 - (1) Advances received/recovered
 - (2) Deposits including security deposits

- (3) Fees, fines and forfeitures including fees for occupation of rest house choultries etc.
- (4) Ferry rents where the management of ferries is under the Mandal.
- (5) Fishery rents.
- (6) Income from investments.
- (7) Interest on arrears of revenue.
- (8) Interest on securities.
- (9) Lapsed deposits.
- (10) Market receipts.
- (11) Medical receipts such as Hospital receipts sale of medicines etc.
- (12) Rents and sales of buildings and property other than rents from staff quarters mentioned above.
- (13) Sale proceeds of sweeping, old stores and materials, trees and the produce of trees in areas other than roads.
- (14) Sale proceeds of the other property of Mandal Funds earmarked for weaker sections 15% S.C., 6% S.T., 10% for Women & child welfare.

4.14 INCOME FROM ENDOWMENTS

Income from endowments for Charitable institutions transferred to the management of Mandal Parishad under competent authority is also treated as revenue of the mandal and is incorporated in the accounts of the Mandal Parishad concerned. In such cases, however, the Mandal Parishad is bound to utilise the revenue for the purpose for which it has

been endowed, any surplus is made available for other charitable purpose with the sanction of Government.

4.15 In all cases in which it is proposed to make over the Mandal Parishad any endowment or trust, the formalities prescribed in the Charitable Endowments Act VI of 1890 (Central Act) should be invariably observed in order to render the transfers valid according to law and to avoid the contingencies of dispute arising in future. Accordingly, in all such cases applications should be obtained from the donors under section 4 and 5 of Act VI of 1890 and sent to Government who will then vest the property in the usual course in the Treasurer of Charitable Endowments and settle the scheme for the administration of the trust by the Mandal Parishad concerned.

4.16 ZILLA PARISHADS

The classes of revenue pertaining to the Zilla Parishads are as follows (Section 198 of the Act)

- (i) The central or State Government funds allotted to the Zilla Parishads.
- (ii) Grants from All-India bodies and institutions from the departments of Cottage, Village and Small Scale Industries, and the like:
- (iii) Such share of the land cess or local cess State taxes or fees as may be prescribed.

Proceeds of land cess (Andhra area) and the local cess (Telangana Area) are apportioned in accordance with the rules.

- (iv) Mineral cess at 10 paise out of 37 paise collected, stopped from 9-4-91. Arrears if any are adjusted 25 percent of the tax on minor minerals and seignorage credited to Zilla Parishads as per G.O. Ms. No. 335 PR & RD & R.PI.III dated 6-8-96.

(v) Proceeds from taxes, and fees which the Zilla Parishad may under any law, levy.

(vi) **INCOME FROM ENDOWMENTS OR TRUSTS ADMINISTERED BY THE ZILLA PARISHAD SUCH AS RENT AND PRODUCE OF THE LAND, INTEREST ON SOCIETIES ETC.**

Income from Endowments for charitable institutions transferred to the management of Zilla Parishad under competent authority is also treated as revenue pertaining to Zilla Parishad and is incorporated in the accounts of Zilla Parishad concerned. The instructions in para 4.14 and 4.15 above apply to Zilla Parishad.

(vii) such income of the district boards as the government may be order allocate to it.

(viii) Donations on contributions received from the Gram Panchayats, Mandal Parishads and Public under self aid schemes.

(ix) Matching contributions received from the Gram Panchayats, Mandal Parishads and Public under self aid schemes.

(x) Such contributions as the Zilla Parishad may levy from the Mandal Parishads with the previous approval of the Government.

The Zilla Parishad may with the previous approval of the Government levy contributions from the funds of the Mandal Parishads and such contributions shall be paid by such Mandal Parishads. The proceeds of the contributions shall be utilised for the following purposes.

(1) The execution and maintenance of works which :

i) Shall be beneficial to two or more Mandal Parishads.

ii) Shall be a work which cannot be taken up advantageously by a single Mandal Parishad or shall be economical to maintain it jointly.

- iii) Shall be common service station, a common water works scheme, major road or a bridge beneficial to more than one Mandal Parishad or shall be a common medical institution or the like
- (2) For the purchase of equipment or machinery which will be useful of the public in general.
- (3) For any other purpose which the Government may approve, and
- (4) The aggregate contributions so levied in any year shall not exceed the estimated expenditure for the year.
- (xi) Such share of surcharge on stamp duty (1% out of 5%) under Section 69 (3) of the Andhra Pradesh Panchayati Raj Act 1994.
- (xii) Receipts derived from the institutions transferred to it from the defunct District Boards such as Secondary Schools, special schools etc.
- (xiii) Receipts of hospitals, Dispensaries, medical drug stores etc., maintained by the Zilla Parishads, from general funds.
- (xiv) Fees for use of car stands, and markets belonging to the Ex-District Boards transferred for maintenance by Zilla Parishad.
- (xv) Fees for temporary occupation of choultries, travellers bungalows, rest houses, market sites, village sites, roads and other similar public places or parts thereof.
- (xvi) Loan funds.
- (xvii) Per capita grant of Rs 2 Now-Rs 4 (Section 198(2) of the Act.)

4.17 SECONDARY EDUCATION

GENERAL : Secondary Education in Rural areas is the exclusive

responsibility of the Z.P.s, high schools run by former Dt. Boards and those run by Govt. except Model schools attached to the Training colleges have been transferred to Zilla Parishads. Parishad Education officer allotted to the Zilla Parishad assists the Zilla Parishad in the management and administration of the schools. He will render technical advice to the Zilla Parishad in matters concerning the secondary schools and will operate on the Secondary Education funds of the Zilla Parishad.

INSPECTION :

The Secondary School under Zilla Parishad shall be inspected by the Dist. Educational Officer, PEO concerned and by the Inspectors of Schools authorised by him.

CONSTITUTION OF FUNDS :

- (a) The secondary Educational Fund consists of
 - (i) School Fees.
 - (ii) Income from Securities etc.
 - (iii) Teaching and maintenance grants released by the Audit Officer L.F. and District Educational Officer.
 - (v) Contributions, endowments and other receipts.

4.18 CLASSIFICATION OF CHARGES; MANDAL PARISHADS

- (1) The charges should be met from the funds of the Mandal Parishads are enumerated in Sub-section (3) of section 172 of the Act. The rules issued in G.O.Ms. No. 704 PR RD & R Accts. III dated 5-11-94. They are broadly indicated below:-

- (a) Provision and maintenance of Principal Mandal Parishad office and record, and the other subordinate offices including cost of appurtenances, fittings and insurance.
- Maintenance of office building includes also provision and maintenance of staff quarters (G.O.Ms. No. 851 P&L.A. Dated 20-5-1961)
- (b) Salaries and allowances of the establishment as per staffing pattern. The posts of drivers and Record Assistance and surplus Senior Asistants/Junior Assistants in excess of the staffing pattern are treated as supemumary posts and their salaries also will have to be met.
- (c) Salaries on non provincialised staff and part time contingent staff.
- (d) Liveries, contributions to pension gratuties etc., of the staff.
- (e) The cost of liveries also include liveries given to last grade servants and other servants whose pay is debitable to contingencies. The cost of maintenance and propulsion of the vehicles of the Mandal Parishad and all expenditure incidental thereto.
- (f) Rent of office building.
- (g) Postage, stationery, printing and all office and advertisement expenses including cost of reporting the proceedings at the meetings of the Mandal Parishad.
- (h) Telephone charges.
- (i) Travellig expenses of the office establishment
- (j) Repairs to typewriter, roneo - duplicator.
- (k) Charges for the standardized forms

- (2) The T.A. of the President, vice-president and members of the Mandal Parishad. T.A. paid to the vice-president of the Mandal Parishad delegated with the executive function of the President shall be debited to the General funds (G.O.Ms. No. 785/P&L.A.) dated 16-5-1961).
- (3) Honorarium to the President, will be paid from Zilla Parishad, if he is vice chairman of the Zilla Parishad.
- (4) Repairs maintenance of buildings.
- (5) The preparation and maintenance of record of rights in immovable property etc.,
- (6) Acquisition of lands for all or any of the purposes of the Act.
- (7) **LAW CHARGES :-** Provided that the legal expenses in connection with the appeals against the surcharge made by the auditors against the President, Vice-president members of the Mandal Parishad or an employee thereof is not treated as a charge upon the Mandal Parishad funds except with the previous sanction of the Government.
- (8) Election expenses.
- (9) Charges for the construction, repair and maintenance of roads, repairs to departmental buildings, rest houses, choultries and cost of tools and plants and stores.
- (10) Charges on the planting and preservations of avenues on all roads.
- (11) Charges for maintenance of primary and upper primary shcools.
- (12) The cost of medical relief, subsidy to rural medical practitioners.
- (13) The funds of a Mandal Parishad may be applied for contributing

to the funds of any Mandal Parishad or Zilla Parishad in the District and may with the previous sanction of Government be applied for.

- (a) Contributing towards expenses of any public exhibition ceremony or entertainment in the local area with in or outside the jurisdiction (G.O.Ms. No. 112P&L.A. dated 4-8-1961).
 - (b) Contributing to any charitable fund or to the funds of any institution for the relief of the poor or the treatment of deceased or infirm persons or the investigation of the causes of the disease and
- (14) Refunds of revenue or other deposits originally credited to the Mandal Parishads.
- (15) Payment of advances to officers and servants of Mandal Parishad and others.

Advances given to officers and servants of Mandal Parishad on the eve of important festivals including advances on tour and transfer or purchase of conveyance to the officers and servants of Mandal Parishads shall be debited to General funds.

In the interest of keeping members of the Mandal Parishad fully informed of the various sanctions given by the Mandal Parishad Development Officer he should place every item on which expenditure has been incurred within the powers conferred on him, before the General body for their information.

(Govt. Memo. No. 1607/S.II / 60-2 dt. 13-8-1960)

The Mandal Parishad Development officer shall have the power to draw an advance upto the limit of Rs. 1500/- at a time for the purchase of live stock, equipment, stores materials and the like immediately required for the use of the Mandal Parishad and he shall adjust the advance within fifteen days and report the matter to the Standing Committee, Taxation and Finance.

Provided that in the case of purchase of medicines and drugs and the Mandal Parishad Development Officer shall have the power to draw and make advance payments upto Rs. 3,000/- to the Medical Stores Depot, Madras and Hyderabad for the indents placed on it.

(G.O Ms. No. 1201 P & L. A. (Acct. II) dated 1-9-1960)

(G.O.Ms. No. 1134 Panchayati Raj dated 3-12-1963)

SOCIAL WELFARE - Utilisation of 15 percent earmarked funds for S.Cs, 6 percent for S.Ts 15 percent for Women and Child Welfare.

4.19 CLASSIFICATION OF CHARGES ZILLA PARISHADS

The charges enumerated in Sub Section (3) of Section 198 of the Act, and the rules issued in G.O. Ms. No. 229 PR & RD Accounts I dated 17-6-97. They are broadly as follows :

- (1) Charges incidental to the administration of Zilla Parishad such as :
 - (a) Provisions and maintenance of Principal Zilla Parishads office and record room and of other offices including cost of appurtenances, fittings and insurances.
 - (b) Salaries and allowances of the provincialised staff.
 - (c) Wages of contingent staff.
 - (d) Liveries, contributions to Pension and Provident Fund, gratuities etc. of the staff. The liveries given to the last grade servants and servants whose pay is debitable to contingencies.
 - (e) The cost of maintenance of the vehicles of the Zilla Parishads and all expenditure incidental thereto.
 - (f) Rent of buildings.

- (g) Postage, stationery, printing and all office and advertisement expenses including cost of reporting the proceedings in the meetings of Zilla Parishads.
 - (h) Telephone charges.
 - (i) Travelling expenses of the Office establishment.
 - (j) Repairs to type writers, Roneo duplicators etc.,
 - (k) Charges for the standardised form printed at the press selected by the Govt.
- (2) T.A. of the Chairman, vice-chairman and members of the Zilla Parishad.
- (3) Honorarium to the chairman and Z.P.T.C. members.

T.A. paid to the Vice - chairman of the Zilla Parishad delegated with the executive functions of the Chairman.

- (4) Repair and maintenance of buildings. The acquisition of land for all or any of the purposes of the Act.
- (5) The preparation and maintenance of record of rights in immovable property etc.,
- (6) Provision and maintenance of Zilla Parishad work shops.
- (7) Zilla Parishad Surveys, the preparation of Maps of the District and of extensions.
- (8) **LAW CHARGES :-**

The legal expenses in connection with the appeals against the surcharge made by the auditors against the Chairman, vice-chairman and members

of the Zilla Parishad on any employees thereof is not treated as a charge upon the Zilla Parishad funds except with the previous sanction of the Government.

- (9) Election expenses.
- (10) Charges for the construction, repair and maintenance of roads, repairs to departmental buildings, rest houses, choultries and cost of tools and plants and stores.
- (11) Charges on the planting and preservation of avenues in roads.
- (12) Charges for maintenance of Secondary and other special schools.
- (13) Cost of medical relief.
- (14) Charges for preventive medicines and health staff, propaganda, epidemic and anemic diseases - malaria staff and equipment and sanitation - maternity and Child welfare.
- (15) Contributions to other Panchayati Raj institutions, Municipal Councils and other public or private institutions.

The Zilla Parishad fund may be utilised for contributing to the funds of any Mandal Parishad in the District and may with the previous sanction of Government be applied for

- (a) Contributing towards expenses of any public exhibition, ceremony or entertainment in the local area within or outside its jurisdiction.

(G.O.Ms. No. 112, P&L. A. dated 4-8-1961)

- (b) Contributing to any charitable fund or fund of any institution or the relief of the poor or the treatment of deceased or infirm persons or the investigation of the causes of the disease..

- (c) Contributions to the A.P. Sports Council.
- (16) Incurring any other extraordinary charge with prior sanction of Government.
- (17) Refunds of revenue originally credited to the Zilla Parishad funds.
- (18) Social welfare, utilisation of 15 percent earmarked funds for S.Cs. 6 earmarked funds for S.Ts., 15 percent earmarked funds for Women & Child Welfare.
- (19) Repayment of deposits; and
- (20) Payment of advance to officers and servants of Zilla Parishads.

Advances given to officers and servants of Zilla Parishads on the eve of important festivals including advances on tours and transfers or for the purpose of the conveyance or for marriage to the officer and servant of Zilla Parishad shall be debited to General Funds.

The Chief Executive Officer, Zilla Parishad should place every item on which expenditure has been incurred by him within the powers conferred on him, before the appropriate standing committee and standing committee for Planning and Finance for information (G.O.Ms. No. 1607/60-1, dated 2-8-1960).

4.20 ACCOUNTING PROCEDURE IN THE SECONDARY SCHOOLS :-

- (a) The Head master shall be responsible for the correct and upto date maintenance of the following registers of accounts for school fee and other fee collected by him from the students.
- (1) Register of admissions and withdrawals.
- (2) Attendance Registers for pupils.

- (3) Term fee register.
- (4) Daily fee collection register
- (5) Transfer Certificates Issued.
- (6) School fee receipt books.
- (7) Daily Cash Book and a monthly Cash Book.
- (b) The income from fees should be determined with reference to the attendance special fees, admission and withdrawal

4.21 SPECIAL FEE FUNDS IN SCHOOLS

1. The rates of special fee shall be levied in Upper Primary and Secondary Schools as shown below :
 - i. Class VI to VII
in Upper Primary
Schools and Secondary Schools
Rs. 9.00 per annum.
 - ii. High School Classes VIII to X
Rs. 20.00 per annum.
2. In High Schools items of special fee funds are divided into the following groups and the amount collected has to be spent on the undermentioned items only :

Group 'A'	Group 'B'
1. Library	1. Students Association
2. Science	2. Scouting, J.R.C.
3. Examination and Stationery	3. Hobbies and Crafts
4. Games	4. Poor Boys Fund
5. Medical Inspection	5. Audio-Visual Education.

3. 75% of the total collection of the Special Fee Fund should be spent on the items under Group 'A' and balance of 25% should be on the items under 'B' (including Upper Primary Schools).

4. The diversion of the special fee funds from the items under group 'B' to group "A" can be done by Heads of Institutions with prior approval of special fee fund Committee. The diversion of Special fee Funds of the items under group 'A' to group 'B' can be done by the District Educational Officer in the case of Higher Schools attached to Junior Colleges, Gazetted Inspector of Schools in the case of High Schools and Deputy Inspector of Schools in the case of Upper Primary Schools.

5. In Upper Primary Schools also the items of special fee fund are divided into the following groups and the funds collected has to be spent on the items mentioned below :

Group 'A'	Group 'B'
1. Library	1. Field Trips
2. Science	2. Scouting and JRC
3. Examinations	3. Audio-Visual Edn.
	4. Games

6. There will be only one special fee committee instead of committees to each item of special fee.

7. Constitution of the special fee Committees :

- i. Headmaster is the Ex-Officio Chairman.
- ii. Four teachers and 4 students. They shall be nominated by the Headmaster.

8. DUTIES AND RESPONSIBILITIES.

The Committee shall be responsible for the proper and effective utilisation of the special fee funds. All expenditure from the special fee

fund shall be with the prior approval of the committee. The committee shall meet soon after the academic work for the year starts and shall approve the budget of the fund. Thereafter it shall meet once in a quarter.

9. The accumulated balance may be utilised for developing the physical facilities of the school such as accommodation, equipment and furniture with the prior permission of Gazetted Inspector of Schools in case of High Schools, the District Educational Officer in respect of High Schools attached to Junior Colleges and Dy. Inspector of Schools in case of Upper Primary Schools.

REMUNERATION FOR THE MAINTENANCE OF SPECIAL FEE FUND ACCOUNTS :

10. A uniform rate of remuneration at 2% of the collections of special fees fund levied in the school subject to a maximum of Rs.250/- per annum may be paid to the clerk / clerks or clerical Attenders of Teachers who maintained the accounts.

11. MAINTENANCE OF ACCOUNTS

- i. Fee receipts should be issued in Triplicate and all such collections posted in the Daily Fee collection Register. Special fee may be collected a lumpsum or instalments.
- ii. The amounts of such collection shall be posted in the daily collection Register under the relevant sub-heads of special fee accounts. Daily, monthly terminal and annual totals should be struck. The daily deposits should be noted in the D.F.C. Register under the initials of the Head Master. Collection of special fee should be noted in term fee register also along with tuition fees.
- iii. The Headmaster shall maintain an account in the local post office, Savings Bank under the designation "The Headmaster's or Headmistress P.D. Account in the Treasury as the case may be in

respect of the special fee fund. Special fees should not be mixed with general funds of the school. Cash book should be closed every day under the initial of Head Master and balances struck without fail.

- IV. Headmaster alone is responsible for the proper collections and expenditure of the special fee funds as per rules. The management has nothing to do with the maintenance of special fee accounts. For any irregular expenditure or non-production of proper vouchers the amounts so involved shall be recovered from the Head Master and disciplinary action taken against him as per rules.

12. VOUCHERS

The following Instructions shall be followed :

- i. The receipt should be given by the party who supplies the articles and not by the third party.
- ii. Vouchers should be serially numbered and arranged chronologically for each financial year.
- iii. One voucher should not be given two numbers.
- iv. The number and date of bill or Invoices to which a receipt relates should be clearly noted in the body of the receipt, the receipt should bear the name of the firm supplying the articles.
- v. Invoices should contain certificates to the effect that the items of equipment were brought to stock. The page number wherein the items have been entered in the respective stock registers should also be indicated against each item in good condition.
- vi. When bills were paid by Money Order regular stamped receipt should be insisted from the parties

- vii. All the vouchers should be addressed to the Head masters of the Schools by designation.
- viii. In case of V.P. Parcels, the wrapper of invoice relating to V.P.P. should be preserved for verification by audit.
- ix. Vouchers and invoices relating to them, should be arranged together.
- x. All vouchers should invariably be dated.
- xi. All vouchers should be admitted before payment and cancelled after payment by the Headmaster.
- xii. Vouchers should bear the serial No. in the right top -corner.
- xiii. Vouchers where amount exceed Rs. 500/- should be stamped.

13. STOCK AND ISSUE REGISTERS

Stock Registers should be maintained for purchase of all articles under all heads such as library, Games A.V.E Sciences etc. The stock of articles should be physically verified annually and certificate of stock verification given by the Headmaster is every stock registers for every year preferably at the time of closure of schools. At the time of purchase the stock entry should be initialled in the Register.

14. INSTRUCTIONS TO BE FOLLOWED FOR PURCHASE

- i. All articles where cost exceeds Rs. 250/- should be purchased after calling for quotations from at least reputed firms, and accepting the lowest quotation, if lowest quotation is not accepted, sufficient justification should be shown in writing by the Headmaster. This is good in the case of expenditure met from repairs to grounds.

- ii. But for Purchase of standarised articles like science equipment from Andhra Scientific Co. Ltd., Machilipatnam, they may be purchased directly without calling for quotations.
 - iii. Care should be taken by the Head Master in purchasing the articles from out of special fee funds that they are useful and upto the standard.
 - iv. The above rules shall apply to the schools under all managements such as Government, Local body and private Management.
14. In case of any difficulty in interpretation of rules, it should be referred to the Director of School Education whose decision shall be final.

4.22 MISCELLANEOUS RECEIPTS

There are other miscellaneous receipts some of which are detailed below :-

- (1) Advances received/recovered
- (2) Deposits including security deposits.
- (3) Fees, fines and forfeitures,
- (4) Fishery rents;
- (5) Ferry rents where the management of ferries is under Zilla Parishads.
- (6) Income from investments.
- (7) Interest on arrears on revenues.
- (8) Interest on securities.

- (9) **Lapsed deposits**
- (10) **Medical receipts**
- (11) **Rents and sale of buildings and property. Rents from the staff quarters. The instructions in para 4.11 and 4.12 shall apply in Zilla Parishads.**
- (12) **Sale proceeds of sweeping, old stores and materials trees and the produce of trees in areas other than roads.**
- (13) **Sale proceeds or other property of Zilla Parishads.**
- (14) **Railway cess fund.**
- (15) **Fees for grant of copies of proceedings or records.**

CHAPTER 5

PROCEDURE IN REGARD TO REVENUE

PROCEDURE IN REGARD TO REVENUE

Sl. No.	Heading	Para No.	Page No.
1.	General Procedure in regard to Revenue.	5.1	137
2.	Duty on transfer of property (Surcharge on stamp duty)	5.3	138
3.	Provisions of the Stamp Act to apply to transfer duty	5.3.2	138
4.	Duties of registering officers	5.3.3	138
5.	Maintenance and Consolidation of accounts in respect of transfer duty.	5.3.5	139
6.	Seignorage fees	5.4	141
7.	Compensation under A.P. Entertainment Tax Act 1939	5.5	142
8.	Land or Local Cess	5.6	143
9.	Procedure for levy or taxes	5.7	144
10.	Pilgrim tax	5.8	145
11.	Educational Receipts	5.9	146
12.	Medical Receipts	5.10	148
13.	Ferries & Markets etc.	5.11	150
14.	Leases	5.12	150
15.	Departmental Management	5.13	151

16.	Fees from Markets Ferries	5.14	152
17.	Share of Income from Municipal Markets	5.15	154
18.	Remissions	5.16	155
19.	Income from Buildings, Lands and other immovable properties	5.17	157
20.	Misc. Demand Register	5.18	157
21.	Public Works Receipts	5.19	158
22.	Rest houses or Travellers Bungalow Receipts	5.20	158
23.	Misc. Sales	5.21	159
24.	Misc. Sales Register	5.22	162
25.	Security	5.23	162
26.	Grant of copies of proceedings or Records by Mandal Parishad and Zilla Parishads	5.24	163
27.	Contribution	5.26	165
28.	Income from Endowments and Trusts	5.27	165
29.	Register of Endowments	5.28	166
30.	Loans	5.29	166
31.	Scrutiny of Records and Registers Relating to Revenues	5.30	167
32.	Demand collection and balance Statement	5.31	167
33.	Grants-in-aid	5.32	167
34.	Adjustment of Grant-in-Aid and Loans	5.33	168
35.	Register of Grants	5.34	169

PROCEDURE IN REGARD TO REVENUE

5.1 All moneys received by an officer or servant of a Mandal Parishad or Zilla Parishad (including a Government Servant whose services have been placed at its disposal) in his capacity as such, shall be brought into account as soon as they are received and shall be either paid into the offices of the Mandal Parishad or Zilla Parishad or remitted into the treasury or bank as the case may be as frequently as possible. In no case shall any money so received be retained for more than seven days without payment or remittance as aforesaid :

Provided that where there are no treasuries, Asst. Engineers and in the case of secondary schools Headmasters shall not be bound to make remittances when the collections do not amount to fifty rupees but they shall remit collections irrespective of the amount before the last working day of the month into the Treasury.

5.1.2 All moneys received by or under the authority of the Mandal Parishad Development Officer or the Chief Executive Officer at its office shall be brought into account as soon as they are received and shall be remitted into the treasury / bank, as the case may be as frequently as possible. In no case shall any money so received be retained for more than seven days without remittance as aforesaid.

5.1.3 No money received on behalf of a Mandal Parishad or Zilla Parishad shall be utilised for its expenditure without first being brought into account as provided in rule 12 or Rule 13, as the case may be.

5.1.4 Every payment into a Treasury or a Bank shall be accompanied by a challan. Such challan shall show distinctly the amount of the payment made, the nature thereof and the person of office on whose account it is made.

5.1.5 Receipts in the form laid down by the Government shall be given for all moneys received in the office of the Mandal Parishad or Zilla Parishad, as the case may be, and shall be signed by such authorities as may be specified by the Mandal Parishad or Zilla Parishad.

5.2 The general principles regarding individual items of revenue including assigned revenues and grants in aid in general are explained with following paras.

5.3 DUTY ON TRANSFER OF PROPERTY (SURCHARGE ON STAMP DUTY)

5.3.1 A surcharge of 5% is levied on the Stamp duty collected by the Registration Department on transfer of property. This amount collected in the rural areas is assigned to the P.R. institutions i.e. Gram Panchayats, Z.Ps and M.Ps in the ratio of 3 : 1 : 1. The rules relating to Local Authorities (duty on transfer of property) Rules are made applicable to the Zilla Parishads and Panchayat Samithis (now Z.Ps and M.Ps) in G.O.Ms.No. 149, P&L.A. (S & P) dated 29.1.1962.

5.3.2 PROVISIONS OF THE STAMP ACT TO APPLY TO TRANSFER DUTY :-

(a) All the provisions of the Stamp Act and the rules made thereunder shall, so far may, apply in relation to the transfer duty as they apply in relation to the duty chargeable under that Act.

(b) Where the transfer duty or any portion thereof is less than 10 paise such duty or portion shall not be collected.

5.3.3 DUTIES OF REGISTERING OFFICERS IN REGARD TO THE PARTICULARS TO BE SET FORTH IN INSTRUMENTS :-

(a) Whenever any instrument is prescribed for registration to any registering officer, he shall see whether the particulars referred to in

section 27 of the Stamp Act are set forth in the instrument separately as required by the said section 27 read with section 69 of A.P.P.R. Act 1994 and shall also ensure that the local authority within whose jurisdiction the property concerned is situated is set forth clearly in the instrument.

(b) If the said particulars be not so separately set forth in the instrument, the registering officer must impound it and forward it to the Collector calling his attention to section 64 of the Stamp Act, read with section 69 of the Andhra Pradesh Panchayat Raj Act, 1994.

5.3.4 The duty leviable on an instrument of exchange shall be regulated as follows :-

(a) If the values of the properties exchanged are unequal, the duty shall be levied on the value of the property of the greater value.

(b) If the values of the properties exchanged are equal, the higher amount of duty leviable shall be levied.

5.3.5 MAINTENANCE AND CONSOLIDATION OF ACCOUNTS IN RESPECT OF TRANSFER DUTY :- (a) Every Registering Officer shall maintain an account of the duty paid in respect of each instrument registered by him showing separately the duty imposed by the Stamp Act and the transfer duty. He shall also maintain a separate account for each local authority within whose jurisdiction the property concerned is situated ascertaining from the concerned party wherever necessary the amount on which the transfer duty is to be levied.

(b) the duty levied on an instrument of exchange shall be distributed among the local authorities concerned in proportion to the amount of duty leviable on the properties in the respective local areas.

(c) the said amount shall be consolidated quarterly for each such local authority by the Inspector General of Registration.

(d) the Inspector General of Regn. may issue executive instructions regarding the maintenance of accounts by Registering officers in this behalf and the form in which the consolidated accounts for each quarter are to be forwarded to the Accountant General, A.P.

5.3.6 In the case of instruments which do not come into the hands of the Registering officers owing to the fact that they are not compulsorily registerable under section 17 of the Indian Registration Act, 1908, the Collector before whom any such instrument is produced under section 31 or 41 of the Stamp Act or who impounds any such instrument under section 33 of the said Act, or receives a certificate of the duty and penalty paid in respect of any such instrument or the original of any such instrument under section 30 of that Act, shall keep an account of the duty paid in respect of each such instrument showing separately the duty imposed by the Stamp Act and the transfer duty and forward to the District Registrar of Assurances concerned within one month after the close of each quarter, a quarterly consolidated account with particulars in the case of each such instrument regarding the names of the executant and claimant, the date of execution, the nature of the transaction, the amount of consideration, the value of the property or the amount secured by the mortgage, as the case may be and the description of the property situated within the limits or under the jurisdiction of a Zilla Parishad or Mandal Parishad as the case may be or outside such limits or jurisdiction.

5.3.7 If in any case it is impossible to recover, fully the duty payable on any instrument then only such portion of the duty realised on such instrument as is excess of the duty imposed by the Stamp Act shall be treated in the accounts referred to in this rule as transfer duty.

5.3.8 Collector to forward to the District Registrar concerned quarterly statements of refunds of transfer duty :-

Every Collector who sanctions a refund of the transfer duty paid on any instrument shall forward to the District Registrar or Assurances concerned within one month after the close of each quarter a statement of instrument in respect of which such refunds were sanctioned during the quarter noting therein the amount of the transfer duty refunded and the particulars referred to in rule 5(2) in respect of each such instrument.

5.3.9 Inspector General of Registration to send intimation to the Accountant General in respect of the amount payable to local authorities :-

1. Necessary authorisation regarding the amount payable quarterly to each local authority towards the transfer duty shall be sent by the Dist. Registrar to the sub Treasury, to the Treasury concerned for adjustment to the Mdl./Z.P. concerned.

2. The amount payable to the local authority concerned shall represent the transfer duty paid less a deduction of five percent thereon on account of the collection of the transfer duty and the amount of refunds, if any,

5.4 SEIGNORAGE FEES

5.4.1 Under the A.P. Minor Minerals Concession Rules 1966, the seignorage fee and cess is Chargeable on minor minerals. The mineral cess was being collected upto 9-4-91 when the Supreme Court struck-down the collection of Cess as Minor Minerals which was being credited to the P R Bodies. In G.O.Ms.No.335 PRRD & R (Pts III) Dt. 6-8-96 Govt. ordered that the seignorage fee shall be apportioned among the Gr. Pts., M.Ps & Z.Ps in the ratio of 37.5, 37.5 and 25 respectively.

5.4.2 The following procedure is prescribed in the G.O. for the adjustment of the amount to the PR Bodies.

5.4.3 The Director of Mines & Geology shall intimate the Commissioner, Panchayat Raj and the concerned P.R. bodies i.e., to the concerned District Panchayat Officers and Chief Executive Officers of Zilla

Parishads about the particulars of collection of Seigniorage fee on a quarterly basis i.e., March, June, September and December by the end of the succeeding month. Based on the particulars furnished by the Mines & Geology Department, the District Panchayat Officer concerned shall identify the Gram Panchayat from whose jurisdiction the material was quarried and Mineral/Seigniorage fee was collected and then prepare a statement of claim showing the proportionate amount to be credited to each Gram Panchayat and Mandal Parishad. The District Panchayat Officer shall then make a demand statement to the Zilla Parishad for transfer of amounts. The Chief Executive Officer, Zilla Parishad concerned shall then verify the amounts due to each Gram Panchayat and Mandal Parishad and issues an order showing the amounts to the concerned Dist. Panchayat Officers.

5.4.4 The Commissioner of Panchayat Raj shall take necessary action for making provision in the Budget under the following Heads of account based on the particulars furnished by Director of Mines & Geology for passing on the Seigniorage fee collection to P.R. Bodies.

(1) Zilla Parishads (25%) :- 2515 - Other Rural Development Programme M.H. 101-Panchayat Raj - S.H. (10) Assistance to Z.P.s for apportioning Seigniorage fee collection (25%) (to be opened)

(2) Mandal Parishad (37.5%) :- S.H. (20) Assistance to Mandal Parishads for apportioning Seigniorage fee collection (37.5%) (to be opened).

(3) Gram Panchayats (37.5%) :- S.H. (21) Assistance to Gram Panchayats for apportioning Seignior age fee collection (37.5%) (to be opened).

5.5 COMPENSATION UNDER A.P. ENTERTAINMENTS TAX ACT 1939 : Ninety percent of the entertainment Tax Collected under the APET Act 1939 by the Commercial Taxes dept. is adjusted to the Gr. Pts under Mandal Parishads the ratio of 60 : 40 respectively. The commercial tax officers issue the allocation sanction orders and prefer adjustment bills to the treasury for adjusting the amounts to the Gr. Pts and Mdls.

5.6 LAND OR LOCAL CESS :

5.6.1 The land cess (Andhra area) and Local cess (Telangana area) is levied and collected on behalf of Zilla Parishads, Mandal Parishads and Gram Panchayats along with the land revenue by the Revenue Department which is responsible for its correct realisation and credit. The share of land cess or local cess due to every Mandal Parishad/Zilla Parishad and apportioned by the M.R.O. concerned is credited to the funds of the Mandal Parishad/Zilla Parishad in the Treasury or Sub-Treasury. Each Mandal Parishad / Zilla Parishad is credited on the 5th of every month with one-twelfth of the amount which the Government expect to collect as land cess on its behalf in the current fasli year and necessary final adjustment with reference to the actual collection is made after the close of each fasli year.

5.6.2 Any sum due to a Mandal Parishad/Zilla Parishad in respect of the land cess collections for each fasli is paid in advance monthly and such monthly advance payments should be made in round tens of rupees. If in the final settlement of the accounts relating to the land cess for any fasli it is found that a Mandal Parishad / Zilla Parishad has been overpaid the M.R.O. concerned will intimate to the Mandal Parishad Development Officer / Chief Executive Officer of the Mandal parishad / Zilla Parishad concerned and the Mandal Parishad Development Officer of the Mandal Parishad / C.E.O. of the Zilla Parishad thereupon refund the excess amount intimated by the Mdl. Revenue Officer concerned within one month from the date of receipt of such intimation. If the Mandal Parishad Devt. Officer / C.E.O. fails to repay the sum as aforesaid the amount overpaid should be recovered from the Mandal Parishad / Zilla Parishad fund concerned in the matter indicated in Article 310 of the APFC Vol. I.

5.6.3 Any sum due from a Mandal Parishad / Zilla Parishad on final adjustment in respect of land cess collection for each fasli should be rounded to the nearest rupee and recovered accordingly, an amount of 50 Ps. and over but less than one rupee should be taken as one rupee

while an amount of less than 50 rupees should be ignored and omitted from the accounts.

5.7 PROCEDURE FOR LEVY OR TAXES

5.7.1 The following procedure shall be followed for publication of resolutions and notifications for levy of taxes.

5.7.2 Any resolution of a Mandal Parishad/Zilla Parishad determining to levy any tax shall specify the local limits of the area in which, the rate at which, the date from which and the period of levy, if any, for which, such tax shall be levied.

(b) When by any such resolution a Mandal Parishad/Zilla Parishad determines to levy any tax, the Mandal Parishad Development Officer / CEO shall forth-with publish a notification.

5.7.3 Every notification referred to in sub-para (b) of Para 5.7.2 shall be published in all cases :-

(a) in the District Gazette, if one is published and in one newspaper circulating in the district, and

(b) by affixing a copy of the notification in some conspicuous place in the office of the Mandal Parishad / Zilla Parishad;

5.7.4 If the notification relates to any tax the proceeds of which, in whole or in part, are credited to any Mandal Parishad or it shall also be published by affixing a copy of the notification in some conspicuous place in the office of offices of Mandal Parishad or in Zilla Parishads, and

5.7.5 If the notification relates to any tax the proceeds of which are credited, in whole or in part, to any Panchayat or Panchayats, it shall also published in addition to the procedure in Para 5.7.3.

(a) by affixing a copy of the notification in some conspicuous place in

- (i) the office or offices of such Panchayat or Panchayats;
- (ii) in the village chavadi or Chavadis, if any, of the village or villages concerned.
- (iii) in the office or offices of the Mandal Parishad or Mandal Parishads concerned.

(G.O.Ms.No. 479, Panchayati Raj & Rural Development (Mandala-I) Department, dated 23rd July, 1990)

5.8 PILGRIM TAX

When a Mandal Parishad / Zilla Parishad levies with the previous sanction of the State Government and the Government of India, a pilgrim tax on passengers travelling by railway, the tax should be collected by means of surcharge on fares by the administration of the railway by which the passengers are carried.

5.8.2 Where the tax is levied throughout the year, the amount shall be included in the fare shown in the tickets issued to passengers. Where it is levied only for a specified period, special tax tickets shall be printed and issued along with the ordinary tickets or the amount, shall, with the previous concurrence of the State Government be included in the fare shown in the tickets issued to passengers.

5.8.3 The Railway administration shall be entitled to receive from the collections of the tax :-

- (a) such percentage of the collections towards the cost of collection not exceeding 3 percent where the tax is included in the fare shown in the tickets issued to passengers and not exceeding 5 percent where special tax tickets are printed and issued along with the ordinary tickets, and
- (b) such sum towards the cost of printing tickets, and such fees as may be agreed upon between the Railway Administration and the State Government.

5.8.4 After deducting the amounts due to it as above, the Railway administration shall pay the amount of tax collected to the President/Chairman of the Mandal Parishad / Zilla Parishad concerned as follows :-

(a) where the tax is levied throughout the year, the amount collected in each month shall be paid within two months of the expiry of the month, and

(b) where the tax is levied only for a specified period, the amount collected during the whole of the period shall be paid within two months of the expiry of the said period.

5.8.5 With each such payment the Railway Administration shall forward to the President/Chairman of the Mandal Parishad/Zilla Parishad concerned a statement.

5.8.6 Every dispute between a Mandal Parishad/Zilla Parishad authority in regard to the levy collection or apportionment of or either matters relating to the pilgrim tax which the local authorities concerned are unable to settle amicably themselves, shall be referred to the state Government for decision and the decision of the Government on such dispute shall be final.

5.8.7 Every dispute between a Mandal Parishad/Zilla Parishad and a Railway administration in matters connected with the levy, collection or apportionment of the pilgrim tax which the Mandal Parishad/Zilla Parishad and the Railway Administration concerned are unable to settle amicably among themselves shall be referred to the State Government. Where the Railway administration concerned is not satisfied with the decision of the State Government it shall have a right to appeal to the Government of India.

5.9 EDUCATIONAL RECEIPTS

5.9.1 A scale of fees for admission as also of fines, library fees, Games etc., should be fixed with reference to the Educational Rules and in consultation with the Director of School Education.

5.9.2 The fees should be collected by means of Printed bill receipts bearing consecutive printed number for each school. The receipts should be prepared before hand in foil and counterfoil and signed or impressed with the fascimile stamp of the Headmaster of the school after examination by him with the attendance register

5.9.3 The receipt books should be made over to the clerk or other subordinate entrusted with their collection. The clerk should always sign the receipt after payment of the amount of the money and made it over to the pupils. The Headmaster should see from time to time that the receipts so entrusted are accounted for either by payment of the amounts collected or by the production of uncollected bills on hand. The daily collections should be verified with reference to the entries in the daily fee collection register, the term fee register, the counterfoils of bills and attendance register. Towards the end of the month a list of defaulters will be prepared from the unrealised bills and after it has been compared with the attendance registers, necessary action will be taken to realise the amounts.

5.9.4 Headmasters should open savings Banks accounts in Post Office Saving Bank for each special fee fund separately. The collections should be remitted into concerned Post Office Savings Bank Account.

5.9.5 The parishad Educational Officer, Zilla Parishad shall during his tour of his inspection check the receipts.

5.9.6 The forms for the school fee receipts should be supplied to the Headmaster of schools by the Zilla Parishad office which should keep an account of them in the stock account of forms. The Headmasters of Secondary schools should keep an upto date account of the school Fee Receipt Books supplied to them and the unused fee receipts books should be produced for physical verification before the inspecting and audit officers.

5.9.7 The books on hand in the Zilla Parishad office will be physically verified during the annual audit of the accounts of the Zilla Parishad.

5.10 MEDICAL RECEIPTS

5.10.1 Where dispensaries opened from general funds are maintained and are not taken over by Govt. the following records shall be maintained in each Mandala Parishad / Zilla Parishad hospital or dispensary in such form as may be laid down by Government from time to time.

1. Register of subscriptions and donations
2. Receipt Book
3. Register of recovery of Hospital stoppage and charges for supply of special Medicines

Subscribers and donors should be requested to note in col.6 of the register the amount paid by them and to affix their initials with the date of payment in column. 7. When a subscription is withdrawn, the fact should be noted in the register by the subscriber himself or by the officer in charge of the dispensary. The register should be written up at the beginning of every month and closed at the end of it, the arrears outstanding being carried over to next month.

5.10.2 The register of sale of medicines in Form Appendix No. XXIX should be posted as soon as each prescription is dispensed, whether the medicines is sold for cash or on credit. The entries should be compared with the prescription books or file of prescriptions and initialled by the medical officer in-charge in token of this check.

5.10.3 At the end of the month bills in Miscellaneous receipt Form No. 9 should be prepared for all medicines sold on credit and the amounts realised from the parties concerned. All irrecoverable items should be written off periodically with the necessary sanction.

5.10.4 The collections in Medical institutions should be remitted to the treasury once in a week or at such intervals as may be prescribed by

the Mandal Parishad Development Officer of Mandal Parishad/C.E.O., Zilla Parishad with a chalan showing the details and a receipt obtained. These collections will be entered in the Miscellaneous Demand Register with reference to the duplicate chalans and advices of credit received from the Treasury Officers, separate sets of pages being allotted for each medical institutions and the chalans filed serially.

5.10.5 The recoveries of diet charges if any should be carefully watched by the Medical Officers incharge of the institutions, a proper record being also kept for the receipts. Acknowledgement should be made in Miscellaneous receipt book in these cases as well.

10.5.6 Every Medical Officer in charge of a hospital or dispensary shall -

(a) Keep a nominal register of the in-patients and out - patients treated in the hospital or dispensary; and

(b) submit in the case of an Ayurvedic, Siddha, Unani or Homoeopathic Hospital or Dispensary, to the Director of Indian Medicine and in the case of any other hospital or dispensary to the District Medical and Health Officer, monthly and annual returns if the institution be a hospital and an annual return if the institution be a dispensary together in the case of either institution with a special report (which shall accompany the annual return) regarding the working of the hospital or dispensary during the year.

5.10.7 The nominal register and the monthly and annual returns shall be in such form and the special report shall contain such particulars as may be laid down by the Government from time to time. The monthly return for each month shall be submitted so as to reach the office of the Director of Indian Medicine, or of the District Medical & Health Officer not later than the 15th of the following month and the annual return and special report for each calender year so as to reach the said office not later than the 5th January following.

(G.O.Ms. No. 623 P & LA (S&P) dated 7-5-1962

Rules relating to Medical Institutions Adopted)

5.11 FERRIES & MARKETS ETC. :

Ferries, choultries, travellers bungalows and rest houses market sites, village sites and roads may either be managed departmentally by the MP / Zilla Parishad or leased out. Departmental management should ordinarily be discouraged as experience has shown that the system of leasing out to contractors is more profitable to local Bodies. The following are the general rules about the leases and departmental management of revenues by Mandal Parishad / Zilla Parishad.

5.12. LEASES :

When the collection of any revenue is farmed on the right should be sold in by Public auction after sufficient notice has been given in the District Gazette, and or by best of drum. Contract agreements should be executed with the farmers showing the amounts contracted for, the dates when the instalments are due, and the penalty to be extracted for their late remittance security deposit should be taken from each farmer to cover any loss that may arise through his failing to fulfil his part agreement. The amount and conditions of each contract should be incorporated in the agreement clearly.

5.12.2 All expenses connected with the obtaining the certificates of non-encumbrance in respect of property pledged as security by contractors renewal, consolidation or subdivision of the security documents must be borne by the depositor.

A watch should be kept over the full and punctual remittances of instalments by means of a Register of Miscellaneous demand. The demand figures should be posted direct from the sale lists and contract agreements and the collections from the monthly statements received from the treasury or sub treasury officer showing details of remittances under each head from the several payers. The classification should be made based on the duplicate of the treasury challan received.

5.13 DEPARTMENTAL MANAGEMENT :

Where the collection of any revenue is managed departmentally, the receipts should be collected by means of tickets printed and supplied by the MP/ZP in foil and counterfoil in different colours for different rates, the rates being printed in each case. Each of these kinds of tickets should be bound in books of hundred and should bear consecutive machine numbers. Before issue to the collectors, the tickets should be either signed by the Mandal Parishad Development Officer/C.E.O. stamped with his specimen signature under his personal supervision. The rules regarding stock account of forms should be observed.

5.13.2 The subordinate entrusted with the collection should maintain a register for record of the tickets received and issued and collections made. The collections should be remitted daily or if this is not possible at frequent intervals, to the nearest sub treasury with challans for each kind of revenue separately. In no case, shall any money so received be retained for more than seven days without remittance.

5.13.3 Collections amounting to more than the security permitted by the Collector should not be allowed to remain in their hands.

5.13.4 The subordinate in-charge of the collection should submit periodical extracts from the register in form No.8 supported by the treasury challans, the period depending upon the number of remittances and transactions. The last extract for the month should be so regulated as not to include any amounts not incorporated in the treasury accounts for that month. The entries should be checked in the Mandal Parishad/ Zilla Parishad office.

5.13.5 Tickets should be issued consecutively or in the order of their receipt counterfoils of used books should be returned to the Mandal Parishad / Zilla Parishad office. Arrangements should also be made for surprise visits to see that the subordinate in charge of collection of the revenue issues tickets for amounts collected by him and to see that the issues are promptly brought to account.

5.14 FEES FROM MARKETS / FERRIES

5.14.1 Where the right to collect fees in respect of the use of any market is proposed to be leased out by the Mandal Parishad or Zilla Parishad the Mandal Parishad Development Officer or the Chief Executive Officer shall get prepared preliminary notice setting forth the following conditions and terms subject to which the lease will be granted, namely :-

If the period of lease does not exceed one year (i) the lessee shall, within one week of the date of the confirmation of the lease in his favour, deposit a sum which together with the security referred to in rule 11 would make up one-fourth of the total of the lease amount. This sum shall ordinarily be adjusted towards the instalments of the last amount due for the last three months of the year, but it may be adjusted towards any instalment of the lease amount overdue from the lessee and towards the loss, if any, sustained by resale or departmental management, and the balance of the lease amount shall be paid within a period of nine months commencing on the 1st April of every year on or before the dates specified in the lease deed.

5.14.2 Where the period of lease exceeds one year (i) the lessee shall within one week of the date of confirmation of the lease in his favour, deposit a sum which together with the security referred to in rule 11 would make up an account equal to three instalments of the lease amount. This sum shall ordinarily be adjusted towards the last three instalments of the lease amount due, but it may be adjusted towards any instalment of the lease amount overdue from the lessee and towards the loss, if any sustained by the resale or departmental management; and the balance of the lease amount shall be paid fully within such date the Mandal Parishad or Zilla Parishad may determine.

Provided that the date so fixed shall not be later than three months before the expiry of the period of lease.

5.14.3 The lease deed shall ordinarily be executed and registered within fifteen days of the date of the confirmation of the lease by the Mandal

Parishad or Zilla Parishad and no person shall be allowed to exercise his rights as a lessee until he has executed the lease deed.

5.14.4 If any instalment due under the lease is not paid within one month of the date on which it becomes payable, the Mandal parishad Development Officer or the Chief Executive Officer shall forth with report the matter to the Mandal parishad or Zilla Parishad which shall thereupon terminate the lease and order its management departmentally at the risk of the lessee till it is resold if a resale is ordered.

5.14.5 The preliminary notice shall be approved by the Mandal parishad or Zilla Parishad and after approval shall be published in the District Gazette and in one or more daily newspapers having a wide circulation in the district :

Provided that the approval of the preliminary notice by the Mandal Parishad or Zilla Parishad shall not be necessary if it has previously been approved, unless there are any changes in its conditions and terms.

5.14.6 The Mandal parishad Development Officer or the Chief Executive Officer, or a person, duly authorised by him shall conduct the auction and a list of the bids at the auction shall be placed before the Mandal parishad or Zilla Parishad. The Mandal Parishad or standing committee of Zilla Parishad shall determine which of the bids of the auction should be accepted. Where the bid accepted is not the highest bid, the reasons rejecting a bid or bids higher than the one accepted shall be recorded in writing.

5.14.7 In exceptional cases, where sales in public auction have proved unsuccessful on at least two occasions. owing to the want of bidders or to strong combination among them or to any other reason, the Mandal Parishad Development Officer or the Chief Executive Officer may, with the previous sanction of the District Collector in case of Mandal Parishads and Government in case of Zilla Parishads invite sealed tenders for the lease and place the tenders received before the Mandal

Parishad or Standing Committee of Zilla Parishad. The MP or Standing Committee of ZP shall determine which of the tenders shall be accepted. Where the tender accepted is not highest tender, the reason for rejecting the tender or tenders higher than the one accepted shall be recorded in writing.

5.14.8 The Mandal Parishad or Zilla Parishad shall then enter into a written contract with the person whose bid or tender has been accepted in accordance with the terms and conditions of the preliminary notice.

5.14.9 The collection of amounts due from the lessee shall be watched through miscellaneous demand registers.

5.14.10 No person shall be allowed to exercise his rights as a lessee in case he has executed the lease deed.

5.14.11 The lease deed shall specify the rates of fees to be levied

5.14.12 Where it is managed departmentally all fees levied in respect of the use thereof shall be collected by means of tickets printed and supplied by the Mandal Parishad Development Officer or the CEO concerned.

5.15 SHARE OF INCOME FROM MUNICIPAL MARKETS

Markets in municipal towns are classified as (a) Local (b) Taluk and (c) District Markets. Markets normally used by the residents of municipal town only may be classified as local markets which may be either daily or weekly markets. Taluk markets will comprise those which are patronised by the people of the taluk as whole markets which draw customers from all over the district may be classified as district markets.

(A) LOCAL MARKETS : The management of the all the local markets in municipal area, either weekly or daily markets and which are normally used by the residents of municipal town should vest completely in the municipality concerned.

(B) TALUK MARKETS : Such of the markets as are patronised by the people of the taluk as a whole, and not only of the particular municipalities should be classified 'Taluk Markets', Municipalities shall manage all taluk markets and shall make over 35% of the net income from the market to Mandala Parishad or Mandal Parishads concerned in order to enable them to meet the cost of maintenance of roads leading to such markets.

(C) DISTRICT MARKETS : Markets which draw customers from all over the district should be classified as district markets. All district markets should be managed by municipalities. The municipalities should give 35% of the net income from district markets to Zilla Parishad concerned, as in the case of taluk markets. The Zilla Parishad should take over roads leading to markets for proper maintenance 25% of income from markets should be spent on improving the conditions and providing necessary amenities in the markets.

The Commissioner of Municipal Administration is the authority to classify the markets in consultation with Collector of the district concerned (G.O.Ms.No.952 M.A.Dt. 13-9-1963)

5.16 REMISSIONS

5.16.1 The Mandal Parishad/the Standing Committee of a Zilla Parishad and the Zilla Parishad shall have the power to grant remissions of revenue to leasees and contractors.

5.16.2 All cases for remission of revenue shall be reported by the Mandal Parishad Development Officer/C.E.O. with reasons therefor. A list of all such cases shall be prepared and placed first before the Standing Committee for Planning Finance, the Mandal Parishad at its next meeting with reasons and recommendations of the Mandal Parishad Development Officer / Chief Executive Officer for grant of remission and all such cases granted by any Standing Committee within its powers shall be placed before the Zilla parishad for information.

5.16.3 The grant of remissions to lessees and contractors shall be subject to the following restrictions and control namely :

(a) remission shall be granted only in cases in which the lessee or contractor is prevented from carrying out his part of the lease or contract by reason of the occurrence of some extraordinary extrinsic cause which could not reasonable have been anticipated, for example, the compulsory closing, on account of the outbreak of an epidemic, of a market which has been leased out :

(b) the amount of remission granted shall not exceed the proportionate amount payable under the lease or contract for the period for which the lessee or contractor was prevented from carrying out his part of the lease or contract on account of such extraordinary causes; and

(c) the power of Zilla Parishad to grant remission shall be subject to the following restrictions and control, namely :-

(i) in the case of Mdl. Parishad / Zilla Parishad where the amount of remission does not exceeds five hundred rupees; the sanction of the Mandal Parishad/Zilla Parishad shall be obtained therefor; and

(ii) in the case of a Mandal Parishad / Zilla Parishad where the amount of remission exceeds Rs.500 but does not exceed Rs.10,000/- in respect of MPs and where it exceeds Rs.2500/- but does not exceed Rs.10,000/- in respect of ZPs the previous approval of CPR and where it exceeds Rs.10,000/- in respect of both MPs and ZPs. shall be obtained and where it exceeds one thousand rupees, the previous approval of Government shall be obtained therefor (G.O.Ms.No. 72 PR & RD(MI) dt. 1.2.80)

(iii) the proposal for the grant of remission of revenue should be scrutinised with special care as it is contrary, generally to the interest of the Government and the Local bodies as well.

5.16.4 Penalties provided in the lease or contract shall be strictly enforced in accordance with the terms of the lease or contract. Penalties for late payment of the amount due to the Mandal Parishad / Zilla Parishad under the lease or contract shall not be remitted except in cases where the payments of instalments of the amount due, are in the opinion of the Mandal Parishad/Zilla Parishad, fairly regular and the whole amount due to the Mandal Parishad/Zilla Parishad under the lease or contract is paid before the end of the period to which the lease or contract relates.

5.17 INCOME FROM BUILDINGS, LANDS AND OTHER IMMOVABLE PROPERTIES

If any building belonging to a M.P./Zilla Parishad is rented out or if any land or other immovable property belonging to such Mandal Parishad/ Zilla Parishad is leased out, the prompt recovery of the rent of such building or the amount due under such lease shall be watched through the miscellaneous demand register.

5.18 MISCELLANEOUS DEMAND REGISTER

This register should be maintained for all items of revenue whether payable in fixed instalments or otherwise excepting items for which separate demand registers may have been prescribed. Separate portions of a page or pages should be assigned for each class of revenue and each lease should be separately shown. The entries of demand in the case of revenue leased out should be made from the sale lists and then of collections from the monthly statements received from the subordinate collecting staff etc. In the case of revenue managed departmentally the collections with reference to the periodical accounts supported by treasury receipts, from departmental officers will be shown in the register both as demand and collection separately below the entries of the lease amounts of the same kind of revenue. Penal interest should be shown distinctly below the item of lease to which it appertains. The realisation

of encroachment fees and of contributions whether from municipalities or from other Panchayat Raj institutions for any purpose whatsoever should also be watched by means of this register. Separate totals should be struck for each class of revenue and agreement effected between these figures and these in the monthly accounts. The demand and collection on account of avenue produce should be shown only in totals. The balance in this register both of instalments and penal interest should, after the close of the year, be brought forward to the Miscellaneous Demand Register of the following year.

5.19 PUBLIC WORKS RECEIPTS

The following are the various kinds of receipts generally classified under public works receipts.

- (a) Sale of tools and Plant.
- (b) Sale of old Materials.
- (c) Sale of old Buildings.
- (d) Sale of avenue trees.
- (e) Rent of Buildings.
- (f) Receipts from Rest houses or Traveller's Bungalows.
- (g) Refunds of expenditure.
- (h) Miscellaneous.

5.20 REST HOUSES OR TRAVELLERS BUNGALOW RECEIPTS

In every travellers bungalow a register should be kept in charge of the Watchman. Travellers should be required to note the date and hours of their arrival and departure and to make payment before their departure, in accordance with the rates fixed by the Mandal Parishad/ Zilla Parishad (which should be detailed in a notice hung in the Bungalow

and also pasted in the register) and to note the payments made by them in the proper column of the register with their initials. Watchman should bring the book atleast once a week to the nearest Assistant Engineer/Deputy Executive Engineer and pay him the collections upto date. The Assistant Engineer/Deputy Executive Engineer will check the register, receive the amount and give his acknowledgement for it in the book. He will deal with it like other receipts and credit in his impreset account. If his examination of the book shows any short recoveries, he should take steps for recovering the amounts from the travellers concerned or from the servant incharge. The Executive Engineer should also examine the register in his tours of inspection and take similar steps for recovering short payments, if any. In other cases the Mandal Development Officer of the Mandal parishad should see that the collections by the watchman Travellers Bungalow are properly remitted by to the Mandal Parishad fund in nearest sub-treasury and the register should be checked by him more frequently in his tours. The periodical checking over this item of revenue may be entrusted to any responsible Officer of the Mandal Praja Parishad but the overall responsibility rests with the Mandal Parishad Development Officer of the Mandal Parishad.

5.21. MISCELLANEOUS SALES

All Sales of :

- (a) produce or usufruct of trees;
- (b) wind-fallen and withered trees;
- (c) sweepings;
- (d) tools and plant;
- (e) stores, articles and materials, which are old or unserviceable; and
- (f) leases or buildings and of lands belonging to Mandal Parishad / Zilla

Parishad the rents of which are expected to exceed Rs.200/- per annum, shall, unless otherwise permitted by or under any other rule, be effected by public auction which shall be conducted by the Mandal Parishad Development Officer/CEO of the Mandal Parishad / Zilla Parishad or by a person duly authorised by him who shall give full publicity thereto in such manner as he considers suitable. The bids at the auction shall be placed before the Mandal parishad / standing committee of Zilla Parishad which shall determine which of the bids should be accepted. Where the bid accepted is not the highest bid, the reasons for rejecting a bid or bids higher than the one accepted shall be recorded in writing :

(ii) Provided that the Mandal Parishad / Zilla Parishad may, with the previous sanction of the District Collector concerned in the case of Mandal Parishad and Government in the case of Zilla Parishads, grant in its discretion a lease of the right of collecting fees in respect of the case of markets otherwise than by public auction, to any panchayat within its jurisdiction : G.O.Ms.248PR (ST dt. 15-5-72).

(iii) Provided further that in the case of buildings and lands referred to in clause (f) when it is advantageous to renew the lease in favour of the person to whom it was originally granted, the Mandal Parishad / Zilla Parishads may, with the previous sanction of the District Collector/ Government of the concerned dispense with public auction;

(iv) Provided also that in the case of articles referred to in clauses (a) to (e) when the value of the bid accepted in each case does not exceed one hundred rupees, the bids need not be placed before the Mandal Parishad / Zilla Parishad, but the approval of the President of the Mandal parishad / Chairman of Zilla Parishad shall be obtained instead.

5.21.2 Before any article so sold is allowed to be taken possession of by the successful bidder, the amount bid by him therefore shall be collected.

5.21.3 A lease deed shall be executed in the case of every lease and it shall specify :

- (a) the duration of the lease;
- (b) the premium, if any, payable and the amount of the rent reserved;
- (c) that amount of each instalment of the rent and the date on or before which it is payable; &
- (d) the compensation payable in case of payment of any instalment after the due date.

5.21.3 O information supplied by the Assistant Engineer, the Engineers Register should be corrected from time to time as new trees are grown or dead ones removed.

5.21.4 In the beginning of each year an extract from the register of fruit bearing and avenue trees in duplicate should be prepared by the Assistant Engineer and submitted through the Executive Engineer to the Mandal Prishad /Development Officer of the Mandal Parishad / Chief Executive Officer, Zilla Parishad for having sales effected.

5.21.5 Sales shall, at the discretion of the Mandal Parishad/Zilla Parishad be arranged and one copy of the extract furnished by the Engineer shall be delivered to the officer or member authorised to conduct the sale. The latter will after the sales are over; submit, the sale lists to the Mandal Parishad Development Officer of the Mandal Parishad / C.E.O. Zilla Parishad for obtaining confirmation by the General Body of MP. Standing Committee for Planning and Finance of C.E.O. On confirmation the Mandal Parishad/Development Officer / C.E.O, Zilla Parishad should have the particulars of the sales noted in the both copies of the register and take action for the recovery of the amounts. The realisation of the revenue under this head is watched through the Miscellaneous Demand Register in which the demand is entered through the sale lists duly confirmed by the MP Standing Committee and the collections noted in the appropriate monthly column as and when the amounts are realised. The balance, if any, outstanding should be carried over to the next years' Miscellaneous Demand Register.

ENCROACHMENTS

Encroachments in the Mandal Parishad / Zilla Parishad areas are booked by the Engineering subordinates. The fees in respect of unobjectionable encroachments allowed by the Mandal Parishad/Zilla Parishad should be collected by means of Miscellaneous bills.

5.22 MISCELLANEOUS SALES REGISTER

The register which is a permanent record of all sales conducted from time to time shall be maintained in Form No.2. It should be the original document in which the particulars of sales, the proceeds of which are realised in one instalment, should be recorded under the signature both of the officer conducting the sale and of the highest bidder in whose favour it is knocked down each item being supported by sale lists and other connected documents, which should be separately filed. Sales of avenue produce need not, however, be entered in this register.

5.23 SECURITY

A security, adequate in the opinion of the Mandal Parishad Development Officer/Chief Executive Officer all cases, be taken for the due fulfilment of the terms of the lease of the produce or usufruct of trees or of the right to collect fees in respect of markets or of any other similar right. The security so taken shall not be repaid to the lessee unless and until he has, satisfactorily completed with all the terms of the lease. But the amount of security may be adjusted towards the last instalment due under the lease.

AVENUE RECEIPTS

5.23.1 The receipts from the sale of the produce or usufruct of trees shall be watched by the Mandal Parishad Development Officer of the Mandal Parishad / Chief Executive Officer of the Zilla Parishad through the

Register of Fruit bearing trees a copy of which is received annually from the Executive Engineer.

5.23.2 A register should be maintained in the offices of the Executive Engineer, showing the total number of fruit bearing trees of each kind in each mile of a road separately. Every Assistant Engineer will maintain a register in this form for roads in his charge.

5.24 GRANT OF COPIES OF PROCEEDINGS OR RECORDS BY MANDAL PARISHAD AND ZILLA PARISHADS.

5.24.1 A person requiring copies of extracts from proceedings of records of a Mandal Parishad, or Standing Committee shall submit an application (giving his full name and address and as accurate description of the proceedings of records as possible) to the Mandal Parishad Development Officer/CEO as the case may be. When the proceedings or records, copies of, or extracts from which are applied for, be long to any year prior to the current calendar year, a search fee according to the scale specified below shall be remitted to the Mandal Parishad/Zilla Parishad as soon as the application has been admitted :

(1) When the document belongs to any year prior to the calendar year but is not more than 10 years old :-

Rs. Ps.

(a) Fee payable for the first document or entry applied for or if only one document or entry is applied for, then for that document or entry.

1 - 00

(b) Fee payable for every document or entry other than the first included in the same application and connected with the same subject.

0 - 50

(c) When the application does not know to which of two or more years a document or entry belongs, the fee for searching for the records every year other than the first.

(2) When the document is more than 10 years old :-

	Rs. Ps.
(a) Fee payable for the first document or entry applied for or if one document or entry is applied for then document or entry	2 - 00
(b) Fee payable for every document or entry other than the first included in the same application and connected with the same subject.	1 - 00
(c) When the applicant does not know to which of two or more years a document or entry belongs, the fee for searching of every year other than the first.	1 - 00

5.24.2 If the record is not found, the fee paid shall not be refunded but the applicant shall be furnished with a certificate stating that the documents applied for cannot be found.

5.24.3 (a) If the record is found and the Mandal Parishad Development Officer / CEO decides to grant copies of or extracts from it the applicant shall deposit in cash a fee of Rs.2/- (Rupees two) to every 360 (three sixty) words or part thereof.

(b) In the case of statements or extracts from registers where figures have to be copied, five figures shall be taken as equivalent to one word.

(c) In the case of maps or plans a reasonable fee shall be fixed by the Mandal Parishad Development Officer / CEO in consultation with the engineering staff in-charge of Mandal Parishad or Zilla Parishad works.

5.25 The Mandal Parishad Development Officer / C.E.O. shall intimate to the applicant the fee chargeable for the copy of, or extract from, the proceedings or records, and on receipt of the fee shall have the copies, extract or tracings prepared. The copies or extracts shall then be certified by him as true after scrutiny in office and furnished to the applicant if he appears in person to receive them, or sent by post if the applicant has deposited the necessary postage stamps or the purpose.

5.25.1 A receipt signed by the Mandal Parishad Development Officer/ CEO or any person authorised by him in this behalf shall be furnished to every person depositing search fees or copying fees.

5.25.2 If the Mandal Parishad Development Officer / CEO considers the grant of the copy of or extract from any proceedings or records objectionable, he shall reject the application by an endorsement stating briefly the reasons for doing so.

5.26 CONTRIBUTION :

The receipt of contributions payable to a MP/Zilla Parishad from the Government, other MP and Zilla Parishads, Gram Panchayats, Municipal Councils, other local authorities and private person shall be watched through the Miscellaneous Demand Register and reminders will be issued in cases of delay. Contributions from private individuals will also be similarly watched.

5.27 INCOME FROM ENDOWMENTS AND TRUSTS

5.27.1 (a) The Mandal parishad Development Officer of the MP or the Chief Executive Officer of the Zilla Parishad shall maintain in the Office of the MP / Zilla Parishad as the case may be, an up-to-date record of every endowment or trust managed by it showing briefly.

(i) the history and conditions of each endowment or trust vested in the Mandal Parishad and the authority under which such endowment or trust was vested in it.

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

5.27.2 The Mandala Parishad Development Officer of the Mandal parishad or the Chief Executive Officer of the Zilla Parishad shall send to the Audit Officer an authenticated copy of such record and all additions and alterations made therein from time to time.

5.27.3 The Mandal Parishad Development Officer of Mandal Parishad/ Chief Executive Officer of the Zilla Parishad shall in addition to the record referred to in sub rule (1) maintain or cause to be maintained in his office a Register of Endowments and Trusts, showing in separate pages the yearly transactions relating to each endowment or trust.

5.28 REGISTER OF ENDOWMENTS

This register in Form No.7 is intended to show the receipts and disbursements of each endowed institution separately, a page being allotted for each endowment. Government or other contributions should be duly brought to credit. Investments as also the interest realised there from should be recorded in this register.

The balance of Rs.100/- and above in favour of each institution is invested in Government or other approved securities when the balance is not required for expenditure in the course of the year. For this purpose the Mandal Parishad Development Officer of the Mandal Parishad /Chief Executive Officer, Zilla Parishad should review the balance of each endowment at the end of each year and prescribe the amount to be invested in each individual case in accordance with local requirements.

5.29 Loans

In respect of loans sanctioned by Government also the same procedure should be followed.

Whenever a loan is obtained from Government, the full particulars of the loan , the propose for which the loan is drawn, the amount of the loan, the date-of-drawal of the loan, the number and the date of order sanctioned the loan, the terms of repayment, the rate of interest and the annual instalments should be recorded prominently in the Register of Loans maintained in Form No.55. The repayment of the loan to Government as per the conditions prescribed by the Government shall be watched by means of this register.

5.30 SCRUTINY OF RECORDS AND REGISTERS RELATING TO REVENUES

The C.E.O. of a Zilla Parishad/Mandal Parishad Development Officer of a Mandal Parishad shall scrutinise, personally from time to time, the records and registers relating to the revenues due to the Zilla Parishad/Mandal Parishad, obtain from the subordinates or other officers concerned at the beginning of each half-year statements of all items of uncollected arrears of revenue and take timely action for their realisation. The C.E.O. / Mandal Parishad Development Officer shall be held personally responsible, if owing to any default on his part any amount due to the Zilla Parishad/Mandal Parishad becomes irrecoverable.

(G.O. Ms. No. 99, Panchayati Raj & Rural Development
(Mandal-(Department, dated 13th Feb, 1990)

5.31 DEMAND COLLECTION AND BALANCE STATEMENT

The Mandal Parishad Development Officer / C.E.O. shall prepare a monthly demand, collection and balance statement including the various items of revenue and the same submitted to the auditors and Zilla Parishad by the 15th of the month following that to which it pertains.

5.32 GRANTS - IN - AID

5.32.1 Grants-in-aid released in advance by the State Government and Heads of Departments of Government relating to the Institutions and schemes transferred to the Mandal Parishads / Zilla Parishads and other sums released as grants-in-aid to Mandal Parishads / Zilla Parishads are adjusted direct in the treasury or sub-treasury where the fund of the Mandal Parishad / Zilla Parishad is lodged. The payment of the various classes of grants to the Mandal Parishad / Zilla Parishads. e.g, grants for R.M.Ps, grants for construction, maintenace of roads,salary grants,

Honorarium, T.A.D.A. to non officials JRY, (now JGSY) RWS grants, Educational and other expenditure grants etc. is governed by the general or special orders of the Government in regard to each class of grant. [See also detailed rules under the chapter "Grants-in-aid".]

5.32.2 Mandal Parishad/Zilla Parishad need not prefer its claims in the Treasury for any amount which the Government have sanctioned as grant-in-aid. Ink signed copies of the G.Os sanctioning grant-in-aid and budget authorisation signed by the C.A.O. PR&RD are sent to the D.T.Os. According to the orders issued in G.O.Ms. No 1213 PR (A/cII) dated 13-11-65 and (G.O. Ms. No. 540 PR&RD (A/c I) dated 1-9-90 the grants are adjusted by the S.T.Os/Treasury Officers to the credit of Mandal Parishad/Zilla Parishads on the sanction orders and budget authorisation issued by the C.A.O., PR&RD.

5.32.3 In the case of the Pension contribution for which the Government gives a grant on the post payment system, the Zilla Parishad should prefer its claim for the grant after crediting 50% of pension contribution to the pension fund of the Z.P. and after getting it certified by the Audit Department.

5.32.4 In respect of salary grants, the amounts are released with reference to the number statements and budget provisions. If expenditure for a year is more than the grant, the Chief Executive Officer./ Mandal Parishad Development Officer should get the expenditure certified by Audit and claim reimbursement of the excess expenditure incurred.

5.32.5 When loans are raised by the Mandal Parishad / Zilla Parishad, from Government, the loans are adjusted to the Mandal Parishad / Zilla Parishad funds at the Sub Treasury / Treasury where the funds are lodged.

5.33 ADJUSTMENT OF GRANTS-IN-AID AND LOANS

5.33.1 All grants-in-aid to the Mandal, Zilla Parishads/Zilla Parishads expect the following are sanctioned by Government

(i) Salaries of staff of Secondary and Upper Primary and Primary schools A.O. L.F issues an authorisation monthly to the DTO/STO. Based on the same amount is credited to Education Fund of Z.P./M.P.

(2) Grant for salaries of teachers under Plan are released by the D.E.O.

(3) 6% (Now 2%) Education contingent grant is released by D.E.Os.

(4) Subsidy for Rural Medical practitioners is released by the Joint Director of Indian Medicine.

5.33.2 Copies of the sanction orders are sent by the Govt. / Heads of Departments to the concerned District Treasury Officers and on the authorisation letter of the District Treasury Officer the grant-in-aid are adjusted by the Sub-treasury Officers to the Mandal Parishad / Zilla Parishad / Engineering Fund.

5.34 REGISTER OF GRANTS

The Mandal Parishad Development Officer of Mandal Parishad / C.E.O. of Zilla Parishad / P.E.O., ZP/E.E. PR should maintain a register of Grants where in the amount of grant sanctioned by Government / Heads of Department of Government should be noted indicating the number and date of the order sanctioning the grant. This register should be posted immediately after the grants are received by the Mandal Parishad Development Officer / C.E.O. of the Mandal Parishad / Zilla Parishad / P.E.O. ZP / E.E. PR. The entries in the register should be attested by the Mandal Parishad Development Officer / C.E.O. / P.E.O. Z.P/E.E. PR. Separate pages should be set apart from recording the grants released by the various departments of Government. the Mandal parishad Development Officer of the Mandal Parishad /CEO of the Zilla parishad is responsible to see that this register is maintained upto date properly so that there could be no scope for double drawal of the grants.

5.34.2 As soon as a G.O. order sanctioning grant is received the Mandal Parishad Dept. Officer / C.E.O. / P.E.O. / E.E.PR should address the

CHAPTER 6

PROCEDURE RELATING TO EXPENDITURE

PROCEDURE RELATING TO EXPENDITURE

Sl. No.	Heading	Para No.	Page No.
1.	General Principles of financial property	6.1	175
2.	Cheque Drawing officer	6.2	176
3.	Payments to be made by Cheques	6.3	176
4.	Claims Bills Register of Bill's Received	6.4	176
5.	Bills	6.5	177
6.	Time barred claims	6.6	178
7.	Various kinds of Bills	6.7	178
8.	Checking of Bills	6.10	179
9.	Pre-check by Accounts Officer	6.12	180
10.	Pre-check by Divisional Accounts Officer	6.13	180
11.	Rounding off claims to a rupee	6.14	181
12.	Pay Bills	6.15	182
13.	Fixed T.A.	6.16	182

14.	Tour T.A. / Transfer T.A.	6.17	182
15.	Contingencies	6.18	183
16.	Stores	6.19	183
17.	Sanctions for Expenditure	6.21	184
18.	Lapse of sanction	6.22	185
19.	Acknowledgements	6.23	186
20.	Over payments	6.24	187
21.	Cheque Books	6.25	187
22.	Cancellation of cheques	6.26	188
23.	Cheques Lost	6.27	189
24.	Self cheques	6.29	190
25.	Handing over of cheques	6.30	191

PROCEDURE RELATING TO EXPENDITURE

6.1 GENERAL PRICIPLES OF FINANCIAL PROPRIETY

The following general Financial Principles of financial propriety should be observed while incurring expenditure :

- (1) that the proposed expenditure is authorised by the Act and rules made thereunder and is in accordance with the financial rules and regulations and instructions issued by Govt. from time to time.
- (2) that there is required sanction, either special or general accorded by the competent authority for the proposed expenditure.
- (3) that there is provision in the budget under the relevant head of account to meet the expenditure.
- (4) that the expenditure should not prima facie be more than the occasion demands.
- (5) same diligence and care as in the case of expenditure of personal money is exercised by the officer.
- (6) the expenditure does not directly or indirectly to the advantage of the officer or any individual.
- (7) that expenditure will not benefit a particular person or section of the community unless it is a recognised policy of the Government.

6.2 CHEQUE DRAWING OFFICER

The funds of M.Ps and Z.Ps except JRY Funds are kept in the Government Treasury in a personal deposit account. The amounts required are drawn by cheques which shall be signed by the M.P.D.O. in respect of M.Ps (section 171 (3) and C.E.O. in respect of Z.Ps (section 197 (3)). The C.E.O. has to delegate the powers of drawal of cheques to Executive Engineers and Dy. Executive Engineers as per G.O.Ms. No.707, P&LA. dated 27.4.61, to Deputy Secretary Education (now Parishad Education Officer) in respect of Education Funds as per G.O.Ms.No. 1317, P & L.A. dated : 23-10-62 and to the Dy. C.E.O., Z.P. in respect of General Funds.

6.3 PAYMENTS TO BE MADE BY CHEQUES

All payments out of the Mandal Parishad / Zilla Parishad Fund in respect of bills presented to the Mandal Parishad / Zilla Parishad shall be made only, after the bills are passed by the Mandal Parishad Devt. Officer / C.E.O. / Dy. C.E.O / P.E.O. / EE PR Dy. E.E.P. R..)

Except for the incurring of petty contingent expenditure from the permanent advance, payments shall be made only by cheques drawn on the Government Treasury.

6.4 CLAIMS BILLS REGISTER OF BILLS RECEIVED

6.4.1 All claims against Zilla Parishad / Mandala Parishad may be classified into two categories :-

- (a) Claims of the staff;
- (b) Claims of outside parties.

The bills in respect of claims of the staff shall be prepared by the concerned Head of Department or, as the case may be, the concerned branch of the Mandal Parishad office. Bills in respect of claims of outside parties shall be prepared by the concered staff in the appropriate forms

prescribed under these rules and the claimants shall forward them to the concerned Administrative Department of the Parishad, or as the case may be to the concerned Branch of the Mandal Parishad.

6.4.2 Bills of all categories shall on their receipt be entered in the Register of Bills received for Payment serially in order of their receipts. This Register shall be maintained in the Offices of all administrative Heads of ZP/MP. In these offices the bills shall be scrutinised generally, and, if in order, shall be passed for payment, to the extent admissible, under the full and dated signature of the officer concerned or of the Mandal Parishad Devt. officer.

6.5 BILLS

(1) Every person having any claim against the Mandal Parishad Fund/ Zilla Parishad Fund shall present a bill at the Mandal Parishad / Zilla Parishad office. Wherever possible such bills shall be in the form prescribed for the purpose, and the claimant shall duly date and sign the same and stamp it where necessary.

(2) Printed Forms shall be in preparing bills.

(3) Where a claimant presents a bill in form different from the one prescribed for the purpose, a separate bill in the proper form shall be prepared by the office incurring the expenditure and the claimant's bill shall be attached thereto as a sub-voucher.

(4) Every bill shall be presented to the Mandal Parishad Devt. Officer / CEO who shall make it over to Senior Asst. Superintendent the Sr. Assist 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 property of the claim and the arithmetical accuracy. If on such check and examination the bill is found to be correct and in order, it shall be placed before the Mandal Parishad Devt. Officer / CEO for signing the payment order in the bill which shall run as follows :-

"Pay by cheque (amounts in words and figures) only and debit to (major, minor or detailed heads)."

Where payments have to be made in cash for disbursement of salaries and allowances etc. to the staff and authorised advances cheques shall be drawn in favour of Mandal Parishad Devt. Officer / C.E.O.

6.6 TIME BARRED CLAIMS

All claims which are more than three years old and all claims against Zilla Parishad/Mandal Parishad which are barred by time under any provisions of any law relating to limitation, shall ordinarily be refused and no claim on account of such time-barred items shall be paid without the sanction of Zilla parishad/Mandal Parishad as the case may be, each case being decided on merits.

6.7 VARIOUS KINDS OF BILLS

The following are the various kinds of bills to be passed in Z.Ps and M.Ps :

- (1) Establishment pay bills.
- (2) Teachers pay bills received from Head Masters of Secondary School in Z.P. and Primary and Upper Primary Schools in M.Ps.
- (3) Bills of honoraria of Chairmen/Vice Chairmen Z.Ps/Presidents, M.Ps. and ZPTC Members.
- (4) TA DA of Chairmen, Z.P., President MP and members of ZPTCS and MPTCs.
- (5) Travelling allowance bills of staff and teachers.
- (6) Bills for purchase of furniture, stores and other materials, including Petrol Oil, etc. for vehicles.

- (7) Bills for contingent expenditure and recoupment of permanent advance.
- (8) Bills for refunds of reverse and deposit.
- (9) Bills for payment of advance.
- (10) Bills for transfer of grants released by Government (Salary grant TA & Contingencies, TA DA to other non-officials and Rs. 8/- per capita grant) to MPs
- (11) Bills for payment of pension and gratuity
- (12) Monthly pension bills
- (13) Bills for commutation of pension
- (14) Provident Funds bills.
- (15) Temporary advance part-final bills and final Payment of P.F.
- (16) First bills, running bills, final bills in Engineering office and MPs.

6.8. Charges against two different heads of accounts shall not be included in one voucher except in the case of bills for recoupment of permanent advance. No payment should be made on a voucher or order signed by a person other than drawing officer. No money shall be paid on a voucher or order signed with a rubber or fascimile stamp.

6.9. Copies of the sanction orders attested by an officer should be enclosed to the bills.

6.10 CHECKING OF BILLS

In case of MPs the bills are checked by the Junior Asst/Senior Asst./ Supdt. or the Mandal Education Officer or Mandal Engineering Officer

and then passed by the M.P.D.O. In case of ZP the bills are scrutinised in the concerned wings i.e. General wing under the control of Dy. C.E.O., Parishad Education Officer in case of education wings and after they are passed by the officer they are sent to Accounts Officer for internal check and returned to the officers for issuing cheques. In case of Engineering divisions the bills prepared in the drawing branch are scrutinised by the Divisional Accounts Officer and then sent to the Executive Engineer for passing and issuing the cheques. Printed form of bills in English and Telugu shall be used.

6.11 All bills shall be prepared and signed in ink. The amounts of the bills shall be written in words and figures also and the words only shall be written after paise. No space shall be left in between words so that there is no scope for interpolation.

6.12 PRE CHECK BY ACCOUNTS OFFICER

In case of Z.P. no payment shall be made without pre-check of the Accounts Officer, who may disallow any item which he considers irregular and issue cheque slips quoting the authority of such disallowance. The Chief Executive Officer, ZP are normally accept the advice of the Accounts Officer, and where he differs from it in the interest of administration he may over-rule the advice the Accounts Officer shall note them in register of Accounts officer objections and shall send an extract of the same to the Financial Commissioner.

6.13 PRE-CHECK BY DIVL. ACCTS. OFFICER

In case of Engineering Division also no bill shall be passed without pre-check of the Divisional Accounts Officer. The Executive Engineer may in the interest of administration over-rule the advice of the D.A.O. and order payment. In such cases the D.A.O. shall make entries in the register of D.A.O's objections and send the abstract of the same to the Accounts Officer, Z.P.

6.14 ROUNDING OFF CLAIMS TO A RUPEE

In the following cases, transactions of a Zilla Parishad or Mandal Parishad involving fractions of a rupee shall be carried out and brought to account in multiples of 5 paise, Portions not below 2½ paise being rounded off to 5 paise and those below that amount being ignored.

(1) Payments to, and recoveries from Parishad servants and pensioners each individual item in a pay and allowance pension or travelling allowance bill being rounded off to a multiple of 5 paise, in the manner laid down in this rule : Provided that :-

(a) In the case of emoluments fixed by statute, amounts involving fractions of a rupee less than 2½ paise shall also be rounded off to 5 paise

(b) In the case of deductions on account of service and other provident funds, and Post Office Life Insurance premia, the difference, if any, between the total recoveries made from a Parishad servant during the first eleven months of a year in accordance with the provisions of this rule and the amount recoverable in respect of the year as a whole under the rules applicable to the fund or Post Office Life Insurance premia shall be adjusted in the last month of the year by additional or short recovery, as the case may be, even if the same is not in multiple of 5 paise.

(2) Transactions between one Parishad and another unless it is not possible to eliminate from the original transaction fraction of a rupee which is not an exact a multiple of 5 paise.

(3) Amounts converted into Indian currency from sterling or other foreign currencies.

(4) Payments for claims in respect of contingent and other charges when claimants have no objection, provided that the rounding off of the fraction of a rupee to a multiple of 5 paise shall be done only in respect

of the net amount payable on a bill and not in respect of the individual items of claims or adjustments in the bill.

(5) Deposits in favour of a Parishad and revenue recovered other than those which are fixed by or under any law, are exempted from the operation of this rule.

6.15 PAY BILLS

6.15.1 The pay bills of office Establishment of MP / ZP shall be drawn by the MDO / Dy. CEO, ZP in respect of teachers of MPs / ZPs they will be drawn by the MEO / PEO. In respect of E.Es. offices they will be drawn by the Executive Engineer.

6.15.2 Arrears of pay shall not be drawn in the monthly pay bills. They should be drawn on a separate bill and shall get recovered in the bill from which the claim was omitted or withheld or on which it was refunded by deduction.

6.15.3 When the arrears to be paid relate to a period of over one year the sanction of the competent authority shall be obtained.

6.16 FIXED T.A. :

Fixed T.A. shall be drawn in the pay bill of the officer or official concerned but not on T.A. bills.

6.17 TOUR T.A. / TRANSFER T.A.

Tour T.A. or Transfer T.A. shall be drawn in the forms prescribed by the Government no claim for T.A. will be entertained if it is made after 3 months from the date of completion of journey or the last journey in the month to which it relates. In the case of regular touring Officers the period of 3 months will be calculated from the date of completion of the last

Journey in the month. Counter - signing officers should refuse to counter sign T.A. bills presented after three months.

6.18 CONTINGENCIES :

6.18.1 The amounts required to incur contingent expenditure, contingent bills shall be drawn in contingent Bill Suppliers bills / Payees advance stamp receipt / Sub-vouchers etc. shall be enclosed to the bill. The authority for incurring expenditure should be noted in the contingent bill. A copy of the sanction order should be enclosed to the bill. Stock entry certificate to the effect that the materials/stores/articles have been received in good condition and entered in the stock register (indicating the page No.) should also be given on the reverse of the sub-voucher. When the payment is actually made the sub-voucher / supply bills should be stamped with paid and cancelled rubber stamp.

6.18.2 Contingent bill forms should be used for payment of recurring charges like house rent for office buildings postage etc. also.

6.18.3 For recoupment of permanent advance also the same form shall be used.

6.19 STORES :

Purchases shall be made if sanction of the competent authority is obtained for the same. When the cost of the stores proposed to be purchased exceeds Rs.1,000/- tenders have to be called for by following procedures prescribed.

6.20.1 No item of expenditure shall be sanctioned by the Mandal Parishad Development Officer / C E O unless certificates in the following form has been furnished in respect thereof :

Rs. Ps.

The amount may be met from the budget allotment of

The amount spent under this head upto date is

The amount sanctioned upto date but not spent is

The amount to be sanctioned now is

Total Rs.

The balance remaining will be Rs. _____

6.20.2 If there is no budget provision under the head concerned and the Mandal Parishad / Zilla Parishad decides to find the amount by re-appropriation from another head the words "by re-appropriation" shall be added after the word "Met".

6.20.3 The certificate shall be entered in the agenda circulated before the meeting and if accepted by the Mandal Parishad / Zilla Parishad it need not be written again as part of the resolution in the minutes book. If, however, the Mandala Parishad / Zilla Parishad makes alteration either in the account of expenditure or in the head from which is to be met, the certificate as amended shall form part of the resolution of the Mandala Parishad / Zilla Parishad and be entered as such in the minutes book.

6.21 SANCTIONS FOR EXPENDITURE :-

6.21.1 An order directing the payment of any claim made in a bill shall be valid only for a period of six months and shall be renewed if payment is to be made thereafter.

6.21.2 No claim against the Mandal Parishad / Zilla Parishad shall be admitted for payment :-

(a) where a bill is presented after a period of more than six months, but not more than one year, from the date on which the claim became due, without the orders of the President of Mandal Parishad / Chairman of the Z.P.

(b) where a bill is presented after a period of more than one year from the date on which the claim became due, without the order of the Mandal Parishad / Zilla Parishad.

Provided that the above restrictions shall not apply to claims of officers and servants of the Mandal Parishad / Zilla Parishad in respect of payment of arrears of pay and allowances which are governed by rules separately made in that behalf.

6.22 LAPSE OF SANCTION :

6.22.1 A sanction for any fresh expenditure which has not been acted on for a year shall be held to have lapsed unless it is specifically renewed;

Provided that this shall not apply to

(a) A case where an allowance sanctioned for an appointment or a class of officers has not been drawn by a particular incumbent of the post or a particular set of officers;

(b) additions made gradually from year to year to a permanent establishment under a general scheme which has been sanctioned by proper authority; and

(c) expenditure on works which shall be governed by the provision laid down below :

6.22.2 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 from stoppage of the works completion, the expenditure incurred after the date of expiry of the estimate being treated as expenditure against a fresh repair estimate for the next year.

6.22.3 Estimates for special repairs shall remain current till the completion of the repairs in the same manner as estimated for original works.

6.22.4 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 upon which it was accorded.

6.23 ACKNOWLEDGEMENTS

6.23.1 Separate acknowledgements (stamped where necessary) shall be taken (where disbursements are made in the Mandal Parishad/ Zilla Parishad office) in the last column of the bills and in other cases in the acquittance register from each officer or servant to whom any salary or allowance is paid except where the drawer of bills who is the sole payee has already furnished a receipt (stamped where necessary) on the bills itself.

6.23.2 Where the MPDO / CEO makes any payment from a sum drawn by him from the Treasury or any Bank approved by Govt. in which the moneys of the MP / ZP are lodged, he shall unless a receipts (stamped where necessary) has been furnished on the bill itself obtain and attach to the bill a separate receipt (stamped where necessary).

6.23.3 In the case of payments made by remittance through the Post Office, the postal money order receipt of the payee shall be kept with the voucher. In the case of payments for articles received by value-payable post, the value-payable cover, together with the invoice or bill showing the details of the items paid for, shall be kept with the voucher.

6.24 OVER PAYMENTS

The responsibility for an over payment shall rest primarily with the drawer of a bill who shall be required to make good the money to the extent of the over payment and failing recovery from him, the over payment shall be recovered from the countersigning or passing officer only in the event of culpable negligence by either of them.

6.25 CHEQUE BOOKS

6.25.1 CHEQUES BOOKS ARE SUPPLIED BY THE DIST. TREASURY OFFICERS

6.25.2 Cheques shall be in counterfoil and shall be bound in books. Each book shall bear the book number and each cheque therein shall bear the book number and the serial number, both impressed by machine. The cheque books shall, on receipt, be carefully examined to see that the number of forms contained in each book is intact and a certificate of count shall be recorded on the fly-leaf under the dated signature of the CEO or as the case may be, of the Mandal Parishad Development Officer. An account of cheque books shall be maintained, as in the case of receipt books, in Form. I.

6.25.3 The cheque books shall be kept under lock and key in the custody of the CEO or the Mandal Parishad Development Officer. He shall, from time to time, notify to the number of the cheque books and the number of cheques contained therein as each book is brought into use. Only one cheque book shall be issued to the Cashier at a time.

6.25.4 No cheque shall be signed unless it is required for immediate delivery to the payee or unless money is required for immediate payment.

6.25.5 Every cheque shall have written across it in words, at right angles to the type a sum a little in excess of that for which it is issued. For example, across a cheque for Rs. 49.50 shall be written "Under Rupee

Fifty". All cheques shall be checked by the Accountant of the Parishad or the Mandal as the case may be, and initialed.

6.25.6 In the case of a Mandal, all cheques shall be signed by the Mandal Parishad Development Officer, after the Accountant has scrutinised and initialled them.

6.25.7 After the cheques are signed, endorsement of payment shall be written on every bill, noting the number and date of the cheques in which the claim is included; The voucher number shall be noted on the encasement on the bill.

6.25.8 No cheque shall be current for more than six months after the month of issue. After the expiry of that period payment shall be refused by the treasury and it shall be necessary for the payee to return the cheque for being revalidated under the dated signature of the drawer, a note of the revalidation being made in the general Cash Book against the original entry. Such cheque, if not revalidated within one year of its drawal, shall be considered as cancelled and a fresh cheque shall be issued when required, after proper scrutiny.

6.26 CANCELLATION OF CHEQUES

6.26.1 As soon as cheque becomes time-barred, it shall be withdrawn and cancelled and a fresh cheque issued in lieu thereof. If the issue of a fresh cheque is not possible, the charge involved shall be written back by a minus entry under the relevant expenditure head if in the same financial year or by credit to the connected revenue head, if after the close of the financial year.

6.26.2 When a cheque is cancelled, the fact of cancellation shall be recorded on the counterfoil and on the cheque if produced, under the drawer's initials, and also across the payment order on the bill or voucher. Cancelled cheques shall be carefully preserved under lock and key in the custody of the CEO or the Mandal Parishad Development

Officer until the accounts for the period to which they relate have been audited, when they shall be destroyed by the Statutory Auditor, who shall certify on the counter-foil of each cheque that the cheque has been destroyed.

6.26.3 If a cheque is cancelled before the Cash Book is closed, the entries in the Cash Book and any other Register in which the items included in the cheque may have been entered shall be struck off in red ink under the initials of the CEO or other concerned Officer. When the cheque is cancelled after a Cash Book is closed, the amount shall be adjusted by minus entries under the corresponding expenditure heads in the Expenditure Registers and the Cash Book, a note being made in the Registers in which the transaction has been noted.

6.26.4 If a cheque is cancelled after the accounts of a year are finally closed, the amounts shall be taken as a "receipt" under the corresponding receipt head of account; and, if there is no such head, under "Miscellaneous". In the case of transactions affecting any head in the Debt section of accounts, however, the write-back entry has to be made under the same head.

6.27 CHEQUES LOST

If a cheque is lost or destroyed, an intimation of the fact shall be given at once to the treasury and its payment shall be stopped after ascertaining from the Pass Book or by enquiry with the treasury or the Bank that the cheque has not been cashed. If a fresh cheque is issued its number and date shall be quoted against the original entries in the Cash Book with the remark that the original cheque has been lost or destroyed, and a note shall be made on the counterfoil of the fresh cheque as follows:-

"Issued in lieu of Cheque No dated Lost/destroyed".

6.28 Except for incurring of petty contingent expenditure from the permanent advance, payments shall be made only by cheques drawn on the Government treasury.

6.29 SELF CHEQUES

6.29.1 When payments have to be made in cash for disbursement of salaries and allowances etc., to the staff and authorised advances, cheques shall be drawn in favour of the Mandal Parishad Development Officer, Mandal Parishad, CEO / Dy. CEO / PEO / EE / Dy. E.E.

6.29.2 When the MPDO / CEO makes over charge of office either temporarily or permanently, he shall send a specimen signature of the reliving officer together with a certificate in the form given below to the Treasury Officer or to the local official of the bank.

(Form of Certificate)

To

I have this day, the 199 handed over charge of the office of Mandal Parishad (Development Officer / CEO / Dy.C.E.O. / P.E.O. / EE / Dy. E.E. to Sri whose specimen signature is given below :-

Relieving Officer

Relived Officer

6.29.3 When a transfer or change takes place in the person of the Mandal Parishad Devt. Officer/Dy. CEO/Executive Engineer/Parishad Education Officer/Dy. Executive Engineer, a note shall be recorded in the cash book over the signature of both the relieved and relieving officers showing the number of un-used cheques and cheque books made over and received by them respectively.

6.30 HANDING OVER OF CHEQUES

When a transfer or charge takes place in the person of the Mandal Parishad Development Officer / CEO / Dy CEO / PEO / EE a note shall be recorded in the cash book over the signature of both the relieved and relieving officers showing the number of unused cheques and cheque books made over and received by them respectively.

CHAPTER 7

PROCEDURE RELATING TO GRANTS-IN-AID

PROCEDURE RELATING TO GRANTS-IN-AID

Sl. No.	Heading	Para No.	Page No.
1.	Classification of Grants	7.1	197
2.	Specific Purpose grants	7.2	197
3.	Conditional Grant's	7.3	198
4.	General Purpose Grants	7.4	199
5.	Statutory Grants	7.5	200
6.	Non-Statutory grants	7.6	200
7.	Release of Grants	7.7	161
8.	Adjustment of grant in Treasuries	7.8	201
9.	Budget Control	7.9	201
10.	Intimation of adjustment of grants	7.11	202
11.	Education Grants	7.12	202
12.	Grants to Z.Ps. for payment of salaries to Teachers etc. of Secondary Schools	7.13	203
13.	Release of Plan Grants by D.E.O.	7.14	204

14.	M.Ps. Teaching Grants	7.15	204
15.	Release of Plan Grants by DEOs to Mandals	7.16	205
16.	6% (now 2.0 percent) contingencies grants to ZPs & MPs.	7.17	205
17.	Other Educational Grants.	7.18	206
18.	Grants for Stationery Pol etc to MPs	7-19	206
19.	Adjustment of Engineering Grants	7.20	207
20.	Letter of Credit (L.O.C.)	7.21	208
21.	Utilisation Certificates	7.22	209
22.	Registers to be maintained	7.23	210

PROCEDURE RELATING TO GRANTS-IN-AID

7.1 CLASSIFICATION OF GRANTS

Grants to Panchayati Raj Institutions are classified by different methods as Statutory and Non-statutory grants, general purpose and specific purpose grants.

STATUTORY GRANTS

Utilisation Certificates need not be given for the per capita grants

7.2 SPECIFIC PURPOSE GRANTS :

7.2.1 Unless it be other-wise ordered by Government Grant made for a specific object is subject to the implied conditions :-

(a) That the grant will be spent upon that object within a reasonable time and if no time limit has been fixed by the sanctioning authority before the close of the financial year in which the grant has been made.

(b) that any portion of the amount which is not ultimately required for expenditure upon that object within the time limit fixed by Government or before the close of the financial year, if no time limit has been fixed, will be surrendered to Government.

7.2.2 Audit scrutiny when applied will pay due attention to these objects.

7.2.3 The sanctioning authority may, in the case of specific purpose grants, specify in any particular case that the unexpended balances of grants may be spent for expenditure upon that object in the ensuing financial year in the case of recurring expenditure grants in which case the grant due for the sub-sequent year should be regulated taking into consideration the unexpended grants of the previous year for such objects.

7.2.4 Specific purpose grants may be of a recurring nature in some cases and non-recurring in others. When recurring grants-in-aid are made to a scheme or an institution it is an implied condition that the grants continues to function the scheme or to run the institution and that the circumstances in the recognition of which the grant was sanctioned still continue to exist. Grants-in-aid under "Communications" and for Construction Roads and bridges and for construction of Mandal Complex & School Buildings are examples of non-recurring or special grants.

7.2.5 The specific purpose grants are further classified as conditional and unconditional. Where conditions are attached to the utilisation of the grant they usually take the shape of specification of the particular object or objects or on the time within which the money must be spent. What ever be the nature of the conditions the Mandal Parishad Dev. Officer, C.E.O. P.E.O / EEPR is responsible to see that the conditions are fulfilled.

7.3 CONDITIONAL GRANTS :

These are also for specific purposes

The rules and conditions governing the drawal and utilisation of grants are generally laid down in the orders of either Government or Head of Department of Government which sanctions the grant. Unless the conditions are fully complied with the grants are liable to be disallowed in audit and they will have to be refunded to Government.

The following grants, though conditional ones do not lapse at the end of the year during which they are sanctioned or after one year from the date of release. They can be carried over to next year for being spent for the specific purpose intended.

7.4 GENERAL PURPOSE GRANTS :

General purpose grants, as the name suggests can be utilised at any time for general purposes of the MP/ZP in any manner they desire and there is no point of time within which the grants may be spent. Usually such grants are used for meeting the establishment expenses and for discharging other functions for which they have no separate grants-in-aid. The amounts available from these grants can also serve us a revolving fund to be utilised for schemes for which allotments from Government have been delayed. These grants are almost entirely of a recurring nature only, and they form part of general funds of the MP/ZP. The following are few examples of the general purpose grants assigned paid to MP / ZP.

MANDAL PARISHAD

1. Rs. 5/- now Rs.8 Per captia grant
2. Land cess or local cess
3. Surcharge on Transfer of Property
4. Entertainment Tax
5. Minor Mineral Tax / Seignorage
6. Central or State Government funds allotted for general purposes, if any.

ZILLA PARISHADS

1. Land cess or local cess

2. **Surcharge on Stamp Duty**
3. **Central or State Government funds allotted for General purposes**
4. **Rs. 2/- Now Rs.4/- per capita grant.**
5. **Minor Mineral Tax / Seignorage**

7.5 STATUTORY GRANTS

Statutory grants are those which are given as per the provisions in the Acts. They comprise per capita grants which are given based on the last census figures of rural population (1991), at the rate of Rs.2/- now Rs.4 per capita for ZPs and Rs.5 now Rs.8 per capita for MPs.

Utilisation certificates need not be given for the per capita grants.

7.6 NON STATUTORY GRANTS

Non-statutory grants are divided into the following categories :

- a) **Salary grants**
- b) **Grants for office administration**
- c) **Grants for Developmental activities**
- d) **Maintenance grants.**
- e) **State & National Finance commission grants.**

7.7 All grants relating to MPs and ZPs for Rural Development are released by the Government in PR&RD Dept.

Grants towards salaries of Elementary and Secondary Schools teachers are authorised by the Audit-Officers, Local funds every month by issuing a letter of authority to the Treasury Officers to credit the amounts to the

"Education Fund" of the MPs and ZPs. The Director of School Education releases salaries of the teachers for plan posts and 6 percent (now 2 percent) Education contingencies grant etc. through the D.E.Os.

Grants for construction of MROs office buildings and grant for Drought Relief works etc. are released by the Revenue Department. Grants towards monthly remuneration to Rural Medical Practitioners are released by the Director Indian Medicine.

7.8 ADJUSTMENT OF GRANTS IN TREASURIES :

According to the procedure prescribed in Financial Code and Treasury Code, local bodies have to prefer bills to the treasuries based on the sanctioned orders releasing grant for adjustment of the grants to their funds.

7.9 BUDGET CONTROL :

Government introduced a system of treasury control in 1967, according to which budget allocations will have to be authorised and communicated by the Director of Treasuries and Accounts for any payments to be made from the treasuries. However, in the case of grants released by PR&RD Department, Government have authorised the Financial Commissioner, PR&RD Department to communicate the Budget authorisation to the Treasury Officers. In G.O.Ms.No.540 PR&RD (Accts I) dept. dt. 1-9-90, the Chief Accounts Officer, PR&RD Department (Secretariat) is empowered to issue budget Authorisation for adjustment of grants released by the PR&RD department to the PR institutions. After issue of orders sanctioning grants to the MPs and ZPs, the grant releasing authorities of the PR Department should send ink signed copies of the orders to the Treasury Officers and also sufficient numbers of copies to the Chief Accounts Officer, PR&RD Department to issue Budget authorisation. After verifying the availability of the Budget Provision, the Chief Accounts Officer signs the Budget authorisation and the ink signed copies of the Budget authorisation are sent to the Treasury

Officers. But with a view to see that a proper watch is maintained by the Chief Executive Officers, ZPs and EEs PR regarding adjustment of the grant-in-aid, the ink signed copies of the G.O.s and Budget authorisations are sent by the grant releasing authorities to the CEOs / E.Es to enable them to present the same in the treasury and get the grants adjusted.

7.10 In view of the large number of institutions, the grants due to MPs are released to the ZPs. After they are credited to the ZP fund the CEO allocates the amounts to the MPs with reference to their entitlement, for adjustment to their funds.

7.11 After the adjustment of grants to the ZP / MP funds the DTO / STO shall send intimation to the CEO / EEPR / MPDO the adjustment of the grant.

7.12 EDUCATION GRANTS :

The procedure in respect of Education grants to MPs and ZPs is different. The Education grant comprises (a) the teaching grants towards the salaries of the teachers of Secondary Schools, Primary Schools and Upper Primary Schools maintained by the ZPs and MPs and also the Ministerial and Last Grade staff in the schools (b) grants for festival advance to teachers, (c) grants for LTC to teachers, (d) 6% (now 2.0 percent contingent grants. Most of the posts are covered by non-Plan but certain posts are covered by plan schemes. Grants are authorised by the Audit Officer, Local funds towards salaries of all teachers, Plan and Non-Plan, educational advance to teachers (recovered in 10 instalments) and amounts required for payment of LTC to teachers. The District Educational Officer releases grants towards salaries of plan teachers and 6% (now 2.5 percent) contingencies for maintenance of schools. The Audit Officer, LF deducts the amounts released by D.E.Os while authorising the release of grant for the next month as he authorises grants for plan and non-plan teachers.

7.13 GRANTS TO ZILLA PARISHADS FOR PAYMENT OF SALARIES TO TEACHERS ETC. OF SECONDARY SCHOOLS :

7.13.1 The Headmasters of the concerned Secondary Schools shall prepare the pay bills in duplicate for every month and send them so as to reach the ZP office by the 10th of every month at the latest. For example the pay bills relating to the month of April should reach the ZP office by the 10th of April. These pay bills should be confined to the salaries of teachers/ and they should not contain any other items like contingencies, rent, etc. The salaries of non-teaching staff like clerks, attenders etc. borne on the regular establishment and not treated as contingent staff can also be included in the pay bills. The pay bills shall be passed for payment by the Parishad Education Officer. The Parishad Educational Officer shall send to the Audit Officer an abstract statement containing the names of all Schools and the gross amounts required for such school together with the grand total for all the schools of the Parishad.

7.13.2 The Audit Officer, Local Fund shall verify the same and send a letter of authority (in the form appended to G.O.Ms. 75, Fin.(Exp.Edn.) dated 16-3-67) to the District Treasury Officer specifying the amount that has to be credited to the Education Fund of the Parishad towards salaries of the teacher etc. of the Secondary Schools, for that particular month. The amount to be certified by the Audit Officer shall be for the total of the gross amounts of all the pay bills. The Audit Officer, Local Funds shall send a letter of authority to the District Treasury Officer, so as to reach him by-the 25th of that month. A copy of the letter of authority issued by the Audit Officer to the District Treasury Officer shall be sent to the CEO, ZP and the District Educational Officer.

7.13.3 On receipt of the letter of authority from the Audit Officer, the District Treasury Officer shall record a pass order on that letter by debiting the amount certified by the Audit Officer of local Funds to the head "2202 General Education -02. Secondary Education-191 Assistance

to local Bodies for Secondary Education-SH(05) Teaching grants to ZPs 090 Grants-in-aid-091 Grants in aid for salaries". by crediting that amount to the deposit account of the Zilla Parishad viz: "PARISHAD EDUCATION FUND". As soon as the adjustment of the grant-in-aid is made, the District Treasury Officer shall inform the CEO ZP under intimation to the Audit Officer.

7.14 RELEASE OF PLAN GRANTS BY D.E.O. :

With reference to the allocations made by the Director of School Education, the D.E.O. releases grants towards salaries of teachers in respect of plan posts. The amounts released are adjusted by the Treasury Officers to the credit of the Parishad Education Fund.

7.15 MANDAL PARISHADS TEACHING GRANTS :

7.15.1 The Headmasters of the concerned Primary Schools shall prepare the pay bills in duplicate for every month and send them so as to reach the MP office by the 10th of every month at the latest. for example, the pay bills relating to the month of April should reach the MP office by the 10th April. These pay bills should be confined to salaries of teachers and they should not contain any of the item like contingencies, rents etc. The salaries of attenders borne on regular establishment and not treated as contingent staff can also be included in the pay bills. The pay bills should be scrutinised by the staff of the MP and passed for payment by the MPDO. The MPDO shall send to the Audit Officer, Local Funds an abstract statement containing the names of schools and the gross amount required for each school together with the grand total for all the Schools of the Mandal Parishad. The Audit Officer Local Funds shall verify the same and send a letter of authority in the form appended to G.O.Ms.No.75, Fin.(Expr.Edn.) dated 16-3-67 to the concerned Treasury/ Sub-Treasury Officer specifying the amount that has to be credited to the Education Fund of the Mandal towards the salaries of the Primary & Upper Primary school teachers for that particular month. The amount to be certified by the Audit Officer shall be for the gross amount of the

pay bills. The intimation from the Audit Officer of Local Funds shall be sent to the concerned Sub-Treasury Officer so as to reach him by 25th of that month. Copies of the Letters shall also be sent to the concerned MP and the Dist. Educational Officers by the Audit Officers.

7.15.2 On receipt of the letter of authority from the Audit Officer Local Funds, the concerned Treasury/Sub-Treasury Officer shall record pass orders on that letter, by debiting the amount certified by the Audit Officer of Local Funds to the head "2202 General Education 01. Element Edn.-MH 103 Assistance to Local Bodies for Primary Education-SH(05) Teaching grants to MPPs-090 Grants-in-aid 091 grants-in-aid for salaries" and by crediting that amount to the Deposit Accounts of the Mandal viz. "MANDAL EDUCATION FUND". As soon as the adjustment of the grant-in-aid is made the Sub-Treasury Officer shall inform the concerned MDO under intimation to the Audit Officer of Local Funds, the District Educational Officer and the District Treasury Officer. When the District Treasury Officer makes the adjustments in respect of Mandals attached to the District Treasury, he will send intimation to the MPDOs the District Educational Officer and the Audit Officer Local Funds. In G.O.Ms.No. 6.2 Education Dt. 23-9-99 & G.O.Ms.No. 63 Education, Dt 27-9-99 orders have been issued for payment of salaries through Treasury.

7.16 RELEASE OF PLAN GRANTS BY DEOS TO MANDALS

With reference to the allocations made by the Director of School Education, the D.E.O. releases grants towards salaries of teachers in respect of plan posts. The amounts released or adjusted by the Treasury Officers to be credited to the Mandal Parishad Education Fund.

7.17 6% (NOW 2.0 PERCENT) CONTINGENCIES GRANTS TO ZPS AND MPS

The District Educational Officers releases 6% contingencies grant to meet the contingent expenditure of the schools like Wages, Stationery,

Postage, Rents, Repairs to School buildings etc. Based on the release orders, the amounts are adjusted by the DTOs / STOs to the Zilla Parishad Education Funds / Mandal Parishad Education Funds.

7.18 OTHER EDUCATIONAL GRANTS :

7.18.1 The following Plan and Non-Plan grants are released by the Education Department / D.E.Os.

- (1) Payment of compensation for loss of income on account of exemption from payment of special fees by SC and ST students to ZPs (Non-Plan)
- (2) Assistance to ZPs for equipment and buildings (Plan)
- (3) Assistance to MPs for opening of schools in school less centres (Non-Plan)
- (4) Assistance to MPs for equipment and buildings (Plan)
- (5) Assistance to MPs for buildings with the assistance of United Kingdom (Plan) Placed at the disposal of E.Es. P.R
- (6) Assistance to MPs for maintenance of women teachers in Primary Schools (Plan)

7.18.2 Grants for construction of buildings are released by the Government (Education Dept.) and they are adjusted to the credit of Engineering Funds of the ZPs (003). The other grants are released by the Director of School Education and the D.E.O. allocates the amounts to the MPs and ZPs and other local Bodies. These amounts are adjusted to the Education Fund of the MPs and ZPs (002).

7.19 GRANTS FOR STATIONERY POL ETC, TO MANDAL PARISHADS

Grants are released to the Mandal Parishads quarterly at the following

rates to the newly formed Mandals and also the Mandals at the old Samithi Headquarters.

S. No.	Particulars	Mandals at the old Samithi Headquarters	Mandals
1	2	3	4
1.	T.A.	5,000	2,500
2.	Jeep	3,750	—
3.	Contingencies	7,500	2,500
4.	Service postage and telegram	—	1,500
5.	Stationery	—	1,500
6.	Rent	—	3,000
	Total	16,250	11,000

The rent for buildings taken on lease for locating the Mandal Offices shall not exceed Rs.1,000/- per month.

Where the expenditure on T.A. rent exceeds the grant shall be met from the general funds of the Mandal Parishads.

7.20 ADJUSTMENT OF ENGINEERING GRANTS :

The procedure in respect of grants released to P.R. institutions (other than Educational grants) explained in the above paras above is followed in respect of grants released to E.Es PR for works, salaries etc. There are 2 to 4 Engineering divisions in each district and grants are generally released to each Executive Engineer. Where however the grants are released only to the E.E., PR at the headquarters of the district, the S.E., PR allocates the grants to the divisions and the amounts

are transferred by the E.E. at the district headquarters to the E.E., PR of the other divisions in the district.

7.21 LETTER OF CREDIT (L.O.C.)

7.21.1 Funds of the ZPs are required in the Sub-Treasuries also for payment for works and also for payment of contractors bills, salaries of teachers etc. The system of transfer of grants adjusted to ZPs in the District Treasury to Sub-Treasuries was introduced in G.O.Ms.No. 416, PR (Accts.I) dated 22-7-70. The system is known as "Letter of Credit System". The Letter of Credit System is used for transfer of funds of the ZPs under the Head "8448. Deposits of Local Fund-MH.109 Panchayat Funds - SH(03) Zilla Parishad Funds 001-General Funds-002. Education Funds-003. Engineering Funds" under Zilla Parishads. The CEO/EE/PEO will send a requisition to the District Treasury Officer indicating the amounts required at each of the Sub-Treasuries and allocating the funds on receipt of the requisition, the District Treasury Officer will issue a letter of Credit to the Bank authorities to raise the balance of the Officers upto the limits requested in the requisition and make payments upto the limit.

7.21.2 Orders were issued in G.O.Ms.No.135 PR&RD (Accts.I) Dept., dt. 13-3-92 continuing the system of Letter of Credit on permanent basis subject to the following conditions :

- i) that the letters of credit are promptly issued by the Treasury Officers to the Banks;
- ii) that the ledgers are posted promptly by the Treasury on receipt of bank scrolls and cheques from the Banks;
- iii) that the letters of credit to the Sub-treasuries are issued only after ensuring that sufficient balances exist to cover the payments after taking into account the upto date payments made by the bank and probable payments for a reasonable period in the Zilla Parishad funds; and

- iv) that prompt reconciliation is made between the Treasury and the Zilla Parishad accounts.

7.22 UTILISATION CERTIFICATES

7.22.1 According to Art. 211 of the Financial Code Vol. I, a Utilisation Certificate. Certifying the amount utilised out of specific purpose grants has to be furnished by the M.Ps/Z.Ps to the grant sanctioning authorities, after the time for utilisation of the grants is over.

7.22.2 Salary grants will lapse at the end of the year (i.e. 31st March) in which they are released.

7.18.2 All specific purpose grants other than salary grants, can be utilised upto 31st March of the next year the grants released during 1997-98 can be utilised before 31-3-1999. If a grant is released on 10-4-97, has to be utilised before 31-3-1999 if a grant is released on 10-3-98 vide G.O.Ms.No.354 PRRIAR (A/cs VI dt. 15-6-1994 it has to be utilised before 31-3-1999. However in respect of JRY grants 50% of grants released as the second instalments can be carried forward to next year for being spent before 30th September.

7.22.3 The certificate of utilisation should be in the following form prescribed in Govt. Memo No. 662 / Plg.VII / 63-4 PR dt. 22-2-64

CERTIFICATE OF UTILISATION

Certified that the following amounts of grant released by Govt. in G.O.Ms.No. PR&RD dt..... during the half year ending under the head of account has been utilised for the purpose for which the grant has been sanctioned in the G.O. referred to above.

G.O.Ms.No. & Date	Amount released	Amount utilised	Balance	Chalan No. and date in which the utilisation amount is refunded
1	2	3	4	5

CEO / PEO / EEPR / MPDO

7.23 REGISTERS TO BE MAINTAINED :-

The following registers shall be maintained in the secondary education branch of ZP / MP offices.

1. General Fund Cash Book
2. Education fund Cash Book
3. Register of grants received
4. Grants appropriation Register
5. Register of U.Cs.

CHAPTER 8

GENERAL FUNDS & EARMARKED FUNDS

CHAPTER 8

GENERAL FUNDS &
UNMARKED FUNDS

GENERAL FUNDS & EARMARKED FUNDS

Sl. No.	Heading	Para No.	Page No.
1.	Broad classification of funds	8.1	215
2.	Per-capita grants	8.2	216
3.	General funds - purposes	8.3	216
4.	Pay and allowance etc.	8.3 A	216
5.	Contingencies	8.3 B	217
6.	Cars and Jeeps	8.3 C	218
7.	Land acquisition	8.3 D	219
8.	Works	8.3 E	219
9.	Miscellaneous	8.3 F	219
10.	Additional items	8.3 G	220
11.	Other - General instructions	8.4	220
12.	Revision of guidelines	8.5	221
13.	Earmarked funds	8.6	223

GENERAL FUND & EAR-MARKED FUNDS

Section No.	Section	Fund No.	Page No.
1.	Bond classification of funds	8.1	215
2.	Personnel fringe	8.2	216
3.	General fund - other	8.3	216
4.	Pay and allowances etc.	8.3.A	216
5.	Contingencies	8.3.B	217
6.	Gas and taxes	8.3.C	218
7.	Land acquisition	8.3.D	219
8.	Works	8.3.E	219
9.	Miscellaneous	8.3.F	219
10.	Additional funds	8.3.G	220
11.	Grant - General Instruction	8.4	221
12.	Reserve of disburse	8.5	221
13.	Emergency fund	8.6	221

GENERAL FUNDS & EARMARKED FUNDS

8.1 BROAD CLASSIFICATION OF FUNDS :

8.1.1 The receipts of P.R. Institutions may be divided into two broad categories : namely

(1) GENERAL FUNDS

(2) EARMARKED FUNDS

Earmarked Funds are those which should be spent for the particular purpose for which the grant is given or the amount is received or collected, whereas General funds are own revenues, assigned revenues like land cess and united grants like per capita grants or amounts which can be utilised for any of the felt needs of the institutions.

8.1.2 General Funds comprise the own resources of the institutions, assigned revenues like land cess, surcharge on stamp duty etc. and per capita grants released by the Government. Though they can be utilised for any of the purposes as decided by the institutions, certain restrictions have been imposed about utilisation of these funds as explained in para 8.5 below.

8.1.3 Earmarked funds are specific purpose grants, like salary, T.A. grants maintenance grants like R.R.M, 2 percent Education Contingent Grant, development grants like M.N.P. Roads, Construction of M.P. complexes, school buildings etc. which have to be spent for the purpose for which they are given. The list of Earmarked Funds is given in para 8.6

8.2 PERCAPITA GRANTS

(1) According to Section 171(2) 198(2) of the Act, the Government shall make a annual grant at the rate of Rs.5 per person now Rs.8 residing in Mandal / Rs.2 per person (now Rs.4) residing in the district calculated on the basis on the last preceeding census of which figures are available, to the MP / ZP. At present it is calculated on the rural population of 1991 census. These percapita grants from a part of the general funds and can be utilised for the purposes referred to in para 8.4 . However in G.O. Ms. No. 5 PR & RD (Progs.II) Department dated 2-1-1989 Government permitted the MPs to utilise the Rs.8 per capita grant for maintenance of Roads and Minor Irrigation sources.

(2) Orders regarding payment of Rs.2/- now Rs 4/- per capita grant to ZPS were issued in GO Ms 471 PR RD&R (Mandal-I) dt. 26-7-94 As regards per capita grant of Rs 5/- now Rs.8/- to M.Ps orders were issued in G.O.Ms.No. 472 P.R. &RD (MDL I) dated 26-7-94.

8.3 GENERAL FUNDS-PURPOSES

The purposes for which the General funds of MPs / ZPs, including Rs 8/- per capita grant can be utilised are given in Govt. Memo 72650/Acts.II / 87-2 dated 21-10-1987 which are detailed below.

8.3 A. PAY AND ALLOWANCES ETC.

- (1) **Pay and Allowances and Travelling Allowance of the non-provincialised staff covered by sanctions.**
- (2) **Salaries of provincialised staff temporarily when grants are not available subject to recoupment when funds are released by Grant sanctioning authorities.**
- (3) **Salaries and Travelling Allowance of contingent staff covered by sanctions.**

- (4) **Transfer Travelling Allowance of the teachers of Primary / Upper Primary / Secondary Schools.**
- (5) **Leave Salary and pension contribution of the employees.**
- (6) **Payment of festival and educational advance to non-teaching staff of Zilla Parishads and Mandal Parishads.**
- (7) **Pay and Allowances of the Committee Schools in Zilla Parishads, not admitted to grant-in-aid, if the contribution due was paid fully by the School Committees, after obtaining the approval of Zilla Parishad. (Govt. Memo.No.34928/Estt.VIII/86-1 Panchayati Raj and Rural Development dated 14-5-1980)**

8.3 B. CONTINGENCIES

- (8) **Law charges, Stationery, Postage and other contingent expenditure.**
- (9) **Printing and advertisement charges preparation of district plans, supply of livery of attenders and drivers, etc., election expenses. Purchase and repairs to Wooden furniture, typewriters of Mandal Parishads and Zilla Parishads, and roneo duplicators of Zilla Parishads.**
- (10) **Rs.100/- per Mandal at the rate of Rs.1/- per beneficiary of implementation of mid-day meals schemes.**
- (11) **Payment of freight charges of mid-day meals commodities.**
- (12) **Cost of preventive medicines for control of epidemics.**
- (13) **Expenditure in connection with statutory arrangements for Fairs and Festivals after obtaining prior approval of the Collector.**
- (14) **Maintenance of Radio Rural Forum.**

- (15) Telephone Charges in Zilla Parishads (There should be no S.T.D.)
- (16) Maintenance charges of tools and plant of Zilla Parishads.
- (17) Conducting District sports and games yearly by Zilla Parishads subject to the financial limit of Rs.500/- per annum prescribed in G.O.Ms.No.294, Panchayati Raj (Programmes III) Department, dated 3-5-1970.
- (18) Purchase of heavy duty zerox machine by Zilla Parishads (Govt. Memo.27475/Progs.IV/87, P.R.&R.D. dt. 19-5-1987)
- (19) Provision of intercom in Zilla Parishads office by placing indents on the Andhra Pradesh Technology Services Ltd., Secretariat' (G.O.Ms.No.568, Panchayati Raj and Rural Development (Progs. IV) dt. 3-10-1987)
- (20) Expenditure in connection with the visit of high dignitaries, Zilla Parishads Rs.2,500/- per annum, Mandal Parishads Rs.500/- per annum, Limited to Rs.400/- Rs.100/- on a single occasion. (G.O.Ms.No. 309, Panchayati Raj (Accts.I) Department, dated 19-6-1982).
- (21) Unforeseen contingent expenditure

8.3 C. CARS AND JEEPS

- (22) Maintenance charges for Jeeps and Cars.
- (23) Expenditure on maintenance of Jeeps in Mandal Parishads over and above the amount of Rs.3,000/- released by Government subject to ceiling of Rs.6,000/- fixed by Government.
- (24) Expenditure on maintenance of Jeeps of C.E.O. Zilla Parishads in Telangana over and above Rs.5,000/- released for the purpose subject to ceiling fixed by the Government.

8.3 D. LAND ACQUISITION

- (25) Expenditure for purposes of Land Acquisition.
- (26) Payment of registration charges for gift deeds executed in favour of Mandal Parishads/Zilla Parishads for donation of immovable property for construction of roads and buildings and for any other public purpose, if donors are not in a position to meet necessary charges (G.O.Ms.No.592, Panchayati Raj (Progs.III) dated 2-8-1967.

8.3 E. WORKS

- (27) Repairs and maintenance of School buildings upto Rs.3 lakhs per annum by Zilla Parishads and Rs.30,000 per annum by Mandal Parishads, if education contingent grant is not sufficient (G.O.Ms.No.540, Panchayati Raj (Programmes V) Dept. dated 17-11-1983).
- (28) Maintenance and repairs of office buildings and staff quarters including payment of taxes.
- (29) Maintenance and repairs of the buildings of Mandal Parishads and Zilla Parishads in respect of which no grants are released.

8.3 F. MISCELLANEOUS

- (30) Utilisation of earmarked funds (15%, 6% and 15%) for the welfare of Scheduled Castes and Scheduled Tribes and Women and Children.
- (31) Payment of interest (non-penal interest) on loans.
- (32) Payment of loan instalments to Government.

- (33) Travelling Allowance and Daily Allowance of non-official members over and above the Government Grant.

Note : Prior sanction of Government is necessary for purchase of steel furniture.

8.3 G. ADDITIONAL ITEMS

The following six (6) items are also added :

- (34) Payment of subsidy to R.M.Ps. in non Subsidised Rural Dispensaries (Govt. Memo No. 16374/Acts.I/88-3 dt. 9-5-88).
- (35) Purchase of one Spare Power pumpset of suitable H.P. by the Mandal Parishads (G.O.Ms.No.737 PR & RD RWS.I dt. 20-12-88)
- (36) Expenditure to the extent of 10% by the Mandal Parishads and Zilla Parishads for taking up works for relieving water scarcity in emergencies (G.O.Ms.No.737 PR & RD RWS.I dt. 20-12-88)
- (37) Expenditure towards the cost of medicines for Rural Dispensaries (Govt.Memo.No.16374/Acts.I/88-3 dt. 9-5-88).
- (38) Expenditure to an extent of 10% by the Mandal Parishads for sinking new borewells, transportation of water and repairing equipment/structure in order to meet water scarcity. (Govt.MemoNo.28008/RWS.I/89-4 dt. 27-4-89)
- (39) Payment of salaries of Health Assistants in Primary Health Centres.

8.4 OTHER-GENERAL INSTRUCTIONS

1. In addition to the above, Panchayat Samithis and Zilla Parishads (Now MPs and ZPs) can purchase armless steel folding chairs

on rate contract with India Stores Department to the extent of number of members from their general funds (Govt.Memo 1802/ Progs.v/62-3, P&LA dt.29-1-63)

2. Panchayat Samithis and Zilla Parishads (Now MPs and ZPs) not having steel furniture were permitted to purchase on rate contract firms one Godrej almirah inclusive of locker arrangement / two Godrej Almirahs respectively with the sanction of the District Collector vide Govt.Memo No.4195/Progs.v/63-6, P.R., dt. 31-3-64.
3. At the time of formation of Mandals, MPs were permitted to purchase one steel almirah with locker and two steel chairs from out of the grant released by Government for purchase of furniture.

8.5 REVISION OF GUIDELINES

1. The above guidelines have subsequently been revised. The Z.Ps/ M.Ps are permitted to utilise their general funds as per a detailed Annual Action plan prepared in accordance with the guidelines given below and placed in the Annual budget of Zilla Parishads/ Mandala Parishad and duly approved by Government.
2. The following are the revised guidelines :

GUIDELINES :

Zilla Parishad/Mandal Parishad General Funds can be spent in the following areas :-

- (a) Upgradation, Maintenance and Restoration of existing assets including minor irrigation sources upto a maximum of 40 percent (now 37.5 percent) of the budgeted general funds at the beginning of the financial year.

PROVIDED :-

- i) that no expenditure can be made for creation of new assets.
- ii) that no expenditure can be made on luxurious and wasteful items of expenditure like A.C., Residential furniture, vehicles etc.
- (b) Provision of earmarked funds @ 15 percent for Scheduled Castes, 6 Percent for Scheduled Tribes and 5% Percent (now 15 percent) for Women and Child Welfare of the budgeted General funds at the beginning of financial years;
- (c) Provision of drinking water in emergencies subject to a maximum of 10% of the General funds;

PROVIDED

- i) that no expenditure shall be made for creating new assets for which Government grants are already released
- ii) that no expenditure is made during the normal season.
- (a) Office management, office equipment, establishment expenditure subject to a maximum of 20 percent (now 17.5 percent) of the general funds estimated at the beginning of the financial year.

PROVIDED

- i) that no new vehicles are purchased
- ii) no expenditure is made on items specifically prohibited by Government orders.
- iii) no expenditure is made on staff not sanctioned by Government.
- (e) Unforeseen contingencies such as activities of Public Welfare contributions to sports festivals, Cultural programmes, payments on

court orders etc. subject to a maximum of 4 percent of the General funds estimated at the beginning of the financial year.

Expenditure which falls outside the purview of these broad categories and ceilings prescribed shall need the prior permission of Government.

(vide G.O.Ms.No.308, PR&RD (Prog.III) Dt. 8-6-92

vide G.O.Ms.No.309, PR&RD (Prog.III) Dt. 8-6-92)

8.6 EARMARKED FUNDS

The following are the various kinds of earmarked funds of M.Ps and Z.Ps. The earmarked funds should be utilised only for the purposes for which they are collected or allotted. a M.P. or a Z.P. shall not utilise them or divert them even temporarily for other purposes without the sanction of Government.

- (i) Funds collected for the opening and maintenance of elementary / secondary schools.
- (ii) Grants sanctioned by State or Central Government for specific purposes.
- (iii) Receipts derived from the sale of capital assets.
- (iv) Income from endowments and trusts.
- (v) Deposits (including Provident Fund & Pension Funds)
- (vi) Funds relating to institutions and schemes transferred to the Mandal Praja Parishad by the Govt. or Heads of Departments of the Government.
- (vii) Funds relating to the Programme entrusted by other Departments.

- (viii) Grants from All India bodies and institutions for the specified purposes of development of cottage and village Industries, Khadi, Silk, Coir, Handicrafts and the like;
- (ix) Donations and contributions received from the public
- (x) Proceeds from the state taxes for the specific purposes of providing for expenses connected with the construction, maintenance, repair, extension or improvement of road works;
- (xi) Funds allotted to Scheduled Castes house-sites or other Programmes intended for amelioration of S.Cs. and Scheduled Tribes.
- (xii) Loan funds and
- (xiii) Railway Cess Fund.

G.O.Ms. 535 PR & RD (Mdl.I) Dt. 2-11-91 and Rule 32 of the Rules prescribing the purposes for which Z.P. fund shall be applied issued with G.O.Ms.229 PR&RD (Accts.I) & (7.6.97)

For Mandal parishads vide G.O.Ms.No.704 P.R.&RD (MDL-1) Dept. dt. 5-11-94.

CHAPTER - 9

HONORARIA ALLOWANCES AND CONCESSIONS TO CHAIRMAN, VICE-CHAIRMAN, ZP, PRESIDENTS, MP AND NON-OFFICIALS

HONORARIA ALLOWANCES AND
CONCESSIONS TO CHAIRMAN,
VICE-CHAIRMAN, SP,
PRESIDENTS, MP AND
NON-OFFICIALS

HONORARIA ALLOWANCES AND CONCESSIONS TO CHAIRMAN, VICE-CHAIRMAN, ZP, PRESIDENTS, MP AND NON-OFFICIALS

Sl. No.	Heading	Para No.	Page No.
1.	Honorarium to Chairman, Vice Chairman and President	9.1	229
2.	Provision of Car, Free Quarter and Residential Telephone to Chairman, Zilla Parishad	9.2	230
3.	T.A., D.A. to Chairman Zilla Parishad	9.3	232
4.	T.A., D.A. to Presidents, M.Ps.	9.5	234
5.	Travelling Allowance to President of MP for his tours outside the Mandal	9.6	236
6.	General Clasifications Relating to Chairman Z.Ps. and Presidents M.Ps.	9.7	237
7.	Travelling Allowance and Daily Allowance to Non-official members attending the meetings of Zilla Parishad or their standing Committees	9.8	238
8.	T.A. Table	9.10	240
9.	General Clarifications relating to T.A. of Non-official members	9.11	242
10.	Allowances to persons (other than members of Z.P.) invited to attend meetings of Z.P.	9.12	242
11.	T.A. for journeys on other than Govt. Vehicles	9.12.2	243

12.	Daily allowance	9.12.3	243
13.	Journey by road	9.12.4	243
14.	Journey partly by road and partly by rail	9.12.4 (iii)	244
15.	Allowances to persons (other than members of MP) invited to attend meetings of MP	9.13	244

HONORARIA ALLOWANCES AND CONCESSIONS TO CHAIRMAN, VICE-CHAIRMAN, ZP & PRESIDENTS, MP AND NON-OFFICIALS

9.1 HONORARIUM TO CHAIRMAN VICE CHAIRMAN AND PRESIDENTS

9.1.1 The Chair Persons ZP are assigned the status of a Minister of state in G.O.Ms.No. 431, PRRD (Mdl. III) dt. 15-11-97. The Honorarium TA DA etc are governed by separate Orders. According to Sub Section (2) of Section 170 and Sub Section (2) of Section 196 of the Act the Presidents of Mandal Parishad/Chairman of Zilla Parishad are entitled for certain allowances. They shall be paid an honorarium of Rs.1,000/-, Rs.2,750/- each person respectively in order to compensate for the loss of their time and income on account of the attention paid to their honorary offices. The Vice-Chairman of a ZP, is paid an honorarium of Rs.1,500/- per month. The Vice Chairman ZP shall draw honorarium from ZP funds. He shall not draw honorarium of Rs.1,000/- per month as President Mandal Parishad from MP funds (G.O.Ms.No.490 PR & RD (Mdl.II) Deptt., dt.1-6-1987.

9.1.2 Honorarium to ZP TC Members & Coopted Members.

The Z.P. Territorial Constituency members are entitled for an amount of Rs.1500/- p.m. towards honorarium and travelling allowance as per G.O.Ms.57 PR R D&R (Mdl.II) dt. 1-2-96.

In G.O.Ms.408 PR & R D (Mdl's II) 27-9-96 orders were issued to extend the payment to the Coopted members of the Z.P.

9.1.3 The honorarium should be drawn on bills for miscellaneous payments or even on regular pay bills (Gazetted.)

9.1.4 The expenditure should be met from grants-in-aid released by Government, and should be debited under 'A' General Account-2515 other Rural Development Programmes M.H. 101 P.R.S.H.05 Assistance to MPPs. for meeting TA & DA and Honoraria etc. 090 Grants-in-aid-092 Other Grants-in-aid." —

Other Rural Development Programmes - M.H. 101 Panchayati Raj - S.H. (16) Assistance to ZPs. for meeting TA & DA and Honoraria etc., - 090 Grants-in-aid-092 other grants-in-aid."

9.1.5 No honorarium should be paid to the Vice President of a MP unless he is acting as President of the MP owing to a vacancy in the office of the President.

9.1.6 Honorarium should not be paid to the President/Chairman of MP/ ZP or Vice Chairman of ZP for the period of his absence if such period of continuous absence exceeds 15 days.

9.1.7 The payment of Honorarium to the Vice President in the case of delegation of certain powers and functions to him by the President of the MP is not admissible. (G.O.Ms.No.1052 P&L. A dated 22-7-1961)

9.2 PROVISION OF CAR, FREE QUARTER AND RESIDENTIAL TELEPHONE TO CHAIRMAN, ZILLA PARISHAD.

9.2.1 In G.O.Ms.NO.490 Panchayati Raj & Rural Development (Mandal.II) Department dated 1-8-1987 Government ordered that Chairman, ZP shall be provided with

- i) One Car
- ii) Free Government quarters or rent as per rental certificate subject to a maximum of Rs.2000/- P.M. &
- iii) One telephone at his residence.

9.2.2 Under Section 170 (2) and Section 196 (2) of the Act, Government acted that the expenditure involved in the payment of emoluments shall be an item of expenditure for carrying out the purposes of the Act.

9.2.3 Where ZP's quarters are available, the Chairman should be provided that quarters free of rent. If ZP's quarters are not available a Private building may be taken on rent not exceeding Rs.2000/- p.m. following the prescribed procedure of obtaining the rental certificate etc.

9.2.4 It was clarified in Government Memo No. 63090/M.II/88-I PR & RD (M.II) dated 10-9-1988 that the Chairman ZPs who are provided with rent free quarters or Private buildings on rent not exceeding Rs.2000/- are not eligible for free water supply and electricity and that they have to bear the expenditure on account of service charges towards water supply and Electricity.

9.2.5 The ceiling of 160 Lts. Per month prescribed for vehicles is applicable to the vehicles of the Chairman ZP also. This ceiling is increased to 250 litres p.m. for C.Z.Ps in Govt. Memo No.582/Progr.IV/A2/96-1, PR&RD Dt. 4-1-96.

9.2.6 As regards Residential Telephones STD facility is not admissible.

9.2.7 In G.O.Ms.No.766 PR & RD (Mandal.II) Department dated 29-12-1988 the benefits of A.P. Integrated Medical Attendance Rules 1972 regarding reimbursement of Medical Expenses incurred inconnection with the treatment have been extended to the Chairman, ZPs. The

expenditure on account of the above benefits shall be met from the general funds of the ZPs.

9.2.8 Government release Grant-in-aid towards monthly emoluments of Chairman, ZP, Vice-Chairman, ZP and Presidents of MPs, TA DA to non Officials and TA DA for tours of Chairman, ZPs and Presidents of MPs.

9.2.9 The expenditure on Car, rent for the Quarters to Chairman ZP, Residential Telephone of Chairman ZP and reimbursement of Medical Expenses to Chairman ZPs has to be met from the General Funds of the ZPs.

T.A. D.A. TO CHAIRMAN ZP.

9.3.1 There shall be paid to the Chairman of Zilla Parishad allowances in respect of his tours within or outside the District but not outside the State in the discharge of his official duties as follows :

- (i) By train : First Class fare or Second class A/c Chair Car
- (ii) By Car : Meeting Propulsion charges : Rs2/- per KM/ subject to maximum distance of 125 km. per day.
- (iii) By Bus : Bus fare

When the Chairman, Zilla Parishad travels by a regular/public motor service between places connected by Railway, the Bus fare may be claimed.

- (iv) By Motor Cycle/Scooter : Rs. 0.55 paise per Km.

Daily Allowances : (Rupees - 80 only) for each day.

Note : "Day" means 24 hours of absence from the head quarters commencing from the minute the Chairman leaves the headquarters. One D.A. shall be allowed for absence of 12 hours and more and half D.A.

for absence of 6 hours and more and no D.A. for absence of less than 6 hours.

9.3.2 The above rates shall be governed by the conditions and limitations prescribed below :-

(i) Railway journeys : Travelling fare plus daily allowance as prescribed in rule above.

(ii) when he uses Government conveyance, he shall be eligible for daily allowance only as prescribed in rule above

(iii) Journey partly by road and partly by railway :- Between places connected by a railway where journey is performed partly by rail and partly by road, he shall be eligible to the rail fares for the rail portions and bus fare for the other portion.

(iv) One end connected by train but no public transport between remaining portion of journey.

Train fare for the Rail portion and propulsion charges at Rs. 2/- per km. for the remaining portion subject to a maximum distance of 125 kms. per day.

(Vide G.O.No. 297 Pr & RD) Mandals-I) Dept., dt. 1-6-91)

9.3.3 The claim for the allowances mentioned above shall be preferred within six months from the date of completion of the tour.

9.3.4 For the purposes of these rules, "Chairman" shall include the Vice-Chairman and temporary Chairman only when they exercise the powers and perform the functions of the Chairman under this Act.

(G.O. No. 530 PR & RD (Mandal-I) dated 17-9-87 & 297 PR & RD (Mandal-I) dated 1-6-1991)

9.4 JOURNEYS OUTSIDE THE DISTRICT :

The Chairman of a Zilla Parishad should obtain prior approval of Government for his tour outside the district.

The travelling allowance for the tours of the Chairman, Zilla Parishad outside the district should be regulated as prescribed in the case of his journeys within the district of his headquarters.

(Govt. Memo No.683/S.II/80-3, dt. 21-2-1961)

When the President of a Mandal Parishad travels by a regular public Motor Service between places connected by Railway, the Bus fare may be claimed.

9.5 TA, DA, TO PRESIDENTS, MPS

9.5.1 There shall be paid to the President of Mandal Parishad allowances in respect of his tours within or outside the Mandal but within District in discharge of his official duties as follows :- (Vide rules issued with G.O.Ms. 597 PR PD&R (Mdl's II) dt. 16-8-95. Travelling Allowance for the Journeys performed in other than Government/P.R. Department Vehicles :

- (i) By Train : First Class fare
- (ii) By Car : Meeting propulsion charges : Rs.2/- per km.
- (iii) By Bus : Bus Fare
- (iv) By Motor Cycle/Scooter : Rs.0.55 paise per km. subject to a maximum of Rs.55/-

9.5.2 He shall be paid Daily Allowance at Rs.30 (Rupees Thirty only) for each day.

Note : 'Day' means 24 hours of absence from the headquarters commencing from the minute the President leaves the headquarters. One D.A. shall be allowed for absence of 12 hours and more and half D.A. for absence of 6 hours and more and no D.A. for absence of less than six hours.

9.5.3 The above rates shall be governed by the conditions and limitation prescribed below :

(i) **RAILWAY JOURNEY :** Railway fare plus daily allowances as prescribed above.

(ii) when he uses Government conveyance, he shall be eligible for daily allowance only.

(iii) Journey partly by road and partly by rails Between places connected by a railway where journey is performed partly by rail and partly by road, he shall be eligible to the rail fares for the rail portion and bus fare for the other portion.

(iv) One end connected by train but no Public transport between remaining portion of journey".	Train fare the rail portion and propulsion charged at Rs.2/- per km in for the remaining portion.
--	---

(vide G.O.Ms.No.208 PR & RD (Mandals I) Dept., dt. 1-6-91)

The total expenditure on Travelling Allowance and Daily Allowance excluding expenditure incurred on train and bus fares shall not exceed Rs.500/- (Rupees five hundred only) per month.

NOTE : According to Govt. MemoNo.38277/MdlsII/88-2 PR & RD Dept. dt. 16-2-89. The mileage allowances drawn by the presidents when they

use their own cars and meet propulation charges, has to be taken into account for computers the ceiling of Rs.500/- p.m.

9.5.5 the claim for the allowances, under these rules shall be preferred within six months from the date of completion of tour.

9.5.6 For the purpose of these rules, President shall include the Vice-President and temporary President when exercising the powers and performing the functions of the President under this Act.

(G.O.Ms. 540 PR & RD (Mandal.I) dt. 17-9-87 &
398 PR & RD (Mandal.I) dt. 1-6-91)

9.5.7 The ceiling of Rs.500/- per month towards T.A. of MP Presidents is to be calculated after excluding the expenditure of train fare and bus fare, but when they use their own case and draw mileage, the mileage drawn is to be taken into account for competing ceiling of Rs.500/- per month. In other words the total of mileage allowance and daily allowance drawn in a month should not exceed Rs.500/-

(Vide Govt. Memo No.38377/Mdl.II/88-22 PR & RD dt. 16-2-89).

9.6 TRAVELLING ALLOWANCE TO PRESIDENT OF MP FOR HIS TOURS OUTSIDE THE MANDAL

9.6.1. President of MP is not entitled to undertake tours outside his jurisdiction except in cases where meetings are called for by the Government, C.P.R., Collector and other heads of Departments.

9.6.2 In exceptional cases the District Collector can authorise the President, MPs to undertake journeys outside the jurisdiction. In respect of such journeys the President may prefer T.A. claims to be met from MPs fund.

9.6.3 The President MP has to inspect all works taken up under the various development programmes and also the institutions transferred to MP

9.7 GENERAL CLARIFICATIONS RELATING TO CHAIRMAN ZPS AND PRESIDENTS M.PS.

9.7.1 To a question whether T.A. can be claimed by the Presidents of Panchayat Samithis (now MPs) in respect of journeys performed by them for conducting staff meetings Government have clarified in MemoNo.662 S. & P./61-1, dated 22-11-61 that the staff meetings are normally to be held at Block Headquarters (MP head quarters). If such staff meetings are held at Block (MP) Headquarters, the holding of these meetings should be treated, as part of the office work which the President of MPs are expected to do and no T.A. will be admissible to them as they are not paid T.A. for attending office work. If the meetings are held at other places the Presidents will however be eligible to draw T.A. admissible as on tours.

9.7.2 The President cannot present his T.A. bills direct in the Sub Treasury. He has to present his bills to the Mandal Parishad Development Officer for passing them drawing the amount by cheques and paying to him. The T.A. claims of the President can be preferred on Gazetted T.A. Bill Form, (Govt. MemoNo.3337/Accts.II/60-2, dt. 5-9-1960)

9.7.3 The President MP need not maintain a diary for the purpose of drawing T.A. It is enough if he furnishes the details of his tours i.e. the Places visited and the purpose of visit on each day and it can be kept in office record along with T.A. bills prepared for the purpose. The Presidents MP need not maintain an office copy of the T.A. bills as the bill presented by him will itself be recorded in office as voucher after paying the amount claimed.

(Govt.Memo No.988/Samithis.II/60-1, P&LA dt. 15-1-61)

9.7.4 The Chairman of a Zilla Parishad / the President of a M.P. need not be paid allowances for his journeys when he attends Parishad/ Mandal office to dispose off official business only and that he should meet the expenditure for the above journeys from the honorarium paid to him.

9.7.5 The Government permitted the Chairman of Zilla Parishad, the Presidents of MPs to present their travelling allowance bills in respect of their journeys without the countersignature of the Collectors and the Revenue Divisional Officers respectively.

9.7.6 The Chairman and President have to append a certificate to each claim for T.A. to the effect that "for the journey or period to which the claim relates, no similar allowances have been drawn from any other official source".

(G.O.Ms.No.609, dt. 26-4-1960)

9.8 TRAVELLING ALLOWANCE AND DAILY ALLOWANCE TO NON-OFFICIAL MEMBERS ATTENDING THE MEETINGS OF ZILLA PARISHAD OR THEIR STANDING COMMITTEES.

9.8.1 The non-official members of Zilla Parishad shall be allowed travelling Allowance and Daily allowances as follows for attending a meeting of the Zilla Parishad or of the Standing Committee or of a joint meeting of two or more Standing Committees. Vide rules issued with G.O.Ms.596.PRRD&R (Md II) dt. 16-8-95.

A. For journey of other than Government Vehicles.

- (i) By train : First Class fare
- (ii) By Car Meeting propulsion charges : Rs.2.00 (Rs. two only per Km.)

(iii) **By Bus : Bus fare.**

When the non-official members travel by a regular public motor service between places connected by railway / bus fare shall be allowed.

(iv) **By Motor Cycle/Scooters : Rs.0.55 paise per km. subject to a maximum of Rs.110/-**

(v) Where the places are connected by train, the journey should necessarily be performed by train. If any non-official member performs journey by Motor Car/Taxi/borrowed Car between such places meeting propulsion charges himself, the claim should be limited to the train fare by the entitled class or the millage allowances admissible at the prescribed rate, whichever is less.

(vi) Between places connected by a rail where journey is partly by rail and partly by road the charge should be limited to the 1st class rail fare for the distance travelled by train and bus fare for the distance travelled by bus.

(vii) Members of Parliament are permitted to travel by Air for attending the general body and standing committee meetings of the Zilla Parishad and to get reimbursement of the flight charges on productions of the counter foil of the ticket or travel certificate from Indian Airlines and that this facility will be available only when Parliament is in sessions. The expenditure incurred by the member of Parliament on this account shall be met from the general funds of the Zilla Parishad.

9.8.2 DAILY ALLOWANCE

Daily Allowances of Rs.60 (Rupees sixty only) is admissible for each day of journey.

NOTE : Day means 24 hours of absence from headquarters commencing from the minute the individual leaves the headquarters. One

D.A. shall be allowed for absence of 19 hours and more and half D.A. for absence of six hours and more and no D.A. for absences of less than six hours.

9.8.3 ATTENDANCE ALLOWANCE

Non-official members shall be paid an allowances of Rs.75/- per day for attending the meetings of the General body and standing Committee of Zilla Parishad. No Daily allowance shall be admissible of the days of the meeting.

9.8.4 Claims under these rules shall be preferred within six months from the date of completion of the journey.

9.8.5 The Commissioner of Panchayati Raj and Rural Development shall be the final authority in regard to regulation of any matter arising out of the application of these rules.

9.9 Travelling allowance and Daily allowance to non-official members attending the general body meetings of Mandal Parishads.

9.9.1 The members of Mandal Parishads including the members of Legislative Assembly and of either House of Parliament shall be allowed Travelling Allowance and Daily Allowance for attending the general body meeting of the Mandal Parishads at the rates admissible to the president or M.P. indicated in Para 12.5 above (G.O.Ms.Ms.597 PRRD&R (Mdl. II) dt. 16-8-95. The same rules are also applicalbe.

9.9.2 They shall be paid an allowance of Rs.50/- per day for attending the meetings of the General Body of the MP. No Daily allowance will be admissible on the days of the meeting adjoined.

9.10 T.A. TABLE

The following table indicates the entitlement of T.A. to the non-officials members attending the General Body Meeting of the M.Ps.

TABLE

(1)	Journey by		Clarification for both Col.(2) and (3)
	Own Car	Borrowed Car/Taxi	
(1)	(2)	(3)	(4)
a) Both ends connected by train	Own Car	Borrowed Car/Taxi	Train Fare
b) Both ends not connected by train, but connected by public transport	-do-	-do-	Bus fare
c) Both ends not connected by either by train or by public transport	-do-	-do-	Propulsion charges at Rs.2/- per k.m.
d) One end connected by train and other end connected by public transport between Railway Station and destination/beginning of journey	-do-	-do-	Eligible to the rail fare for rail portion and bus fare for the other portion
e) One end connected by train but no public transport between the remaining portion of journey	-do-	-do-	Train fare for the rail portion and propulation charges at Rs.2/- per k.m. for the remaining portion.

(Vide Memo No.84108/Mdl.II/90-4, PR&RD Dept., dt. 19-8-91)

9.11 GENERAL CLARIFICATIONS RELATING TO TA OF NON OFFICIAL MEMBERS

9.11.1 Daily Allowance for informal discussions to non official members in orientation training follow up activities is not admissible. Such informal meetings, may be held as far as possible simultanciously with regular meetings setting a part certain hours for such discussions. If it is not possible members may be requested to stay a day or two without any extra financial commitments.

(Memo No.730/Training.III/60-1, dt. 27-5-1961)

9.11.2 Members summoned officially to attend the meetings convened to co-opt members and to elect Chairman & Vice Chairman Presidents and Vice Presidents of MP should be paid daily allowance.

(G.O.Ms.No.1162, P.&L.A., dated 2-12-1959)

9.11.3 Members of M.P. when they attend the meetings are eligible for the allowance admissible under these rules even though the meeting is adjourned for want of quorum.

(Govt.Memo No.2358/Samithi/III/60-1, dt. 13-4-1960)

9.11.4 The allowances for President and members of MPs should be drawn on the strength of the attendance.

9.12 ALLOWANCES TO PERSONS (OTHER THAN MEMBERS OF ZP) INVITED TO ATTEND MEETINGS OF Z.P.

9.12.1 Under Section 189 (1) of the Act the Chairman or Vice Chairman of a Zilla Parishad or the Chairman of the Standing Committee thereof may, for purposes of consultation, invite any person other than an office bearer of any political party having experience and specialised knowledge of any subject under its consideration to attend its meeting.

Such persons shall have the right to speak in and otherwise take part in the proceedings of such meeting, but shall not, by virtue of this section, be entitled to vote at any such meeting. Such a person will be paid T.A. from the funds of the Z.P. as prescribed below. - Vide Section 89 (2) of the Act. The rules in this regard were issued with G.O.Ms.No.162 PRRD&R (Mdl.II) dt. 18-3-95.

9.12.2 Travelling Allowances for journeys on other than Government Vehicles :-

- (i) By train : First class fare
- (ii) By car : Meeting propulsion charges : Rs.2 per KM subject to a maximum of Rs.600 (six hundred only)
- (iii) By bus : Bus fare.
- (iv) By Motor Cycle / Scooter : 0.55 paise per km. subject to a maximum of Rs.110.

9.12.3 DAILY ALLOWANCE : They shall be paid daily allowance at the rate of Rs.60 (Rupees Sixty only) for day of journey.

'Day means 24 hours of absence from headquarters commencing from the minute the individual leaves the headquarters. One DA shall be allowed for absence of 12 hours and more and no D.A. for absence of less than six hours.

9.12.4 The above rates shall be governed by the conditions and limitations prescribed below :-

- (i) Railway Journey : I class Railway fare
- (ii) Journey by road : When a journey is performed by a regular motor service, he may draw the actual bus fare.

(iii) Journey partly by Road and partly by Rail : Between places connected by a Railway, where journey is performed partly by railway and partly by road, the charge should be limited to the 1st class rail fare for the rail portion and bus fare for the other portion.

9.12.5 If the person is a Government servant, he shall be paid allowances at the rates he is entitled to, under the Andhra Pradesh Manual of Special Pay and Allowances.

Provided that the expenditure in this regard shall be met from the head of account from which he draws the salary.

9.12.6 For attending meetings person invited shall be paid an allowance of Rs.100 per day. No D.A. shall be admissible on the days of the meetings.

9.12.7 Claims under these rules shall be preferred within six months from the date of completion of the journey.

Provided that the District Collector may at his discretion condone the delay in preferring the claims.

9.13 Allowances to persons (other than members of MP) invited to attend meetings of M.P.

9.13.1 Under Section 159(1) of the Act the President of a Mandal Parishad may for purposes of consultation, invite any person other than an office bearer of any political party having experience and specialised knowledge of any subject under the consideration of the Mandal Parishad to attend the meeting of the Mandal Parishad. Such person shall have the right to speak in, and otherwise to take part in the proceedings of such meeting, but shall not, by virtue of this section, be entitled to vote at any such meeting. Such person shall be paid T.A. from the funds of the M.P. as prescribed below. Vide Section 159(2) of the Act.

9.13.2 The rules in Para 12.1.2 above are applicable to Mandal Parishad except to the extent noted below

- (a) Propulsion charges by car. Maximum is Rs.300/- only.**
- (b) T.A for Scooters/Motor Cycle : Maximum is Rs.55/- only.**
- (c) Daily allowance : Rs.50/- only**
- (d) Attendance allowance for attending meetings : Rs.75 only**
- (e) The Chief Executive officer ZP can condone the delay in Preferring claims, if they are not preferred within six months from the date of completion of return journey.**

1. The first part of the report is devoted to a general introduction and a description of the project.

(a) The first part of the report is devoted to a general introduction and a description of the project.

(b) The second part of the report is devoted to a detailed description of the project.

(c) The third part of the report is devoted to a detailed description of the project.

(d) The fourth part of the report is devoted to a detailed description of the project.

(e) The fifth part of the report is devoted to a detailed description of the project.

CHAPTER 10

CONTINGENCIES & REFUNDS

CHAPTER 10

CONTINGENCIES &
REFUNDS

CONTINGENCIES & REFUNDS

Sl. No.	Heading	Para No.	Page No.
1.	General	10.1	251
2.	Permanent Advances	10.6	254
3.	Register of Permanent Advances	10.7	255
4.	Responsibility of Disbursing officers	10.8	255
5.	Register of contingent Charges	10.9	256
6.	Preparation of contingent Bill	10.10	257
7.	Sanction for Recurring and unusual contingent charges	10.11	258
8.	Extraordinary Expenditure	10.12	258
9.	Portaits/visits of high dignitories	10.13	259
10.	Permissible Contributions	10.14	260
11.	Maps, Charts, Games articles etc.	10.16	261
12.	Furniture and Laboratory	10.17	262
13.	Books	10.18	262
14.	Purchases from A.P. Small Scale Industries Dev. Corporation	10.19	263
15.	FEDCON Cloth Stationery Agency	10.20	264
16.	Account Forms & Registers	10.21	264
17.	Contracts for Supply of Material, Goods & Services	10.22	264

18.	Purchase of Stationery Articles	10.23	266
19.	Wooden Furniture	10.24	267
20.	Steel Furniture - Cash Chests etc.	10.25	267
21.	Uniform to Staff	10.26	268
22.	Repairs to Typewriters	10.27	269
23.	Tenders for purchase of materials	10.28	269
24.	Law Charges	10.46	274
25.	Postage	10.51	276
26.	Land Revenue	10.61	278
27.	Medical Stores and Indents	10.62	279
28.	Purchase of Forms etc.	10.63	281
29.	Salaries	10.64	282
30.	Printing Charges	10.65	282
31.	Feeding Charges incurred by Managers of chatrams (Endowments)	10.66	283
32.	Ceiling of consumption of petrol and diesel etc.	10.68.1	283
33.	Hiring of Jeep by Mandal Parishad for 5 days in a week	10.68.2	284
34.	Condemnation of Old Vehicles	10.69	284
35.	Loans to chair persons of ZPs for purchase of Motor Cars Rs. 1.00 lakhs	10.70	285

CONTINGENCIES AND REFUNDS

CONTINGENCIES

10.1 GENERAL

The rules relating to contingencies in this chapter apply to all charges other than refunds of revenue, Salaries and fixed allowances of officers, travelling allowances and Public Works, whether they are shown in the accounts under the head contingencies or not.

Fixed allowances for contingent expenses which are drawn regularly, irrespective of the actual expenditure incurred in any month, are drawn in the establishment bills and are not subject to the rules in this chapter.

10.2 The term "Contingent charges" or "Contingencies" is applied to the incidental expenditure which is incurred in running the offices of the MPs / ZPs. The main items of such charges common to the offices are e.g. expenditure on furniture, books and periodicals, postage and telegrams, bicycles, electric current, cleaning charges, freight and hire charges etc. It includes also incidental expenses which are required for technical or other special reasons such as law charges, purchase of plant machinery and laboratory equipment in Secondary schools. They are detailed under the following detailed heads.

0.5 - Office Expenses

0.51 Postage, Fancing Machine, Telegram charges.

0.52 Telephone charges

0.53 Water charges

0.54 Electrical Charges

0.55 Purchase of Vehicles

0.56 Other Office Expenses

1. Stationery

2. Printing

3. Advertisement

4. News Papers

5. Hot weather charges

6. Livery to Drivers & Attenders

7. Important Dignetories Expenditure

8. Important National days Celebrations expenses

9. Obsequies

10. Type / Duplicater Repairs

11. Furniture Repairs

12. Steel / Wooden Furniture

13. Other Expenses

MOTOR VEHICLES

4.5 Vehicles-Petrol/Diesel oil & lubricants

4.5.1 General Office Vehicles

4.5.2 Vehicles-Maintenance

4.5.3 Vehicles-Insurance**4.5.4 Vehicles-Tax****047- Interest on repayment of debt****331 Law charges - Pleaders Fees****060- Rents rates & property taxes -****0.61 Rents 0.62 Rats & Property Tax****070 Publications****080 Advertisement & Publicity****150 Machines, Tools purchase****211. Motor Vehicles purchases****CONTRIBUTIONS :**

1. State Chamber of Panchayat Raj Now defunct)
2. Sports Councils
3. Others

10.3 There will usually be one monthly bills for the contingent expenses of each office. No contingent bill for any annual or special charges requiring the sanction of a higher authority should be passed for payment by the Mandal Parishad Devt. Officer CEO/EE/PEO without first obtaining the sanction of such authority. Such financial or other sanctions to the charge should be quoted on the bills prominently and a certified copy of the sanction orders enclosed to the bill.

13.4 The total expenditure incurred under contingencies under any account in any financial year should not exceed the allotments made in the budget of the MP / ZP under that particular account for that year. No expenditure in excess of the allotment sanctioned for contingent charges under any particular head should be incurred unless the previous sanction of the MP / ZP / Government for additional funds or for transfer of allotments as the case may be is obtained. When funds are drawn in excess of allotments without such sanction, the Mandal Parishad Devt Officer / CEO who authorises such payment shall be responsible for the excess

13.5 All charges incurred must be billed for and paid at once and under no circumstances may they be allowed to stand over to be paid from the grant of another year. If possible expenditure may be postponed till the preparation of a new budget. On no account should charges actually incurred in one year be booked on the grant of another year. The contingent bills for March must be recouped on or before the close of that month with a view to prevent the charges of the year being booked on the grant for the next year.

10.6 PERMANENT ADVANCES :

As a general rule the Mandal Parishad Devt. Officer / CEO is only permitted to draw money from the MP/ZP fund by means of cheques drawn on the Government Treasury after the bills for expenditure are passed for payment by him, and as a general rule no money may be drawn from the MP/ZP fund until it is required for immediate disbursement. The permanent advance system is an exception to these general rules. Unforeseen expenditure often has to be incurred urgently and it would some times be very inconvenient to postpone such expenditure, while fulfilling the formalities ordinarily required for drawing the necessary funds from the treasury. To make payments of this kind before drawing the necessary cheque, the Mandal Parishad Devt. Officer/ EE PR / CEO / PEO is granted a permanent advance the amount of which should be limited to what is absolutely essential to meet his

ordinary requirements. Such sum may be fixed from time to time and sanctioned by the MP/ZP as permanent advance. The advance should not be larger than is absolutely necessary as determined by their average monthly expenditure and the opportunities for cashing the cheques provided that a MP/ZP may sanction a permanent advance not exceeding Rs.200/200/500 only to the Mandal Parishad Devt. Officer/ E.E./CEO for incurring petty contingent expenditure to run the day to day administration.

Vide G.O.Ms.No. 618, PR&RD(Samithi.I), dt. 24-12-86

10.7 REGISTER OF PERMANENT ADVANCES :-

A subsidiary register should be maintained in the office of the MP / EE / ZP showing the particulars of the advances sanctioned from time to time.

Each EE / MP / ZP who has obtained the permanent advance should be required on the first working day after 31st March in each year, to furnish to the CEO ZP on acknowledgement in the following form. If any officer fail to send the acknowledgement, the CEO should demand it immediately. In the case of transfer of charge a similar acknowledgement must be sent by the relieving officer.

"I hereby acknowledge that the amount of Rs.() being the permanent advance of this office in due from and has to be acknowledged for by me."

The duty of signing these acknowledgement cannot be delegated.

10.8 RESPONSIBILITY OF DISBURSING OFFICERS :

The Mandal Parishad Devt. Officer/E.E./CEO/PEO is expected to exercise as much vigilance as possible in respect of contingent expenses. Besides seeing to the sanction and budget provision in regard

to contingent expenditure, it should be seen that the purchase was necessary, that the prices charged are reasonable and within that sanctioned rates and that there was no extravagance.

A register of contingent charges (Form No.38.) should be kept in the MP / EE / ZP and the initials of the Mandal Parishad Devt. Officer / E.E. / CEO / PEO entered against each item of expenditure recorded in the register.

No payment shall be made from out of the permanent advance until a payment order has been passed on the sub-voucher for it by the Mandal Parishad Devt. Officer / E.E. / CEO / PEO

10.9 REGISTER OF CONTINGENT CHARGES :

A register of contingent charges will be maintained for all contingent charges incurred. One column should be set apart in the register for each head for which there is a separate allotment which should be noted at the top. Any expenditure not falling under these heads should be shown in a separate column "Unusual charges" which form the nature of the case should not be incurred without previously obtaining sanction of the Government. Before the register is brought into use it will be ruled, and as each payment is made the date of payment, the sub-voucher number, name of payee, description of the charge will be entered in the left hand columns and the amount paid in the appropriate money column (marking off all others). At the end of each month the forward total of each money column should be carried forward in ink to the top of the next. To enable the Mandal Parishad Devt. Officer/E.E./CEO/PEO to watch the progress of the expenditure against the allotment, the progressive monthly totals should be made in red ink.

The register of contingent charges should be totalled up when for any reason e.g. insufficiency of Permanent Advance or when a transfer of office takes place, it is necessary to submit bill before the end of the

month. In such cases, all the charges incurred should be included in the bill.

Charges of two major heads may not be shown in one and the same register and should not be included in one bill.

10.10 PREPARATION OF CONTINGENT BILL

10.10.1 When permanent advance from which disbursements are being made begins to run short, it should be recouped by drawing a cheque upon the MP / ZP fund after a contingent bill which should contain full details of the payments has been signed and passed for payment by the Mandal Parishad Devt. Officer / E.E. / CEO / PEO.

10.10.2 When the permanent advance begins to run short and in any case at the end of each month a red line should be drawn across the page in the register of contingent charges, the several money columns totalled and a contingent bill drawn up showing the total under the several major detailed heads with the number of the sub-vouchers making up each of the totals. The grand total of the contingent bill should agree with the gross total shown in the contingent register. The contingent bill should then be placed before the Mandal Parishad Devt Officer / E.E. / CEO / PEO who will examine each entry in the register, cancel the sub-vouchers under his initials, sign the bill and pass it for payment. All sub-vouchers irrespective of their amount shall be preserved and produced for scrutiny by the auditor during his local audit. When for any charges a special sanction is necessary, such sanction should be quoted in the body of the bill.

10.10.3 The memorandum of allotment and expenditure should be compared with the figures in the contingent register, necessary entries being made in the appropriate space provided for on the contingent bill. Charges incurred otherwise than in each should also be included in the progressive expenditure, necessary explanations being given in the remarks column for the information of the Auditor.

10.11 SANCTION FOR RECURRING AND UNUSUAL CONTINGENT CHARGES

10.11.1 The sanction of the MP/Standing Committee / ZP should be obtained for the purchases of books, periodicals, newspapers, official publications, and for all recurring contingent charges such as office rent which bind the MP/ZP beyond a single payment. The sanction however is subject to the condition that the charge is otherwise admissible as per rules and can be met from allotment under the concerned head in the budget or by reappropriation from other heads.

10.11.2 Contingent expenditure of an unusual nature is not, ordinarily, incidental to administration and is not, therefore, provided for in the Act is treated as an extraordinary item of expenditure. The MP/ZP may authorise the incurring of such expenditure only with the previous sanction of Government. Examples of unusual contingent charges are purchase of vehicles, steel furniture, literary articles etc. vide G.O.Ms.No.308, 309, PR&RD (Progs.III), dt. 8-6-92.

10.12 EXTRA ORDINARY EXPENDITURE

The following are few examples of extraordinary charges which should not be incurred by the MP/ZP without the specific previous sanction of the Government.

(1) Contribution towards the expenses of any public exhibition, ceremony or entertainment in area within or outside its jurisdiction.

(G.O.1112, P. & L.A. dt. 4-8-61)

(2) Contribution to any charitable fund or to the funds of any institution for the relief of the poor or the treatment of the deceased or infirm persons or the investigation of the causes of the decease.

(3) Any expenses in-connection with the appeal against a surcharge certificate issued by the auditor in respect of MPs & ZPs.

(G.O.1000 P. & L.A. dt. 22-11-61)

(4) Any other extraordinary charges for purposes of like nature in the case of MPs & ZPs

(5) Any other extraordinary charges including charges for attending relief of victims of natural calamities except to the extent of Rs.1,000/- (one thousand) in any financial year in the case of Zilla Parishad.

(G.O.992, P. & L.A. dt. 27.7.62)

In natural calamities like fires, floods, epidemics etc., the task of the MPs will be mainly to stimulate and mobilise the local voluntary efforts to afford relief to the distressed. They may also give financial aid subject to the ceiling of Rs.1,000/- under this head in a financial year. The MPs should themselves frame byelaws prescribing the limits upto which it will be competent to accord sanction of such extraordinary expenditure viz. the President of the MP or the MP itself.

10.13 PORTRAITS / VISITS OF HIGH DIGNITORIES

10.13.1 The MP and ZP may incur expenditure of Rs.50/- for the purchase of portraits of national leaders Mahatma Gandhi, President of the Republic of India, and the Prime Minister of India. Any expenditure to be incurred for the purchase of portraits of other national leaders should be met only from private funds.

(G.O.Ms.No.956, P. & L.A., dt. 20-6-61)

10.13.2 Zilla Parishads and MPs are permitted to incur expenditure not exceeding the following monetary limits in a year from their general revenue in connection with the visits of high dignitaries and very important persons like, Governor of Andhra Pradesh, Central and State Ministers.

	Limit
Zilla Parishad	Rs.1,000/-
Mandal Parishad	Rs. 250/-

(b) No expenditure should be incurred on entertainments and refreshments.

(c) No expenditure from the general funds of the MP and ZP should be incurred in connection with the visits of leaders of political parties.

(G.O.No.310, P. & L.A., dt. 23-2-61 (Accts.II), Govt.Lr.No.4699/Accts.II/82, dt. 6-2-63 and Govt. Memo No.4861/Accts.II/63-5, dt.6-6-64).

10.14 PERMISSIBLE CONTRIBUTIONS

MPs may contribute to the following purposes without express outside sanction.

(i) to any work or institution in the MP although such work or institution is undertaken or maintained by any agency outside the jurisdiction of the MP

(ii) to any public fund raised for the relief of human or animal suffering within or outside the area of the MP.

(G.O.1530, P. & L.A., dt. 8-11-61)

(iii) MP/ZP fund may be applied for contributing to the funds of any MP/ Panchayat in the MP/Dist. or to that of the Zilla parishad of the District.

10.15 Where under the Act or the statutory rules a MP/ZP has to obtain the previous sanction of the Government or any officer of Government in respect of any expenditure and the MP / ZP has incurred the

expenditure explaining why previous sanction was not applied for, the Government or such other appropriate authority may according to the merits of the case either ratify the expenditure or refuse to do so. Though there may be no statutory power for such ratification the auditors will accept such ratification as previous sanction.

10.16 PURCHASE COMMITTEE MAPS, CHARTS, GAMES, ARTICLES ETC.

In G.O.Ms.No.388 PR & RD (Progs. IV) Deptt. dated 21st June 1988 Purchase Committee was ordered to be constituted at State Level for purchase of Science-equipment, Games and Sports material, Maps, Charts, Slides, Block-boards, Craft materials, Drawing materials, Garden tools, Teaching model charts and implements, musical instruments, scouts and N.C.C. materials etc., required by all P.R. Institutions with the following members.

- | | | |
|----|---|--------------------------|
| 1. | Commissioner PR & RD
A.P. Hyderabad | Chairman and
Convenor |
| 2. | Jt. Secretary / Dy. Secretary
(PR & RD) (in-charge of
the subject) | Member |
| 3. | Dy. Director/Dy. Secretary
Finance (Exp.PR) | Member |
| 4. | Dy. Director of Sports (for
sports materials only) | Member |
| 5. | Director of School Education
(for Maps and Charts) | Member |
| 6. | Professor incharge of the
subject in Nizam's College,
Hyderabad (for science
equipment only) | Member |

10.17 FURNITURE & LABORATORY

In G.O.Ms.No.389PR & RD (Progs.IV) Deptt. dated 21st June 1988 district level Purchase Committees were ordered to be constituted with the following members for purchase of furniture and laboratory chemicals required by all P.R. Institutions.

- | | | |
|----|---|----------|
| 1. | Jt. Collector of the district | Chairman |
| 2. | CEO, Z.P. | Convenor |
| 3. | Accounts Officer, ZP | Member |
| 4. | Jt./Dy. Director, Industries
at Head Quarters | Member |
| 5. | A Lecturer in Chemistry/Physics
from a local college (to be
nominated by the Collector) | Member |

10.18 BOOKS

In G.O.Ms.No.390 PR & RD (Progs.IV) Deptt. dated 21st June 1988 for the purchase of books and publications for purchase by the P.R. Institutions a Committee was constituted with the following members.

- | | | |
|----|---|------------------------|
| 1. | Commissioner of PR&RD
AP Hyderabad | Chairman and Convernor |
| 2. | Dr. of School Education,
Hyderabad. | Member |
| 3. | Jt. Secretary/Dy. secretary,
Finance (Exp. PR) | Member |
| 4. | Jt. Secretary/Dy. Secretary,
PR&RD | Member |

In G.O.Ms.No.254 PR&RD (Progs.IV) Deptt. dated 2-5-1992 the above State Level Committee was abolished. The P.R. Institutions have to purchase the books and periodicals commended by the Director of Public Libraries for use by Public Libraries under the control of P.R. Institutions. As regards books for use in the schools under the control of P.R. Institutions the books recommended by the Director of School Education have to be purchased. According to Government Memo.No.755-72 / Progs. IV / 91 / PR & RD dated 16-2-1992 ZPs and MPs. are prohibited from purchase of books etc., from general funds.

10.19 PURCHASES FROM A.P. SMALL SCALE INDUSTRIES DEV. CORPORATION

In G.O.Ms.No.181 Industries & Commerce (SSI) Department dated 9-4-85, the Andhra Pradesh Small Scale Industries Development Corporation has been nominated as a sole selling agency in respect of steel furniture, bandage cloth, electrical chokes, room air coolers, laboratory chemicals etc., listed in the Annexure to the G.O. These orders are applicable to P.R. Institutions. The items listed in the Annexure to the G.O. should be purchased through the APSSIDC only. If a non availability certificate is given by the APSSIDC these items can be purchased from the other sources. Subsequently the two items bandage gauze cloth and hand pumps have been deleted from the list as per Govt. Memo No. 30217/Progs.IV/92-1 dated 18-5-1992. The thirteen (13) items are listed below :

(1) Stainless Steel Utensils (2) Wooden Furniture (3) Carpets (4) Play Gound Equipment (5) Polythene Bags (6) Surgical items like intravenous sets, Sealprion sets (7) Trunk Boxes & G.I. Buckets (8) Parcelin Sanitaryware and Insulators (9) Water Coolers (10) Bleaching Powder (11) Sewing Machines (12) Lysel and Antiseptic Lotions (13) Air Conditioners.

10.20 FEDCON CLOTH STATIONERY AGENCY

In Govt. Memo No. 408/Progs.IV/92 dated 20th March 1992, the Andhra Pradesh State Co-operative Consumers Federation Limited (FEDCON) is nominated as the Central Nodal Agency for supply of manufactured goods including Mill Cloth produced by NTC Mills, Stationery articles except Stationary articles supplied by the Director Printing and Stationery Department, office requirements and school equipment including science equipment required by Panchayati Raj Institutions and DRDAs in the State have to be indented from the FEDCON.

The indents for above articles required by the MPs/ZPs including the schools have to be placed to the FEDCON only.

Where furniture and or other articles are not available with FEDCON or the Jail /Depts. or APSSIDC or Rate contract entered into by the Government, then the articles will have to be purchased by open tender. In such a case they have to be procured through the Purchase Committees constituted in G.O.Ms.No.388 PR & RD (Progs.IV) Deptt. dated 21-6-88 and also G.O.Ms.No.389 PR & RD (Progs.IV) Deptt. dated 21-6-1988.

10.21 ACCOUNT FORMS & REGISTERS

Consequent on the abolition of the A.P. State Chambers of Panchayat Raj, the P.R.Is have been permitted in G.O.Ms. No.605 PR RD&R (MII) dt. 23-8-95 to purchase the accounts forms and registers locally following the prescribed procedure.

10.22 CONTRACTS FOR SUPPLY OF MATERIALS, GOODS AND SERVICES

Same as provided in the sub rule (2) the MP/Standing Committee I of the Zilla Parishad shall determine upto what limit of cost not exceeding

Rs.1,000/- in respect of supplies of materials goods and services other than for the execution of works tenders may be dispensed with. In every case in which the MP/Standing Committee has decided to invite tenders, Sealed tenders shall subject as here in after provided be invited, tabulated and scrutinised by the Mandal Parishad Development Officer / CEO and then placed before the appropriate authority for sanction.

(2) Tenders need not be invited to the purchase of

(i) articles from Metal and Timber Works and Factories started by the Government for the resettlement of Ex-servicemen.

(ii) Stores through the Indian Stores department.

(iii) bulls for conservancy or other purposes.

(iv) Controlled articles at controlled rates through a permit issued on the order of Government or their agents.

(v) articles of equipment suggested in the syllabus for the bifurcated courses of studies in Secondary Schools.

(G.O.699 PR dt. 1-7-1964)

(vi) articles prescribed for manual tailoring sections in secondary schools.

(vii) Petrol from standing firms for its distribution and supply of from their authorised agents at the rates for time being in force.

(viii) Articles purchased from Jails.

(ix) medicines obtained through Medical Stores Department.

(x) articles obtained from manufacturing units started by and belonging to the MP / Zilla Parishad.

- (xi) Articles obtained from the Training cum production centres started and run by the Government.
- (xii) Stationery and other articles obtained from the Director of Stationery by placing indents.

10.23. PURCHASE OF STATIONERY ARTICLES

Government sanction is not necessary for purchasing the Stationery and equipment required by the MP/Zilla Parishad. But the purchase has generally to be made through the Central Stores Purchase Department.

10.23.1 Zilla Parishads and MPs eventhough declared as statutory Bodies should indent upon the Director of Supplies or the Director of Purchasing Department as the case may be, for their requirement of stationery, type-writers and duplicators etc.

10.23.2 The Zilla Parishads and MPs will pay the cost of Stationery to the Director of Stationery in advance.

10.23.3 All the Mandal Parishad Development Officers should submit their indents for the supply of the stationery well in advance of the prescribed dates to the respective Zilla Parishads. The CEOs need not consolidate the indents but should forward them immediately to the Director of Stationery. The Director of Stationery should supply the stationery for various Mandal Parishad Development Officers.

10.23.4 The supply of typewriters and duplicators will be made through the Director of Central Stores Purchase Department at approved rates through indents. The maintenance on repair shall be the responsibility of the respective MPs & Zilla Parishads.

10.23.5 The Mandal Parishad Development Officers and CEOs should not insist on any particular brand of articles. The stationery department will effect the supply according to their purchase the supply according

to their purchase policy as is done in the case of Government Departments.

10.23.6 The payment of 10% overhead charges by the Director of Stationery on all the articles of Stationery etc., supplied to the Zilla Parishads is accepted. But the payment of 1% administrative charges on the articles purchased through the Central Stores Purchase Department is waived.

10.23.7 The Stationery will not be supplied to the Zilla Parishad and MPs on rate contract rates but the supply would be at the rates at which the stationery is supplied to cost paying Departments.

10.23.8 The Zilla Parishad and MPs should make sufficient provision for the supply of stationery in their budgets.

(G.O.Ms.No.996 P&L.A. (Misc.II) dt. 1-7-1961)

10.24 WOODEN FURNITURE

All wooden furniture should be purchased from the Jails Department if the supply is made within 3 months of the placing of the indent. Otherwise, the furniture may be purchased from other Government manufacturing units. If they are not in a position to supply they should be purchased from the small scale industrial units. after exhausting all these Government rate contractors and if they are not available, the matter may be placed before the Purchase Committee constituted in G.O.Ms.No.388 PR & RD (Progs.IV) Dept., dated 21-6-88.

10.25 STEEL FURNITURE - CASH CHESTS ETC.

The Zilla Parishads and MPs should place their indents for the purchase of Cash Chests and other steel furniture on the Central Stores Purchase Department and if they are not available they may purchase from Allwyns or from Small Scale Industries, suggested by the Asst. Director, Industries.

10.26 UNIFORM TO STAFF

10.26.1 The CEO/Mandal Parishad Development Officers will supply Khadi Cloth/Handloom with reference to the financial limits prescribed by the Zilla Parishads and MPPs and supply uniforms to their class IV employees not more than two pairs including caps turbans per year. The following principles in supply of dresses to the employees should be observed.

10.26.2 Temporary and menial servants should be supplied with uniforms if they are likely to be continued in service for a period not less than 6 months.

10-26.3 While supplying uniforms to menials and inferior servants including drivers no cash payments should be made in lieu of uniforms.

(Memo No.1243/Equip. Jeeps/61-5 dt. 17-7-62 of the CPR)

10.26.4 Zilla Parishads may supply uniforms to the attenders, staff belonging to staff working in District Health Officer's office, meeting the expenditure from their general revenues without the sanction of the Government.

(Memo No.127 Equip. and Jeeps/62-2 dt.7-3-62 of the Commissioner, Panchayati Raj Department)

10.26.5 All the CEOs and Mandal Parishad Development Officers are permitted to purchase Khadi cloth for the purpose of providing uniforms to drivers, attenders etc. from the Andhra Pradesh Khadi Village Industries Board (Khadi Bhandar) dispensing with the tenders.

(Govt. Memo No.555/Progs.VI/64-1 dated 28th April, 1964)

10.26.6 CEOs and Mandal Parishad Development Officers are authorised to purchase stationery locally to the extent of Rs.1000 Rs.500 in a year in cases of emergency and when no stock of stationery is left in their offices.

10.26.7 Zilla Parishads and MPs can supply uniforms to tractor drivers, Jeep drivers, attenders and sevaks working under them meeting the expenditure from their general revenues; Government sanction is not necessary to supply the uniforms.

(Govt. Memo No.3484, Misc.II/60-12 dt. 25-7-61.)

10.27 REPAIRS TO TYPEWRITERS

The Director of Stationery, Andhra Pradesh, Hyderabad is authorised to scrutinise the bills of Rs.50/- and above pertaining to the repairs of the type writers and duplicators belonging to the Zilla Parishads and MPs.

(Govt. Memo No. 3956/Progs.VI/62-2 P and L.A.dt. 1st April 1963)

10.28 TENDERS FOR PURCHASE OF MATERIALS

Tenders shall be invited by the Mandal Parishad / Development Officers, CEOs in sealed covers in the most open and public manner possible, and invariably -

(a) by a notice in the language or languages of the district posted at the office of the MP / Zilla Parishad and at such other places as the Mandal Parishad / Development Officer / CEO may deem fit;

(b) by advertisement in at least one daily newspaper circulating in the district, where the cost is expected to exceed Rs. 1,000/-

10.29 EVERY NOTICE OR ADVERTISEMENT PUBLISHED SHALL STATE INTER-ALIA

(a) the conditions under which, the officer from whom and the price if any, for which a copy of the schedule of quantities of the various kinds of articles can be obtained if they cannot be mentioned in detail in the notice or advertisement itself;

(b) the prices from in which the tender shall be made, that is, whether

the prices for the various articles are to be quoted and whether the comparative value of the tender will be examined with reference to each article, mentioned in the schedule of quantities or for all such articles can jointly or for groups of such articles;

(c) the time and place for presenting the tenders allowing a period of at least ten days from the date of publication of the notice at the office of the MP/Zilla Parishad, or in cases falling under clause (b) of sub-rule (1) appearance of the first advertisement in the newspaper

(d) the time and place for opening the tenders;

(e) the amount of earnest money which should accompany the tender and the amount and nature of the security which will be required in case the tender is accepted;

(f) the authority competent to accept the tender;

(g) that the authority competent to accept the tenders reserves the right to reject any or all of the tenders received, without assigning reasons;

(h) that a tender who withdraws his tender, without valid reasons (to be decided by the authority competent to accept the tenders) shall be liable to have his subsequent tenders summarily rejected;

10.30 There shall be no avoidable delay in the disposal of tenders after they are opened.

10.31 The lowest tender shall ordinarily be accepted. Where for valid reason if, it is considered undesirable to accept the lowest tender, these reasons shall be clearly recorded and made available for purpose of audit.

10.32 Purchasing of materials of a firm which quoted higher prices results in avoidable excess expenditure. Purchase of materials without calling

for quotations is irregular and the excess expenditure incurred if any entails recovery from the persons responsible.

(G.O. Ms. No. 594 P & L.A dt. 7-4-1961)

Note :- Where the lowest tender is in respect of more than one articles, for example stationery articles, the comparative prices tendered may be considered either individually for each article or conjointly for all the articles or for specified groups of articles, provided that the intention of the MP/Zilla Parishad to accept the lowest tender in any of these ways is made clear in the tender notice. If the tender is considered conjointly for all the articles or for groups of articles the cost of all the articles, or of all the articles in each groups of articles the cost of all the articles, or of all the articles in each group , as the case may be, shall be worked out with reference to the rates given in each tender and the lowest tender will be that according to which the total cost of the probable requirements of all the articles proposed to be taken together works out to be the lowest.

10.33 Every contract shall be made on behalf of the MP/Zilla Parishad by the MPDO / CEO

10.34. (a) Every contract made by the Mandal Parishad Development Officer/CEO involving an expenditure not exceeding Rs. 1,000/- shall be reported by the Mandal Parishad Development Officer / CEO to the MP Standing Committee I of ZP as soon as the committee meets.

10.35 No tender shall be accepted and contract entered into for supply of materials, goods and services to a MP involving an expenditure of Rs. 1000/- but not exceeding Rs. 5,000/- unless it has been sanctioned by MP.

10.36. No tender shall be accepted and contract entered into for supply of materials, goods and services to a MP involving an expenditure exceeding Rs, 5,000/- unless it has been sanctioned by the MP.

10.37 No tender shall be accepted and contract entered into for supply of materials, goods and services to a Zilla Parishad involving an expenditure exceeding Rs. 1000/- and not exceeding Rs. 10,000/- unless it has been sanctioned by the Standing Committee of the Zilla Parishad.

10.38 No tender shall be accepted and contract entered into for supply of materials, goods and services to a Zilla Parishad involving expenditure exceeding Rs. 10,000/- unless it has been sanctioned by the Zilla Parishad .

(G.O. Ms. No. 1133 P & L.A. (S.II) 11th Aug, 1961)

10.39 Where the lowest tender is rejected, the next higher tender shall be accepted, unless adequate reasons recorded in the prescribed register for rejecting that tender also.

10.40 In no case shall a tender be accepted at rates other than those specified in that tender.

10.41 Notwithstanding the above rules, the Government may for sufficient reasons permit the MP/Zilla Parishad to dispense with tenders in any particular case or class of cases or condone the non observance of any of the provisions in these rules provided in sufficient time in advance of the purchase of materials, goods etc., The Mandal Parishad Development Officer/CEO has moved Government for valid reasons which should be recorded in the resolution of the MP appropriate Standing Committee of ZP which considered it unsuitable to invite tenders in the circumstances of the case, such proposals should invariably accompany the extract of the resolutions.

10.42 As for the possible supplies of all materials and services of each kind required by the MP/Zilla Parishad of each kind required by the MP/Zilla Parishad should be estimated on annual basis, that is, for each financial year, and secured through the purchase committees or tender system. Such a course will be more economical and administratively expedient than making departmental purchases as occasion demands in the course of the year.

10.43 The only exceptions to the above course of action should be limited to the following cases. (1) the value of supplies is too small to justify that adoption the above course or the occasions for the use of materials or services will be rare or few and far between.

(ii) The local authority considers on the advise tendered by the Mandal Parishad Development Officer / CEO that rates quoted by the tenders are too high and that departmental purchases will be more advantageous.

(iii) that market rates are fluctuating and there is a definite advantage in making local purchase of small quantities immediately required.

10.44 Whenever the Standing Committee I of the Zilla Parishad / MP decides to give up the tender system or rejects tenders received and decides on departmental purchases, the reason for its decision should be clearly recorded and made available for audit. Losses arising from purchases made departmentally without adequate grounds or justification will be liable to be surcharged on the members responsible for such departmental purchases.

Any attempt on the part of local authorities or of their Mandal Parishad Development Officers / CEOs deliberately to split up the quantities of supplies required for a financial year in order to avoid inviting tenders as required under the rules will be treated as an abuse of powers.

10.45 The Mandal Parishad Development Officer / CEO should periodically keep a record of local market prices of all commodities which are likely to be purchased by them. When tenders are invited for the supply of the commodities the tender quotations should be checked with the prices entered in such record and a note comprising the prices with tender quotations placed before the Mandal Parishad Standing Committee I of the Zilla Praja Parishad for its consideration at the time of disposal of tenders.

10.46 LAW CHARGES

COURT CASES OF MANDAL PARISHADS AND ZILLA PARISHADS ENTRUSTING TO LAW OFFICERS OF GOVERNMENT OR OTHER COUNSEL

10.46.1 The rules relating to entrustment of legal work of MPs and ZPs to Law Officers of the Government or other Counsel were issued in G.O. Ms. No 158 Planning and Local Administration (S&P) dated 29th Jan. 1962.

10.46.2 The following procedure shall be followed in dealing with all criminal cases and also appeal to be filed by the MPs/ZPs against the decision of the courts.

1. In respect of all cases leading to disputes, Civil or Criminal, where legal advice or representation in courts is necessary, the Zilla Parishad or the Mandal Parishads shall seek advice or entertain the services of Government Pleaders, Public prosecutors, Additional Public Prosecutors, Pleaders doing Government work or other law officers having jurisdiction and appointed by the Government for the various courts. In cases where there are more than one Law Officer having jurisdiction over the same area the Law Officer having jurisdiction over the particular court where the case is filed or as may be decided by the Collector, shall be appointed.

2. The payment of fees to such officers shall be regulated according to the standing orders governing the terms of appointment and conditions of service of the Government Pleaders and other law officers of the State.

3. The law charges shall be treated as expenditure incidental to the administration of the concerned Zilla Parishad or Mandal Parishad as the case may be and in cases where the law charges are incurred on matters of common interest to and or more local body and Government, the expenditure shall be apportioned between the Government and the

local authorities concerned in such proportion as the District Collector may decide.

4. The expenditure incurred on payment of legal charges shall be met from the general funds of the Mandal Parishads or the Zilla Parishads as the case may be other than the, funds made over to them by the Government in the shape of grants -in-aid for specified purposes.

5. In cases where the Government also a party and the interests of the Government and of the Zilla Parishad or Mandal Parishad, as the case may be, are in conflict with each other, the Zilla Parishad or Mandal Parishad, as the case may be, shall seek the advice or engage a pleader or an advocate, of its choice, other than the law officers of the Government, subject to the condition that the fees payable to such Pleader or an Advocate shall be governed by the scales of fees prescribed by the Government from time to time.

6. In all cases of payment of fees and Mandal Parishad or the Zilla Parishad as the case may be shall sanction the same only on the basis of a certificate from the District Collector as regards the resonability of each claim, whether of a Law Officers of Government, or any legal practitioner.

7. The above procedure shall apply also to appeals filed by Mandal Parishads and Zilla Parishads against the decisions of Civil Courts subject, however to the condition that the prior permission of the District Collector in the case of Mandal Parishad and the Government in the case of Zilla Parishad is obtained for filing such appeals.

10.47 The Law Officer or in cases the claims are presented to the MP/ ZP the Mandal Parishad Devt. Officer/CEOs shall refer the claim to the District Collector who will certify as to the reasonableness of each claims. The payments should be made through cheques drawn in favour of the Law Officer concerned.

10.48. The Law charges shall be treated as expenditure incidental to the administration of the MP/ZP and in cases where the Law charges are incurred on the matter of common interest on one or more local body and Government the expenditure shall be apportioned between the Govt. or the local Authorities concerned in such proportion as the Collector of the District may order decide.

The decisions and orders of the District Collector in this regard shall be final.

10.49 The expenditure towards legal or law charges shall be met from the general funds of the MP/ZP. The amount should not be debited against any funds made over to the MP/ZP by Government in the shape of Grant-in-aid for specified purposes.

10.50 Whenever a MP/ZP proposes to file an appeal against the decision of civil courts, the prior permission of the District Collector/Government shall be obtained for filing such appeal after obtaining the opinion of the Government Pleader. The rules shall mutatis mutandis apply as regards legal advice or representation, payment of legal expenses etc. in appeals in civil or criminal cases.

10.51 POSTAGE :

Postal charges incurred by the officers and servants of MP/ZP paid from the funds of the MP/ZP will be debited to the funds of the MP/ZP provided that such charges are incurred for official correspondence.

10.52 Correspondence sent by an officer or servant of a MP/ZP or by any Government officer acting in a capacity connected with a MP/ZP may not be superscribed as on Indian Government Service and service stamps may not be sold to the MP/ZP officer or to Government officer in capacities connected with the MP/ZP.

10.53 Government officers acting as such shall transmit all correspondence, though such correspondence may relate to the affairs

of MP / ZP on Indian Government Service and service stamps shall be used for such correspondence.

10.54 The MP / ZP shall not use service postage on correspondence or relating to its affairs of whether with Government or with any other MP/ ZP and such correspondence shall be superscribed as on P.R. service and to such correspondence ordinary postage stamps duly perforated with the letter P.R. shall be used. These will be supplied quarterly by the MP / ZP office concerned to all officers and institutions under it on receipt of indents which should be submitted by the 20th of the Month preceding the quarter to which they relate.

10.55 All stamps should be got perforated in the offices of the MP / ZP soon after they are received under the immediate supervision of the Mandal Parishad Devt. Officer / Dy.C.E.O. of the MP / ZP before they are supplied to the subordinate officers and institutions.

10.56 All the MPs / ZPs should use ordinary postage stamps duly perforated with the letter "PR" only, with a view to maintain uniformity in the use of the perforated postage stamps by all Panchayat Raj institutions. But until such time they get perforating machines, they may use ordinary postage stamps without perforating letters "P.R".

(Govt. Memo No. 4276/63-2, dt. 16-9-63)

10.57 A separate account Postage Stamp Account registers showing the value of the stamps purchases and issue from time to time either for the use of the same office or for the use of the officer subordinate to it should be maintained in every MP/ZP office.

10.58 The despatch register (outward) of all offices paid from the funds of the MP/ZP should show the value of the stamps received or taken from the general stock as above and the total consumption of each day worked against the above receipts. The register should also indicate in detail such information as to the address to whom the letter or document is despatched the particulars of papers despatched date of despatch and

postage incurred. Any telegram charges should be indicated distinctly and the receipt granted by the telegraph office should be posted on to the despatch register against the appropriate item.

10.59 The M.P.D.O./E.E./C.E.O. and the head of the office or institution in the case of office or institutions subordinate to it should inspect daily the stamp account register and the despatch register, note the total consumption and the balance of stamps each day and the balance of stamps on hand and it should be according to the above accounts and registers should be verified and the fact noted in them under his initials. The heads of officers or institutions subordinate to the MP/ZP should append a certificate of verification of the balance on hand to the indent for stamps required by them. The stamp account and the despatch register in the offices or institutions subordinate to the MP / ZP should append a certificate of verification of the balance on hand to the indent for stamps required by them. The stamp account and the despatch register in the offices or institutions subordinate to the MP / ZP shall be checked and the balance of stamps on hand verified by the M.P.D.O./EE, PR. / C.E.O. at the time of his inspection of their subordinate offices or institutions. These accounts should be produced for inspection of auditor.

10.60 The Senior Asst. of the MP office or the Supdt. of the ZP office or the Supdt. of Office of the E.E., PR should inspect daily stamp account register and despatch register and note total consumption and the balance of stmps each day.

(Govt. Memo No. 3163/Misc. 11/60-2, dt. 25-11-60)

10.61 LAND REVENUE

Land exempt from payment of revenue such as roads, sites of hospitals, dispensaries and the like which yield no return to the MP/ZP or other owners there of and are devoted for public purposes, will be exempt from demand on account of land revenue, the exemption to last for such time

only as the conditions on which it was granted are fulfilled. The benefit of the exemption may be claimed on behalf of the land alienated by the state as well as for occupied land acquired by a MP/ZP. Land appropriated for markets, cartstands and similar objects from which an income is derived will be liable to the payment of land revenue.

10.61.2 The exemption will apply to all land acquired or utilised for the aforesaid public purposes but extends only to the revenue payable to Government on such land.

10.61.3 The site of a MP/ZP bangalow, chatram or rest house which is used by a traveller on payment of, fees will be exempt for demand on account of land revenue until the receipts and charges of five consecutive years are available and there after it will remain exempt unless the receipts and charges for that period show a balance in favour of the MP/ZP in which case the site will be liable to assessment so long as it is used as Bangalow, rest house etc.

10.61.4 The site of the MP/ZP office is not as such exempt from the payment of land revenue.

10.61.5 The site of the MP/ZP schools and the Play grounds thereto will be exempted from payment of land revenue so long as the institutions in question are maintained.

10.61-6 Land acquired at the cost of MP / ZP and subsequently sold to private persons is liable to assessment from the date of such sale.

10.62 MEDICAL STORES AND INDENTS

For Dispensaries Maintained from General Funds

10.62.1 Medicines and Medical Stores required by the MP/ZP have to be obtained from the medical stores department and should not be purchased locally except when the Medical Stores Department is unable

to supply them and the medical officer reports that the medicines are required urgently. In such cases local purchase may be made. No tender need be invited, but quotations have to be called for from reputed firms and orders placed with the firm which quotes the lowest rates.

10.62.2 The District Medical and Health Officer shall be consulted for the purchase of medicines to the dispensaries of modern medicines maintained out of general fund of ZP.

10.62.3 All the MPs should follow the orders issued in the G.O.Ms. No. 190, Health dated 25.1.63 strictly and call for price list of medicines from the both Indian Medical Practitioners' Co-operative Pharmacy and Stores, Madras and Sri Bharadwaja Ayurvedic Pharmacy and Stores Ltd., Tenali and make purchases from the stores whose price are competitive. If complaints as regards quality of the medicines are received by them or if they otherwise find reasons to doubt the quality of any only the fact should be brought to the notice of the Government, if necessary, for necessary action.

(Govt. Memo No. 2267/II-2/63-2, Health dated 27-9-1963)

10.62.4 Bandage and guage cloth required for medical institutions can be purchased locally when the Stock in the Medical stores Department is exhausted and there would be delay in getting supplied on regular indents from the medical stores department or the jail departments and that in every such case the District Medical and Health Officer is satisfied that there is a temporary emergency and that the intended purchases are not more than is necessary on order to meet it.

10.62.5 Midwifery outfits, Drugs, medicines or other equipment for Maternity Assistants working in dispensaries or child Welfare centres have to be obtained from Medical Stores Department and in cases where the department is unable to supply the indents placed with them or when these articles are urgently required they can be purchased locally without calling for tenders subject to the following restrictions.

10.62.6 The CEOs should follow the instructions issued in G.O.Ms No. 926, dt. 2.5.58 in the matter of purchase of medicines required for the medical institutions maintained by the ZPs subject to the following conditions:-

(a) The District Medical & Health Officer shall be consulted for the purchase of medicines to the dispensaries of modern medicines.

The Director, Indian Medicine Department shall be consulted for the purchase of medicines to the dispensaries of Indian Medicine.

(G.O. Ms. No. 1839/H/M.A. dt. 2.6.62)

The Government accorded sanction for the purchase by the ZPs, MPs, their requirements of Ayurvedic Medicines for use in the Ayurvedic dispensaries under their control from Sree Bharadwara Ayurvedic Co-operative Pharmacy and Stores Ltd., Tenali subject to the following conditions.

1) That the supplies of the medicines should be at competitive rates compared with Indian Medical Practitioner Co-operative Pharmacy and Stores Ltd.

2) That the purchase shall stop as soon as the Government Indian Medical Pharmacy, Hyderabad is in a position to cater the needs of MPs/ZPs.

3) That the Indian Medical Practitioners Co-operative Pharmacy and Stores Ltd., Tenali should guarantee the efficiency of the medicines supplied by them and that if any complaint of bad quality of medicines.

(G.O. Ms.No. 190,H.H. and M.A., dt 25.1.63)

10.63 PURCHASE OF FORMS ETC.

No MP/ZP shall purchase forms and registers which are available for sale with the Government Press, from any other service.

The CEOs, E.Es, PR and Mandal Parishad Devt. Officers should remit the cost of the indent for forms and registers by issuing a bank draft in advance along with their indents for supplies after ascertaining the cost of the various books and forms indented for.

(Govt Memo No.2343/samithi.II/60-1, dt. 9.4.60)

All MP/ZP have to purchase the various forms and registers required by them which are not supplied by the Government Press from the A.P. State Chamber, Hyderabad. As the State Chamber is abolished they may purchase forms locally after following the procedures prescribed.

10.64 OTHER ITEMS SALARIES

No salary charges of any kind, except the pay of hot weather establishments and of servants whose services for the whole day are not paid from the MP/ZP funds, such as sweeper and scavengers in offices, and no additions to pay, may be charged as contingent expenditure or included in contingent bills.

All charges for the purchase of "books, Periodicals and Maps" should be debited to the head "Books, Periodicals and Maps" opened for this purpose under the several appropriate major heads and not to the contingent head of the institutions for which books etc, are intended.

10.65 PRINTING CHARGES :

Tenders for printing work which should be placed before the MP/Standing Committee I of Zilla Parishad for selection. The MP/ZP may take the advice of the Director, Govt. Printing Press, Hyderabad as regards the rates. When such advice is sought for, his remarks, have to be taken into consideration before the acceptance of the tender.

10.66 FEEDING CHARGES INCURRED BY MANAGERS OF CHATRAMS (ENDOWMENTS)

These charges should be billed for separately from other contingents, When feeding is arranged departmentally a stock account of provisions purchased should be maintained and an extract there of should be attached to the bills submitted for payment. A statement should also be attached to the letter showing the number of persons fee and the number of meals given daily. A maximum rate per diet for the feeding of traveller may be fixed by the MP/ZP and the Mandal Parishad Dev. Officer/CEO, shall see that the actual cost of feeding per head as determined by the cost of the provisions purchased and that number of persons feed every month does not exceed the maximum, sanctioned rate per diet. Counterfoil machine numbered tickets should be maintained in the office of the MP/ZP. The foils thereof should be issued to the persons who apply for feeding while the counterfoils should be attached to monthly bills for provisions purchased for the purpose of checking the number of persons feed. The actual feeding should be periodically inspected by some responsible officer and the fact should be certified to on the bills. For feeding by contract or by payment of a capitation allowance, the same course of granting counterfoil tickets and checking bills should be followed.

10.68 CEILING OF CONSUMPTION OF PETROL AND DIESEL ETC. :

10.68.1 According to G.O. Ms. No. 529 G.A. (OP.II) Dept. dt. 13-9-90, expenditure on the consumption of petrol and diesel on vehicles should not exceed 160ltrs. per vehicle per month. The same is applicable in respect of vehicles used to by the Chair-persons of Zilla Parishads also. However keeping in view the developmnetal activities in the districts, Government ordered that the limit in respect of cars used by the Chairpersons, Zilla Parishads may be enhanced from 160 ltrs. to 250 ltrs. per month vide Govt. Memo No. 582/Prog.IV/A2/96-1 PR & RD dept. dt.1-1-96. The expenditure should be met out of the general funds of

the Zilla Parishads in relaxation of G.O. Ms. No. 308 PR & RD (Prog.III) Dept. dt. 8-6-92.

10.68.2 In G.O. Rt No. 341 Fin. & Plg. (FW. W&M) Dept., dt 4-3-96, Government permitted the Mandal Parishads for hiring of jeep to tour within the Mandal for a period of 5 days in a month. The charges should not exceed Rs. 275/- per day inclusive of the hire and propulsion charges. The expenditure shall be incurred from the funds allotted to Mandal Parishads.

10.69 CONDEMNATION OF OLD VEHICLES

Revised guidelines were issued in G.O.Ms No. 333 G.A. (OP.II) Dept. dt.31/7/97 for condemnation of old vehicles. The following guidelines should be followed scrupulously.

- i) The existing running period of the vehicles which is 10 years old and 1,50,000 kms. run will be raised to 15 years and 2,50,000 kms. run respectively.
- ii) After this period of usage, the vehicle will be deemed to have become unserviceable and fit for condemnation. Accordingly it will be disposed off by the user Department through public auction and no formal condemnation order will be required from any authority/department of Agency to dispose of such vehicles. The existing system of condemning the vehicles and getting the approval thereof is abolished. The vehicles after completion of 15 years and 2,50,000 Kms run would be straight away put to public auction by the user departments by giving due publicity. The upset price of such vehicles will be fixed at 10% the original cost of the vehicle without seeing Valuation certificate from any department of authority.
- iii) The auction will be held twice in a year i.e., August, February, in the RTA office at headquarters as well as in the districts. It will be the responsibility of the user department to get these vehicles auctioned.

iv) The auction will be regularly held in the districts as well as in the State Headquarters in the R.T.A. offices and the vehicles after completion of the utility period will be sold in these auctions.

v) The concerned user office/officer will take necessary action to see that the auction is conducted in a transparent manner by giving due publicity in the local news paper. The PR institution shall however, obtain the permission of Govt. for condemning and disposing of the vehicles.

10.70 LOANS TO CHAIR PERSONS OF ZILLA PARISHADS FOR PURCHASE OF MOTOR CARS RS. 1.00 LAKH.

In G.O. Ms. No. 129 PR & RD (Prog. IV) Dept. 15-3-96 Government permitted the Chairperson of Zilla Parishads who do not use the Government car but desire to use their own private car to take advance not exceeding Rs. 1.00 lakh or the actual cost of the motor car whichever is less from the general funds of the Zilla Parishads.

The advance shall be recovered in 30 equal monthly instalments, where the remaining term of office is less than 30 months and where the term of office exceeds 30 months, it should be recovered in as many equal monthly instalments as covered by the remaining term of office.

Interest shall be charged at 8.5 percent per annum. It shall be recovered in 4 equal monthly instalments after the principal amount is repaid. The motor car shall be purchased within one month from the date of drawal of the advance. If not the advance and interest shall be refunded.

If the actual price of the car is less than the advance the balance should be refunded.

A mortgage bond shall be executed in Form-14 appended to A.P. Financial Code hypothecating the car to Government as security for

advance. The car should be insured against loss or damage by fire, theft or accident within one month from the date of purchase otherwise the amount shall be refunded with interest.

If the Chair-person desires or vacates the post due to any reason the balance shall be repaid in one lumpsum. The advance should be drawn within three months from the date of sanction.

10.71 REFUNDS OF REVENUE :

No items of Revenue by a MP / ZP shall be refunded without the sanction of the M.P./ZP the sanction accorded shall lapse after one year from the date of grant thereafter a fresh sanction shall be necessary. Refunds of land-mass or local mass shall be governed by the rules regarding refunds of a cases. Refunds of revenue shall be drawn in such form as may be land down by the Government from time to time. As soon as a refund is made, a note of the grant thereof shall be made against the original credit entry in the relevent accounts.

10.71.2 Refunds or remissions of land-cess, local-cess and of revenue not coming under the Act, but assigned to the MPs/ZPs for the purpose of the Act should be sanctioned by the same authority and under the same procedure as refunds and remissions of land revenue. In regard to other items of revenue credited to the MP/ZP funds the written order of the MP.D.O./CEO sanctioning the refund is required. Refunds must be passed with reference to the budget provision. The M.P.D.O./C.E.O. may in exceptional circumstances (to be communicated to the MP/ZP sanction the refunds of revenue credited to the MP/ZP funds by mistake or of taxes, surcharge or fees under the Act or any other land without the provision provided that the M.P. D.O./CEO. shall forthwith communicate the circumstances to the MP/ZP which shall take immediate steps to cover any expenditure not covered by budget grant. The sanction of the M.P.D.O./C.E.O. for the refunds will lapse if not acted on within the close of year.

10.72 REFUND OF EXPENDITURE

Fines levied from contractors should not be credited in the accounts as receipts but should be deducted from the bill submitted by them and only the net amount should be paid to them and charged in the accounts. Other refunds of expenditure whether realised in cash, but the sale of stores or from other resources or obtained by a return of materials to store or by transfer of materials from one work to another should be adjusted by deduction from the expenditure on the work concerned. If the amount is in excess of the expenditure incurred on the work during the year and excess refund should be shown in all accounts as a minus figure against the work which will be reduced by the account of the refund and it may some times even happen that the refund is in excess of the total expenditure of the year under the head of account also. In such cases a minus figure will be shown against the head of account concerned. If however, the recovery is on account of work the accounts of the previous year it should not be adjusted by deduction from the expenditure under any head but should be credited as a miscellaneous receipt.

When the refund is obtained by materials originally debited to the work concerned being transferred to each other work the amount should ofcourse, be debited to the work concerned. If however, the materials are refunded to stores, the amount should be debited under the head "Tools & Plants". When the stores appertains to that class. Otherwise it should be debited to the head "Miscellaneous Advances" pending adjustment either by their sale or their utilisation on some other work.

CHAPTER 11

SOCIAL WELFARE - FUNDS EARMARKED FOR WEAKER SECTIONS

SOCIAL WELFARE - FUNDS EARMARKED FOR WEAKER SECTIONS

Sl. No.	Heading	Para No.	Page No.
1.	District Level Committee	11.1	293
2.	State Level Committee	11.2	293
3.	Calculation of the Earmarked Funds	11.4	294
4.	Utilisation of Funds - Earmarking Funds for S.T.s.	11.8	295
5.	Women & Child Welfare	11.10	296
6.	Separate Accounts for which Child Welfare Fund	11.11	306
7.	Procedure for Women Welfare Fund	11.12	307
8.	Constitution of State Level and District Level Committees to review the expenditure of utilisation of earmarked funds and to implement the schemes	11.13	309

SOCIAL WELFARE - FUNDS EARMARKED FOR WEAKER SECTIONS

11.1 In accordance with the general policy of the Govt. to earmark certain percentage of funds under each scheme for the welfare of weaker section, Special component plan for SCs and Tribal Sub-Plan for S.Ts. are prepared in respect of each programme under Plan. Thus under MNP Roads, M.I. Plan RWS etc.-funds are earmarked for SC&ST localities. Regarding utilisation of General Funds also Government issued orders in G.O.Ms. No. 670, P.R. dated 30-5-67 that funds may be earmarked to the extent of 15% for welfare of SCs and 3% for welfare of S.Ts and 15% for welfare of women and children, from out of the general funds of P.Ss and Z.Ps. and that while preparing the budget of the institutions earmarking should be done. The earmarking of the funds for the welfare of S.Ts was increased to 6% and that for women and child welfare to 15% .

11.2 According to Rule 31 of the Rules prescribed for the preparation of budget for MPs and ZPs issued with G.O.Ms. 15 PR&RD (A/c IV dated 10-1-95 the amount to be earmarked at the prescribed percentages for welfare of the weaker sections shall be worked out on the estimated total receipts of general funds and provisions made in the budget estimates. According to the guidelines for utilisation of general funds of MPs and ZPs issued in G.O. Ms. 308, PR&RD (Prog.III) dated 8-6-92 and G.O. Ms. 309 PR&RD (Prog.III) dated 8-6-92 the MPs and ZPs should spend 15, 6 and 5 percent now 15% on welfare of SCs,STs and Women and Children respectively.

11.3 The general principle for utilisation of the funds earmarked on welfare of SCs,STs is that the expenditure should be on the items which benefit the community (SC/ST) as on whole but not on schemes benefitting the individuals.

11.4 CALCULATION OF THE EARMARKED FUNDS :

The following items of receipts under general funds for MPs and ZPs shall be taken into account for purpose of calculating the amounts to be earmarked.

11.7 G.O.Ms.161 RP&RD dt. 21-3-91 However since the grants and assigned revenues obtain from part of general funds are received late just before the close of the year, and there is no sufficient time to the MPs & ZPs to utilise the earmarked funds orders were issue in G.O.Ms.359 PR&RD (Prosi.IV) dt. 6-7-93. The institutions are given time upto 30th Sept. of every year for utilize the amounts due to transfer the unspent amounts to the corporations after 1st October to the A.P. Schedule Caste Co-op. Finance Corporation. Schemes to be taken up for SCs.

The guidelines for utilisation of all the balances of 15% funds earmarked by the Z.Ps and M.Ps were issued in G.O.Ms.457, PR&RD (Prog.III) dated 17-9-86, according to which the following schemes benefitting the S.C.s are to be taken up :

(1) Maintenance of S.C. Hostels, Community Halls and youth centres and by other public institution located in S.C. localities and improvement of facilities in the schools located in S.C. localities;

(2) Levelling of land acquired for S.C., and development of plots assigned for house-sites and for provision of amenities like internal roads. Panchayats and drains in the colonies construction for S.Cs in consultation with district Manager, A.P. Housing Corporation and Deputy Director, Social Welfare

(3) Construction of Community Sanitary amenities such as flushout latrines, including conversion of dry latrines into flushout latrines.

(4) Construction of pathways / link roads connection the S.C. localities with main village road in consultation with the Deputy Director, Social Welfare.

(5) Rehabilitation of privately employed civic sanitation workers ("Scavengers") after liberation (Through Vimukthi programme), so that their family income is not reduced.

The earmarked funds shall be utilised strictly in accordance with the guidelines mentioned above.

11.8. UTILISATION OF FUNDS - EARMARKED FUNDS FOR STs :

11.8.1 Out of 6 percent of the general funds earmarked for benefitting S.Ts. one third percent shall be made over to A.P. Scheduled Tribes Coop. Finance Corporation (TRICOR) The Corpn. shall utilise this 2 percent amount for economic schemes benefitting the S.Ts such as community irrigation wells in addition to its utilisation as margin money as part of the share capital in respect of both MP / ZPs.

11.8.2 Another 2% should be transferred to the AP weaker Section Housing Corporation as explained in para by MPs only.

11.8.3 If there are any unspent balances out of the recoverie 4 percent / 2 percent of funds at the end of the year, such unspent balances also shall be made over to the TRICOR.

11.8.4 Guidelines for utilisation of the 4 percent / 2 percent funds fund earmarked by the Z.Ps and M.Ps. were issued in G.O.Ms.335, P.R. (Prog.I) dated 6-4-78. The following schemes benefitting the S.Ts are to be taken up.

- (1) **Construction and repairs to school and Ashram School buildings for S.T.s**
- (2) **Medical aid to tribals suffering from chronic diseases and aid to disabled tribals.**
- (3) **Aid to tribal affected by floods and drought.**
- (4) **Construction and repairs of colonies for Scheduled Tribes.**
- (5) **Construction and repairs of hostel buildings and other buildings for S.Ts and supply of equipment.**
- (6) **Construction of pathways to tribal localities.**
- (7) **Electrification of tribal localities.**
- (8) **Construction and repairs to Drinking water wells and community irrigation wells.**
- (9) **Construction and repairs to houses for S.Ts.**
- (10) **Any other useful schemes relevant to tribals proposed by the Collector with the prior approval of the Director of Tribal Welfare.**

11.10 WOMEN AND CHILD WELFARE

11.10.1 Guidelines for utilisation of 5% (now 15 percent) of the general funds by M.Ps and Z.Ps for welfare of women and children were issued in G.O.Rt.No.260, P.R. dated 19-5-67.

11.10.2 The amounts unspent out of 15 percent at the end of the year in M.Ps and the amount earmarked by ZPs should be transferred to the W.D.C. Finance Corporation for construction of Telugu Mahila Bala Pragati Programme.

PROGRAMMES : (G.O.Ms.No.5 PR&RD (Prog. II dt 6-1-87) G.O.Ms. 326 PR&RD Prog. II dt. 6-5-88)

11.10.3 In G.O.Ms.No.676, P.R. (Progs.III) dt. 3-12-70, the following additional schemes have been indicated for utilisation of 5% (now 15 percent) general funds for welfare of Women & Children.

(a) STUDY TOUR OF MAHILA MANDALS : A team not exceeding 10 members of Mahila Mandals (Regd.) may be sent on study tour to various blocks where developmental activities have shown a marked progress and which will educate the members to take up more important activities beneficial to the village and the block as a whole. The study tour should be confined only to the Blocks in the State. 50% cost of the tour should be borne by the Mdl. Parishad from 15 percent general revenues and the remaining 50% should be borne by the members. The other conditions laid down in Govt. Memo.No. 1022/Prog.IV/62-13 Planning and Panchayati Raj dated 13-7-1963 should be followed.

b) COST AND MAINTENANCE OF COMMUNITY RADIO SETS : The Mdl Parishad and Zilla Parishads may meet the cost and maintenance charges of the Community Radio sets from 15 percent general funds where the Mahila Mandals are unable to make the prescribed contribution.

(c) All activities authorised under 'Community Development

(d) Broad details for women and children such as starting of Balwadis, sewing centres etc.

1. Tailoring and Dress making Training Centres and the subsidised issue of sewing machines under follow up programme to the ex-trainees.
2. Peripatetic Demonstration units in Tape Weaving.
3. Demonstration and Servicing Centres in Book Binding and manufacture of pads and envelopes.

NOTE : Schemes 1 to 3 should be implemented from 16 percent general revenues only when there are no sufficient funds under Rural arts, Crafts and Industries Budget. The financial limits laid down in the approved model schemes under cottage Industries. Programme should be kept up subject to the modification with regard to the scales of pay and allowances that may be modified from time to time to persons borne on any establishment or paid from contingencies such modified pay and allowances be adopted.

- (e) Maintenance of kitchen gardens.
- (f) Establishment of Poultry units
- (g) Holding competitions among women in the following activities at a cost not exceeding Rs.500/-
 - i) Cleanliness and decoration of houses and Rangoli (Muggulu)
 - ii) Tailoring, knitting, embroidery.
 - iii) Art, Dance, drawing, literacy talent etc.
 - iv) Games and sports, singing, bhajans, cultural activities.
 - v) Kitchen gardens and maintenance and Poultry units by individual families.
- (h) Any other welfare or amelioration scheme that the Zilla Parishad or the Mdl. Parishad may consider necessary and has been technically approved by the Director of Women Welfare.

11.10.4 TECHNICAL SANCTION

The District Women Welfare Officers were authorised in G.O.Ms.No.676, P.R. (Progs.III) dated 3-12-70 to accord technical sanction in respect of additional model schemes referred to above.

If the MP or ZP desires to take up any scheme other than those mentioned above, the MP or ZP shall obtain the prior approval of the Director of Women Welfare for technical sanction.

11.10.5 PEOPLES CONTRIBUTION

According to G.O.Ms.No.676, P.R. (Progs.III) dt. 3-12-70, the following rates of peoples contribution indicated in column 2 of the statement below should be collected from the people for the schemes relating to welfare of Women and Children in the classified Blocks.

Classification of Blocks	As much as possible but a minimum contribution of
Advanced	30%
Ordinary	15%
Backward	5%
Tribal	Nil

The Collectors are also empowered to reduce or completely waive the contribution in deserving cases to the extent they deem fit.

Revised guide lines for Women and Child Welfare activities

The list of activities that can be taken up from the 15% general funds earmarked for women and child welfare activities has been revised. The following activities can now be taken up.

- i) Equipment gift for the best Mandal ranging from Rs.1,000/- to Rs.2,500/- The awards will be decided by the screening committee with Collector and District Magistrate as Chairperson.
- ii) Construction of buildings for Mahila Mandals upto an estimated cost of Rs.1,50,000/- with contribution of Gram Panchayat, M.P., Z.P., and Organisation at the rate of 10%, 30%, and 50% and 10% respectively.

- iii) **Nursery Schools/Pre-Schools attached to Mahila Mandals to be sanctioned in non-ICDS areas.**
- iv) **Conduct of Gramalaxmi Training Camps/Awareness camps for rural women groups.**
- v) **Rural entrepreneur development programme for rural women.**
- vi) **Holiday camps for children.**
- vii) **Economic Programme/Income generating schemes.**
- viii) **All activities authorised under community development such as starting of Balwadis, Sewing Centres etc.**
- ix) **Competitions among women in the activities like - cleanliness and decoration of houses and rangoli; tailoring, knitting and embroidery; Art, Dance, Drawing, Literary talent etc., Games, Sports, & Cultural activities; Kitchen garden maintenance.**
- x) **Maintenance of Mahila Mandal buildings and Children; Homes located in their respective Mandals.**
- xi) **Atrocition on women - financial assistance for legal expenses or for starting income generating scheme (non-recoverable).**
- xii) **Legal-aid/Legal assistance for Women in the case of dowry harassment etc.**

IMPLEMENTATION UNDER GENERAL REVENUES AND THE SCHEMES FOR IMPLEMENTATION IN MANDAL AND ZILLA PARISHADS

Sl.No.	Scheme	Revision/inclusion of new schemes included
(1)	(2)	(3)
I.	Best Mahila Mandal at Samithi Level	Annual awards at district level for best Anangawadi Worker/Helper and for best Anganwadi once in a year
	I. Prize.	
	Anganwadi Worker	Rs.2,500
	Helper	Rs.1,500
	Equipment to best Anganwadi	Rs.3,000
	II Prize	
	Anganwadi Worker	Rs.1,500
	Helper	Rs.1,000
	Equipment to Anganwadi as required	Rs.2,000

The awards will be decided by the screening committee as detailed below based on the performance of the Anganwadi Worker, Helper and Anganwadi centre.

- | | | |
|----|--|-------------------------|
| 1. | Collector & Dist. Magistrate
or his nominee | Chairman |
| 2. | Chief Executive Officer | Member |
| 3. | Dist. Medical/Health Officer | Member |
| 4. | Dist. Women & Child Welfare
Officer | Member |
| 5. | Programme Officer, Dist.
ICDS Cell | Secretary/
Convener. |

The guidelines for selection will be communicated separately.

II. Construction of Mahila Mandal buildings**II. Rs.90,000/- in assistance G.O.Ms.No.442, dt. 18-7-94 PR/RD & Relief (Progs) Dept.**

Gram Panchayat	10,000	Gram Panchayat	15,000 (10%)
Mandal Praja Parishad	25,000	Mandal Parishad	45,000 (30%)
Zilla Praja Parishad	45,000	Zilla Parishad	75,000 (50%)
Organisation contributions	10,000	Organisation contributions	15,000 (10%)

Nursery Schools / Pre Schools attached Mahila Mandals :

RECURRING :

- a) Teacher - consolidated pay @ Rs.600/- Total recurring
- b) Sweeper @ Rs.250/- p.m. 900 x 12
- c) Contingencies @ Rs.50/- p.m. Rs.10,800/- P.A.

AWARENESS CAMPS FOR RURAL WOMEN GROUPS.**IV. Gram Laxmi Training Camp / Awareness Camps for Rural Women Groups :**

A. Camps can be arranged for Rural Women constituting them into groups in three or four selected centres/places in a year in the district. The duration of the camp should not exceed three days.

The subjects suggested for training are

- 1. Nutrition & Health Education.**

2. Family Councelling
3. Legal aid for Women & Children.
4. Mahila Mandal Yojana / Thirft Programme
5. Income Generation Scheme.
6. Any other subjects as proposed by the Collector & Dist. Magistrate obtaining approval of Regl. Deputy Director / Commissioner.

Members to be benefitted to 30 in three member in each group (Ten groups). Based on the interest of the groups, training in each subject to be imported for two groups of different villagers/vountary Organisations by subject matter specialists.

Each village should sponsor not more than three members i.e. one group for training.

After completion of training, follow up activity invariably be insisted upon review to be made on implementation in the respective subjects / areas and prizes awarded for the best performance of the group in implementation in subsequent years.

The Tentative expenditure on Training

- | | |
|---|----------|
| 1. T.A. to members/Actual fares (bus/train) for 30 members not exceeding at Rs.40/- each. | Rs. 1200 |
| 2. D.A./Food arrangements at Rs.40/- for 30 members for 3 days | Rs.3600 |
| 3. Miscellaneous expenditure for organising camp Resource persons Honororium. | Rs.900 |

Rs.5700 or 6000

Award of Prizes for the best performing group in the subject assigned for 5 groups at Rs.1500/- each Rs.7500/-

V. HOLIDAY CAMPS FOR CHILDREN : Rs.150/- per child in lumpsum for 50 children not exceeding Rs.7500/- per camp for 3 days.

Children in the Department in institutions / voluntary Organisations to be selected for participation. As regards lodging the respective Regl. Deputy Directors / Women and Child Welfare Officers will make arrangements on prior intimation.

VI. ECONOMIC PROGRAMMES / INCOME GENERATING SCHEMES

Income Generating Schemes only women thrift groups of Registered Voluntary Organisations having continuous monthly deposits/savings in the post offices / Banks and a balance of Rs.25,000/- pooled together for that particular groups are eligible.

In case of group oriented Income Generating Scheme, a group consisting of five members will be provided with assistance of Rs.7,500/- out of which Rs.1500/- will be subsidy and the balance of Rs.6000/- be treated as Margin money repayable at a simple rate of interest of Rs.6½%. The Balance of loan required to be linked with Nationalised Banks. The subsidy of Rs.1500/- to be treated as a Revolving Fund by the Group.

In case of individuals of thrift Groups, the individual will be provided with assistance of Rs.1500/- out of which Rs.300/- will be subsidy and the balance of Rs.1200/- will be treated as Margin money repayable at a simple rate of interest of Rs.6½%. Balance of loan will be linked with Nationalised Banks, Groups loaning will be encouraged in case banks are not comming forward.

This scheme will be implemented in the Districts where DW CRA programme is not in force.

VII. SEWING CENTRES : Part time sewing centres with 2 sewing machines in each sewing centre attached to Voluntary organisation not exceeding Rs.7,000/- p.m. for teacher for a period of 6 to 8 months contingencies at Rs.50/- per month.

NOTE : After completion of training the machinery are to be shifted to any other proposed centre attached to voluntary organisation in the Mandal area to provide opportunity for new members. Preference to be given in location of the centre in S.C., S.T., and B.C. colonies.

AWARDS FOR BEST VOLUNTARY ORGANISATION : An amount of Rs.2000/- Rs.2,500/- be awarded to the adjudged best Voluntary Organisation for taking keen interest in achieving good results at the Mandal/Dist. level.

1. Participating in Child Welfare Activities through ICDS Programme.
2. Family Counselling Centres.
3. Maintenance of Women Welfare institutions in a systematic way on voluntary basis.
4. Maintenance of Child Welfare activities.
5. Assisting the women in getting legal aid.
6. Organising thrift groups and investments in post offices by way of MSY, N.S.S., C.T.D. and other Deposits.
7. Adoption of low cost nutritive value foods for women and children in Rural Communities.

IX. MAINTENANCE OF MAHILA MANDAL BUILDINGS

Rs.5,000/- to Rs.10,000/- after a minimum period of five years of the construction of the building. There after, for taking up subsequent repairs, the gap must be 3 years after first repairs, in case of Mahila Mandali buildings and Children's Homes located in their respective Mandal.

X. ATROCITIES ON WOMAN : Based on the nature of the case as certified by the Collector / R.D. / Sub-Collector, the victim can be financed Rs.1500/- for legal expenses or financial assistance required for starting an income generating scheme (non recoverable).

XI. LEGAL AID / LEGAL ASSISTANCE : In case of a dowry harassment, an amount of Rs.500/- by means of Assistance for legal expenses after filing the case in the Court.

1. The Women and Child Welfare Officers may be authorised to accord technical sanction in respect of all the schemes including shifting of centres after the approval in the general body meeting of Mandal Parishad except item 3 & 8.

2. Regional Deputy Directors may be authorised to accord technical sanction in respect of item No.3 & 8 i.e., buildings of Mahila Mandals and Holiday camps for children.

3. In all preference to be given for the most productive schemes and needy persons.

4. Any other welfare / ameliorative scheme as proposed by Mandal Parishad or Zilla Parishad with the approval of Commissioner of Women Development and Child Welfare.

11.11 SEPARATE ACCOUNTS FOR WHICH CHILD WELFARE FUND

In G.O.Ms.No.1060, P.R. (Progs.II) dated 15-6-76 Government

ordered that the receipts and expenditure relating to women and child Welfare shall be accounted for under the head "Women and Child Welfare Fund". Each MP shall maintain a separate account of the fund at the Treasury by opening a separate Deposit Account with a pass book. For this purpose the Government order that the Treasury officers shall open the following detailed head of account viz. "3 Women and Child Welfare Fund" under "847 Deposits of Local Funds (a) Panchayat Body Funds (ii) Mdl. Parishad Funds."

11.12 PROCEDURE FOR WOMEN WELFARE FUND

For the smooth implementation of the new procedure, the Government issued the following further instruction.

- a) The C.E.Os of Zilla Parishads should calculate 15 percent of General Funds of Zilla Parishads and released to Mandal Parishad as and when they required, if the funds available with them are exhausted & meet the activities regd. women & child welfare. The ZP will incur expenditure on the women and child welfare activities through the W & CW Dept.
- b) Similarly, the Mdl. Parishad Development Officers of the M.P.s should calculate 15 percent of the general funds and remit the same into the above fund under intimation to District women Welfare Officer every quarter subject to an annual adjustment based on the audited figures.
- c) After the resolution of the Mdl. Parishad obtained in respect of the scheme to be taken up and after the technical sanction is obtained from the District Women Welfare Officer for its implementation the M.P. Development Officer has to withdraw the amount from the fund by issue of a cheque. There shall be a separate cheque book for operating this fund and these cheques should be stamped with the words "Panchayat Raj Women and Child Welfare Fund" at the time of issue. The rubber stamp required for this purposes will be supplied to all the Treasuries by the Director of Treasures and Accounts immediately.

- d) The M.P. Development Officer has to inform the District Women Welfare Officer in advance, the amount required for a quarter on the schemes after technical sanction is obtained. The Dist. Women Welfare Officer will issue release orders to the Treasury or Sub-Treasury concerned where the M.P. Development Officer will encash the cheque to the extent of the amount indicated in the release orders.
- e) The District Women Welfare Officer shall maintain an account of all release made by her and all the credit effected by the Panchayat Samities now MPs.
- f) The District Women Welfare Officer shall furnish a half yearly report in the transactions relating to the fund to the Director of Women and Child Welfare who will review the progress and issue such directions in the matter as may be necessary.
- g) At the end of each financial year, the Director, Women and Child Welfare shall furnish to the Govt. an annual report on the utilisation of the fund.
- h) At the end of each month the Treasury or Sub-Treasury shall send an extract from the Ledger of the transactions, on account of this fund to the District Women Welfare Officer, and the Mandal Parishad Development Officer concerned for reconciliation of the Treasury figures.
- i) The Director of Local Fund Audit and his assistants audit the accounts of the fund along with other funds and issue report to the Mdl. Parishad. The Director shall also furnish extracts of the objections relating to the fund to the Director Women and Child Welfare and also to the Government.
- j) A separate cash book and all the registers connected therewith for the "Women and Child Welfare Fund" should be maintained, in the Mdl. Parishad for recording transaction relating to the Fund to avoid diversions from out of the Fund.

k) As a result of the revised procedure, a separate subsidiary account "Women and Child Welfare Account" should be opened in the Mdl. Parishad Accounts, deleting the present heads "Women Welfare" in Receipts sanctions I and IX Women Welfare in Receipt Sanction II and (9) Women Welfare in expenditure section I and V. Women and Child Welfare are in expenditure Section II.

11.9 TRANSFER OF 1/3 AMOUNT TO HOUSING CORPORATION

With a view to provide more facilities to the weaker sections and to ensure that the funds earmarked for the welfare of Scheduled Castes and Scheduled Tribes are utilised for providing infrastructure in Scheduled Caste and Scheduled Tribe Colonies, Government have provided matching assistance to the Zilla Parishads and Mandal Parishads who come forward to provide facilities in the housing colonies constructed for Scheduled Castes and Scheduled Tribes subject to a maximum of 5% of the General Funds.

(Vide G.O.Ms.No.215, P.R. (Progs.IV) dt. 10-4-91)

According to G.O.Ms.No. 215 PR&RD dt. 10-4-91 the MPs shall transfer 1/3rd of the funds earmarked for the welfare of S.Cs and S.Ts to the A.P. Weaker Section Housing Corporation for developing infrastructure facilities in SC/ST colonies after obtaining a matching grant from the Government.

11.13 Constitution of State Level and District Level Committees to Review the Expenditure of Utilisation of Earmarked Funds and to Implement the Schemes :

11.13.1 With a view to review the progress of expenditure Viz. how the money transferred to Corporations and the money lying with the P.R. bodies is utilised, Government issued orders in G.O.Ms.No.1114, P.R. (Progs.I) dated 8-11-77 constituting State Level and District Level committees as shown below :

DISTRICT LEVEL COMMITTEE

1. District Collector Chairman
2. District Social Welfare Officer
3. District Women Welfare Officer
4. Executive Engineer (PR)
5. CEO Zilla Parishad
6. All Development Officers in the District.

STATE LEVEL COMMITTEE

1. Secretary to Government Panchayati Raj & Rural Development Chairman
2. Secretary to Government, Social Welfare Dept.
3. Dy. Secretary / Joint Secretary, Panchayati Raj Department concerned with the subject
4. Commissioner Social Welfare
5. Commissioner Tribal Welfare
6. Commissioner Women Welfare
7. Engineer in Chief PR
8. Managing Director, A.P.S.C., Cooperative Finance Corporation
9. Managing Director, A.P.S.T. Co-operative Finance Corporation.

11.13.2 The District Level Committee should meet every month and review the utilisation of the earmarked funds of 15%, 6% and 5% of Mdl. Parishad and Zilla Parishads and see that the orders issued in the G.O.s

regarding the transfer of funds to Scheduled Castes Corporation, Scheduled Tribes Corporation and to the Mdl. Parishad in respect of 5% earmarked funds are implemented fully. A copy of the review made should be sent to Secretary, Panchayati Raj & Rural Dev. Department, Commissioner Social Welfare, Commissioner Tribal Welfare and Director of Women and Child Welfare for reference at the State Level Committee meetings.

11.13.3 The State Level Committee will meet once in every quarter and review the progress of earmarked funds with reference to the orders issued in the G.Os. The Committee will make a thorough and purposeful review of how the money transferred to corporation and the money lying with Panchayati Raj Bodies are utilised.

CHAPTER 12

**PROPERTY ACQUISITION,
TRANSFER, LOSS BY THE THEFT**

PROPERTY ACQUISITION, TRANSFER, LOSS BY THE THEFT

Sl. No.	Heading	Para No.	Page No.
1.	Acquisition of Property	12.1	317
2.	Acquisition of immovable Property by MP/ZP from Govt.	12.5	319
4.	Register of Immovable Properties	12.13	324
5.	General Loss of Property / Records by Theft	12.14	324
6.	Service Registers	12.16	326
7.	Pay Bills	12.17.	326
8.	Write off value of cash, Postage, Stationery etc.	12.29	328
9.	Misappropriation - Monthly Periodical	12.32	329

PROPERTY ACQUISITION, TRANSFER, LOSS BY THE THEFT

ACQUISITION AND TRANSFER OF IMMOVABLE PROPERTIES
BY MANDAL PARISHAD AND ZILLA PARISHADS.

12.1 ACQUISITION OF PROPERTY

The rules relating to acquisition and transfer of Properties by MPs & ZPs in GO Ms 597 PR&RD (Md-I) dt 7.8.89. These rules have to be followed till rules under the A.P.PR Act 94 are issued. Mandal Parishad or Zilla Parishad shall not acquire any immovable property unless the following conditions are satisfied, namely :-

(a) that the property, if intended for any purpose other than roads, bridges, culverts and quarries is approved by the District Medical & Health Officer as suitable from a sanitary point of view for the purpose for which it is intended.

(b) that the property, if intended for the construction of extension of school buildings at an estimated cost of over five thousand rupees is approved by the Executive Engineer, PR Local Administration Engineering Service (hereinafter called the Executive Engineer) as suitable for the purpose

(c) that the property, if intended for the purpose of roads, bridges, culverts and quarries is approved by the Executive Engineer as suitable for the purpose for which it is intended;

(d) that the property, if it is intended for educational purposes and if its

value exceeds Rs. 1,000 is approved by the District Medical & Health Officer subject to clause (a) above.

(e) that the property if it is intended for Hospital or Dispensaries and its value exceeds Rs. 1,000, is approved by the District Medical & Health Officer subject to clause (a) above.

(f) that the property shall not be acquired other wise than under the Land Acquisition Act, 1894, unless the previous approval of the Collector has been obtained therefore.

(g) that in the case of the lands acquired otherwise than under the Land Acquisition Act, 1894, a valuation certificate is obtained from the Revenue Department and that no amount in excess of such valuation shall be paid without obtaining the specific approval of the District Collector in that behalf;

(h) that in the case of buildings a valuation and a certificate regarding structural stability are obtained from the Executive Engineer and that no amount in excess of such valuation shall be paid without obtaining the specific approval of the District Collector in that behalf; and

(i) that in every case where the consideration for the property is not less than Rs 250/- an encumbrance certificate is obtained from the Registraion office in respect of such property and examined by the Legal Advisor of the Mandal Parishad or Zilla Parishad unless the nature of the transaction is such as will by law pass the property free of all encumbrances.

12.2 The deed transferring the property to the Mandal Parishad or Zilla Parishad shall be in the appropriate form as in Schedule-I appended to rules, with such variations as circumstances may required.

12.3 The provision or rules 1 and 2 shall not apply to a case where the Mandal Parishad or Zilla Parishad has to purchase immovable property brought to sale in execution of a decree obtained by it.

12.4 In cases where lands are donated by the villagers free of cost or where the owners of the lands agree to surrender funds required for laying roads in anticipation of regular acquisition and payment of compensation, there is no need to wait till the actual gift deed is registered or the compensation is paid. In such cases, pending registration of the gift deed or payment of compensation for acquisition of lands written statements of the lawful owners of such properties agreeing to the authorities of Zilla Parishad or ZP entering upon the land and laying the roads may got be obtained through the Mandal Parishad Development Officer concerned. In the consent letter statement of owners agreeing to receive compensation as may be fixed by the Land acquisition Officer should be specifically obtained.

Wherever lands have to be acquired, the compensation to be paid for the land should invariably be included in the cost of the work. The cost of the land acquired should also be met from these funds.

(Govt. Memo No. 383 / Prog. VII/63-1, P & L.A., Dt. 1-2-63)

12.5 ACQUISITION OF IMMOVABLE PROPERTY BY MANDAL/ZILLA PARISHAD FROM GOVT.

The following conditions which will be attached in addition to any others which may be settled in particular cases to all grants of immovable public property made over by the Government to a Mandal / Zilla Parishad.

(i) that the property shall be liable to be resumed by Government, if used for other than the specific purpose or purposes for which it is granted; and

(ii) that should the property be at any time resumed by Government the compensation payable therefor shall not exceed the amount (if any) paid to the Government for the grant together with the cost of their present value (which even shall be less) of any buildings erected or other works executed on the land by the grantees.

12.6 TRANSFER OF IMMOVABLE PROPERTIES :

(i) Transfers otherwise than by lease of immovable property vesting in but not belonging to Mandal Parishad or Zilla Parishad shall not be made or charged in contravention of the conditions subject to which such property becomes vested in the Mandal Parishad or Zilla Parishad.

(ii) The deed of transfer shall be in the appropriate form in Schedule-II appended to the rules, with such variation as circumstances may required.

12.7 TRANSFER OTHERWISE THAN BY LEASE OF IMMOVABLE PROPERTY

(1) A Mandal Parishad or Zilla Parishad shall not without the previous sanction of the District Collector make or sanction any transfer except by way of lease of any immovable property belonging to it or create or sanction the creation of any charge upon any such property.

If the value of the property so transferred or the amount for which the charge is so created exceeds Rs, 10,000/- the previous sanction of the Government shall be obtained for the transaction.

(2) The deed of transfer shall be in the appropriate form in Schedule-II appended to rules with such variations as circumstances may required

Provided notwithstanding anything contained in the rules Government may order transfer of immovable property from one P.R. Institution to the other.

12.8.1 TRANSFER BY LEASE OF IMMOVABLE PROPERTY

A Mandal Parishad or Zilla Parishad may lease out any immovable property belonging to it.

12.8.2 No such lease shall be valid in case the period of the lease exceeds three years or 5 years in the case of shops or where the lease is permitted to put up any building or structure whether of masonry, bricks, wood mud or metal, unless the sanction of the Commissioner of Panchayati Raj has been obtained therefor.

12.8.3 In the case of shops, the MP/ZP may renew the lease for another term not exceeding 5 years at a time without conducting public auction; if the present lessees agree to renew the lease in their favour at an amount, which shall not be less than 33¹/₃% percent over the existing annual lease amounts and found reasonable by the MP/ZP.

12.8.4 The lease-deed shall be in Form III (a) in Schedule-III appended to the rules with such variations as circumstances may require.

12.9 Transfer by lease of immovable property vested in but not belonging to a Mandal Parishad or Zilla Parishad:-

12.9.1 A mandal Parishad or Zilla Parishad may lease but any property vested in but not belonging to it other than road sides and street margins.

(a) In contravention of the conditions subject to which such property became vested in the Mandal Parishad or Zilla Parishad;

(b) for a period exceeding twelve months without the previous sanction of the Commissioner of Panchayati Raj

Provided that no such lease shall be valid, if the lessee is permitted to put up any buildings or structure whether of masonry, bricks, wood, mud or any other material, unless the sanction of the Commissioner of Panchayati Raj having jurisdiction over the area has been obtained therefor.

12.9.2 The lease-deed shall be in Form III (a) in Schedule-III appended to the rules with such variations as circumstances may require.

12.10 LEASE OF ROAD SIDES AND STREET MARGINS :

(1) Lease of road sides and street margins vested in a Mandal Parishad or Zilla Parishad shall be subject to the restrictions that may be imposed from time to time by the District Collector.

(2) The lease-deed shall be in Form III(b) in Schedule-III appended to the rules with such variations as circumstances may require.

12.11 Publication of proposed transfers or lease falling under rules 3,4,5, 6,

(1) The Mandal Parishads or Zilla Parishads shall publish a notice of the proposed transfer or lease giving full particulars of the property to be transferred or leased, the name of the proposed transferee or lessee and the consideration for the transfer or the rent reserved under the lease.

(a) in the District Gazette, if the consideration for the transfer exceeds Rs. 1,000/- or if the rent reserves under the lease exceeds Rs.200/- and

(b) by a fixture in a conspicuous position

(i) at the offices of the Mandal Parishad or Zilla Parishad of the District Collector and of the Revenue Divisional Officer

(ii) at the Mandal Office, particularly described in the Schedule hereunder written and which together situated, and

(iii) on the property to be transferred for leased.

(2) In every case where such transfer or lease is to be by public auction a notice with full particulars of the property to be transferred or leased shall be published.

(a) In the District Gazette and in one or two prominent local newspapers circulated within the jurisdiction of the Mandal Parishads or Zilla Parishads if the consideration for the transfer exceeds Rs. 1,000/- or if the rent reserved under lease exceeds Rs. 200/- per annum.

(b) in the manner specified in clause (b) of sub rule (i), and

(c) by tom-tom in suitable places.

(3) The Mandal Parishad / Zilla Parishad may dispense with the publication in the District Gazette as required by sub-rules (1) and (2) in the case of lease or leases which are granted during the course of a financial year owing to the failure of the original lessee to fulfil the terms of his lease.

12.12 CONDITIONS FOR TRANSFERS & LEASES

Transfers and leases shall be subject to condition of transferee or lessee paying assessment, ground-rent, peshkash, or quit-rent to Government.

(1) Except in cases falling under sub-rules (3) and (4) of this rules, no transfer or lease of any immovable property made by the Mandal Parishad or Zilla Parishad shall be valid unless it be a condition thereof that the transferee or lessee shall be liable to pay to Government such assessment, ground-rent, peshkash or quit-rent as the District Collector may determine to be payable in respect of the property and that the said assesment ground-rent, peshkash or quit-rent is subject to revision from time to time in accordance with the rules in force at the time of such revision.

(2) Nothing contained in this rule shall affect the right of Government to recover from the Mandal Parishad or Zilla Parishad the assessment,

ground-rent, peshkash or quit-rent leviable on lands not transferree by sale or exchange or otherwise permantly alianated

(3) In cases where the assessment, ground-rent, peshkash or quite-rent leviable on the land after transfer is already being paid by the Mandal Parishad or Zilla Parishad and the land is not transferred by sale or exchange leased in perpetuity or otherwise permantely alienated, the Mandal Parishad or Zilla Parishad shall continue to pay such assessment, ground-rent peshkash or quit-rent and the liability shall not be imposed on the transferee.

(4) In the case of Leases falling under rule 6, the Mandal Parishad or Zilla Parishad shall furnish the District Collector with a return of such leases whereupon the District Collector shall fix the assessment or ground-rent on the basis of the information in the return and collect it from the Mandal Parishad or Zilla Parishad.

12.13 REGISTER OF IMMOVABLE PROPERTIES

A register of immovable properties indicating the lands, buildings etc. belonging to the MP/ZP with all details shall be maintaired in the prescribed proforma the details of acquistion/trasnfer shall be entered in the register as and when the transaction takes place.

12.14 GENERAL LOSS OF PROPERTY / RECORDS BY THEFT

12.14.1 Whenever an embezzlement or misappropriation of moneys or other valuable, or loss of money or stores or any articles or things by theft, negligence or otherwise, is discovered in Mdl/ZP/EEs office etc an enquiry shall be made at once by the Chief Executive Officer or the MPDO or Executive Engineer or any other officer duly authorised in this

behalf and the fact of the embezzlement, misappropriation or loss shall be immediately reported by him direct to the Government and the Statutory Auditor. Intimation shall also be sent at once to the Commissioner. If a preliminary investigation discloses or leads to the suspicion of a criminal offence (like forgery, theft and the like) the matter shall be reported to the police authorities also.

12.14.2 When the matter has been fully enquired into, the Chief Executive Officer or Mandal Parishad Devt. Officer, or Executive Engineer shall send a complete report to the Govt. Commissioner or Engineer-In-Chief and the Statutory Auditor, showing the total sum of money misappropriated or value of stores or articles or things lost the manner in which the misappropriation was effected or the loss occurred and steps taken to recover the money to punish the offenders and to prevent the recurrence of similar embezzlements or losses in future.

12.14.3 The submission of the above reports to CEO / MPDO / EE for taking such further action as may be considered necessary.

RECONSTRUCTION OF RECORDS

12.15 When lost of property or records occurs, a panchanama has to be conducted giving details and extent of loss/records and register burnt and has to be reported to police and revenue department, and fire services if it relates to fire. Where the records are burnt or washed away in flood cyclone the following procedure is to be followed to reconstruct the records. The list of records available i.e. not burnt or half burnt or washed away has to be made out immediately. Thereafter action to be taken to prepare duplicate bills etc. for the period for which regular audit was not conducted by the local Fund Audit Department. If duplicate bills were already sent to the Audit Officer for concurrent audit, copies thereof may be prepared. In case the bills have not been sent, action should be taken as shown below.

Detailed instructions were issued in Govt. Memo 697484 - Audit II/90-1 PR & RD dt. 9-10-90

12.15. Fresh cash Books shall be opened taking the Treasury Pass Book balance and necessary adjustments may be made after the records are rebuilt and accounts are prepared.

12.16 SERVICE REGISTERS :

Service registers may be opened and rebuilt. If any of the staff members will be retiring shortly and if there is no sufficient time to take action to rebuild the Service Registers, action shall be taken with reference to G.O.Ms. NO. 239 Finance and Plg. (Pen.I) dated 4-7-75 and G.O. Ms. No. 125 Finance & Plg. (Pen.I) dated 19-3-76 and G.O.Ms No. 202, Finance (FW.PSC.I) Department dated 11.6.80.

12.17. PAY BILLS

In respect of Pay bills etc. action may be taken as shown below.

(1) Pay bills of teaching and Non-teaching staff of schools Duplicate bills may be prepared with reference to office copies of bills available in schools or with group leaders.

(2) Pay bills of office staff : Details of pay may be obtained from the Z.P. office and duplicate bills be prepared.

(3) G.P.F. deductions of Panchayati Raj employees, Teaching and non-Teaching : Duplicate schedules may be prepared with referenc to the schedules available in Z.P. Office.

(4) G.P.F. amount of Mandal Animal Husbandary Officer, Mandal Assistant Engineer, Mandal Co-operative and Rural Development Officer (belonging to Other Department) remitted to Govt. Account where

schedules are sent to the Account General : the account slips may be obtained from the A.G.

(5) Andhra Pradesh Government Life Insurance Deductions. The Director A.P.G.L.I. Deptt. may be addressed for copies.

(6) A.P. State Employees Group Insurance Scheme Deductions. The Director A.P.G.L.I. Deptt. May be addressed for Copies.

The above may be written with reference to the pay Bill register / acquittance registers, if the registers are available.

12.19 Work Bills : As the contractors maintain particulars of work done and payments made, duplicate bills may be prepared with reference to those particulars.

12.20 Payments made to suppliers of materials and goods like local purchase of stationery :- Duplicate bills may be obtained from the suppliers.

12.21. Stocks/Stores/Materials purchased and works executed:

The Mandal Parishad Development Officer has to append certificates to the effect that the stocks have been purchased, accounted for and utilised and that works have been executed properly.

12.22 DEPOSITS : The Register may be written up with reference to the duplicate work bills being written as above. In respect of old deposits there is no possibility to build up the register.

12.23 ADVANCES : As regards marriage or conveyance advances etc. the details to the extent available in the audit reports of Accountant General /Local Fund Audit Department may be noted in the advance register or they may be obtained from the Zilla Parishad. In respect of those who are transferred to Zilla Parishad or other Mandal Parishads,

the concerned Institutions may be addressed and details obtained and noted in the register.

12.24 SERVICE REGISTERS : They may be rebuilt with reference to the particulars available in the Zilla Parishad and other Mandal Parishads and copies of the orders available with the staff.

12.25. UTILISATION CERTIFICATES : The list of pending utilisation certificates may be obtained from the Audit Officer local fund Audit and further action taken. If any problem arises in furnishing utilisation certificates the Mandal Parishad Development Officer may approach Government with proposals.

12.26 LOAN ACCOUNTS : The loan accounts and registers may be rebuilt with reference to the records available with the Village Development Officer.

12.27. CHEQUES : Where details are not available with reference to the above for any cheques, the details as to whether it is a self cheque or the name of the party may be obtained from the Accountant General. The Mandal Parishad Development Officer has to send a list of such cheques to Government to address the A.G.

12.28. Audit objections the details may be copied down from records of Audit Officers, Local Fund Audit and necessary action taken for recovery etc. If there is any problem in answering the objections the Mandal Parishad Development Officer may categorise the objections and approach Government for orders.

Similar action may be taken in respect of Accountant General's audit objections by obtaining copies of audit paras from Accountant General's office.

12.29. Write off of value of cash, postage, Stationery etc. burnt proposals should be sent to Government for writing off the value of cash balance, postal stamps, stationery, stores, furniture etc. burnt.

12.30 A register of misappropriation shall be maintained in the following proforma. This register should be reviewed monthly by the C.E.O./P.E.O. ZP / E.E. / PR / M.P.D.O. to ensure that action is pursued vigorously in each individual case.

12.31 Apart from submitting a report about the misappropriation to the Government and Director of Local Fund Audit, action should be taken to suspend the officer concerned and also appoint an Enquiry Officer. There should be no delay in conducting the enquiry and the enquiry report should be obtained at any rate before six months. Soon after receipt of the enquiry report responsibility shall be fixed not only among the delinquent who misappropriated the amounts but also on the supervisory officers both in regard to recovery and disciplinary action. This process should be completed within a month. Apart from recovery of the amount concerned disciplinary action should also be taken against the individuals.

12.32 A monthly periodical of misappropriation indicating the stage of each case should be sent to Government in the following proforma prescribed in Government Memo No. 78974/Accts.V/90, dt. 21.11.90 before 20th of every month. (Proforma enclosed)

12.33. Whenever an Enquiry Officer is appointed, the responsibility of the supervisory officer due to whose slackness of supervision the misappropriation was rendered possible should also be enquired by the Enquiry Officer.

Misappropriation

Sl. No.	Z.P. File No.	Govt. File No.
1.	Name of the Office	
2.	Amount misappropriated.	
3.	Details of case.	
4.	Date on which the amount was misappropriated.	

5. **Names of persons responsible.**
6. **Para No. of A.G./L.F. Audit Report.**
7. **Whether the persons were suspended Details as to date of suspension, whether continuing under suspension date of reinstatement, whether he approached A.P.A.T. etc., have to be given.**
8. **Whether Enquiry Officer was appointed.**
 - b) **Whether enquiry report is received.**
 - c) **Final orders passed in the disciplinary case.**
9. **Whether criminal case was filed and if so details to be furnished.**
10. **Amount recovered.**
11. **Balance of amount to be recovered.**
12. **Reasons for non-recovery of the amount.**

CEO/ZP/E.E.PR/M.P.D.O. MP

Note : Separate sheet should be used for each case.

CHAPTER 13

DEPOSITS

DEPOSITS

Sl. No.	Heading	Para No.	Page No.
1.	Introduction	13.1	335
2.	Various types of Deposits	13.2	335
3.	Earnest Money Deposits	13.7	337
4.	Security Deposits	13.10	337
5.	Fidelity Bond	13.12	338
6.	Register of Security Deposits of employees	13.13	338
7.	Lapsed Deposits	13.14	339
8.	Security deposits on stores purchases	13.15	339
9.	Contribution in shape of deposits of education committees or from others	13.17	339
10.	Register of Deposits	13.18	340

DEPOSITS

13.1 INTRODUCTION :

In carrying on the administration of Mandal Parishad and Zilla Parishad the Mandal Parishad Development Officers, CEOs & EEs may receive deposits for various purpose by or on behalf of the bodies as security and account for them by repayment or otherwise.

Such deposits may be received in cash or through D.D. or Challan etc. as explained below. The rules relating to deposits were issued in G.O.Ms. No. 1284 P&LA dt. 18-9-61

13.2 VARIOUS TYPES OF DEPOSITS :

The following are the various kinds of deposits

- (a) Contractors deposits for the due fulfilment of their contracts.
- (b) Earnest money deposits of tenders.
- (c) Security deposits of employees.
- (d) UN-claim contractors dues, lapsed deposits.
- (e) Surplus sale proceeds of distrained property.
- (f) Fidelity bonds of Insurance Company approved by State Govt.
- (g) Other miscellaneous items like Contribution from school committees for opening of higher classes and salaries of teachers.

13.3 THE DEPOSITS REFERRED TO ABOVE MAY BE MADE

- (i) In Cash
- (ii) In savings bank deposits
- (iii) In Government promisory notes
- (iv) In Municipal or Local Board debentures bond approved by Panchayati Raj Institutions.
- v) In post office (10) years defence savings or National Saving Scheme Certificates.

NOTE : Acceptance of promisory notes referred to in the above item will not be towards tender money deposits but in special case of earnest money deposits, promisory notes will be accepted.

13.4 No item shall be credited to any deposit head of account except on written order of the Head of the office i.e., Mandal Parishad Development Officer, Executive Engineers, Deputy Chief Executive Officer, Chief Executive Officer as the case may be.

13.5 A register of deposits as prescribed in GO Ms. No. 381-PR Dt. 10-5-67 has to be maintained by each office in respect of deposits directly remitted into treasuries details of receipts may be obtained from the Treasury Officer concerned and all entries posted and attested.

A certificate of the entries has to be appended in the register at the end of every quarter by the incharge of the office stating that all the entries are made upto date.

13.6. Where any deposit is received in cash, the Mandal Parishad Development Officer, Deputy Chief Executive Officer and Executive

Engineer shall cause necessary entries to be made in the register and remit the amounts to the treasury where the funds are lodged and attested immediately. At the end of the every month and every year, statement of transactions of deposits be prepared. A certificate of verification of the deposits other wise than in cash should be furnished to the Auditor, after verifying the sanction actuals.

13.7 EARNEST MONEY DEPOSITS

The amount of earnest money that should be sent with the tender and the amount and nature of the security deposit to be made by the successful tenderer the amount of E.M.D. for either piece work contractor or lumpsum constructor and additional security required from the successful tenderer for a lumpsum contract should each be 24% of the sanctioned estimate figures.

13.8 The Earnest Money deposited by piece worker shall be retained as security for the due fulfilment of the agreement and shall not be refunded before the payment of the final bills. For the purpose of additional security deductions shall be made at 5% from the bills. It will be retained as security deposit for the due fullfilment of the contract under the certificate to be issued by the Executive Engineer. A.P.D.S.S. preliminary specifications clause 68 GO Ms. No. 175 PWD Dated 25-2-75.

13.9 According to clause 68 of the preliminary specification to the A.P.D.S.S. that the amount with-held from the final bill will be retained under deposit and paid to the contractor together with the security deposit with in a period of six months or all the defects shall have been rectified (GO Ms.No. 175 PWD. Dt. 25.2.75)

13.10 SECURITY DEPOSITS :

When an employee in the service of Mandal Parishad or Zilla Parishad gives a fidelity bond of Insurance Company approved by the State

Government for the full amount of the required security guaranteeing the Mandal Parishad or Zilla Parishad against losses through dishonesty, negligence or disregard of the rules on his part, the following procedure shall be followed.

13.11 According to G.O.Ms. No. 423-PR Dt 12-11-73 an amount of Rs. 1000/- shall be taken immediately as security either in cash or in the shape of fidelity bond /guarantee issued by L.I.C. from Suprintendent / Senior Assistant working in Mandal and Zilla Parishad and EEs Office who handle cash the procedure laid down under Rule 13(3a) and (d) of the rules relating to be establishment under Panchayat Samithis and Zilla Parishads issued in GO Ms. No. 936 P&LA. dt. 17-7-62 be followed in taking security from them. If the money or money values handled at any time is more than the security offered the excess money will have to be held jointly by the Superintendent/Senior Accountant / Junior Accountant and next higher authority. The amount of Rs.1000/- fixed as security is only provisional to be taken from the Senior Accountant / Superintendent and suitable amount will have to be fixed.

13.12 FIDALITY BOND :

The fidity bond shall be accepted only if it is in the form approved by the State Government.

The employee concerned shall pay on the due date the premia to keep the bond alive, until the expiry period of atleast six months from the date of vacation of office by him and shall deliver the receipts to his superior officers having custody of the bond. If he fails to do so he shall be liable for disciplinary action.

13.13 REGISTER OF SECURITY DEPOSITS OF EMPLOYEES

A register of security deposits of employee shall be maintain in the prescribed forms

13.14 LAPSED DEPOSITS

13.14.1 At the end of each year, any deposit or balance thereof shall be lapsed and credited to revenue Head of Account, if it has remained un-claimed for a period of three years from the date when the deposits or the balance as the case may be becomes first repayable or in case the deposit has been received in cash and deposit or balance thereof does not exceed one rupee from the date when the depositor balance as the case may be becomes first repayable.

13.14.2 Lapsed deposits have to be refunded on a "refund voucher of revenue receipts and lapsed deposits" in a form such as laid down by the Government from time to time.

13.15. SECURITY DEPOSITS ON STORES PURCHASES :

Security deposits should be collected at the rate of 10% as per A.P. Financial Code for all indents exceeding the value of Rs. 10,000/- and above after entering into agreement with the successful tenderer in the name of Governor.

13.16 REFUND OF DEPOSITS

The deposit shall not be refunded unless the written orders of the officers are recorded for refund on an application preferred by the person entitled to the refund. Any person entitled to a refund of two or more deposits shall make a separate application in respect of each deposit.

13.17. CONTRIBUTION IN SHAPE OF DEPOSITS OF EDUCATION COMMITTEES OR FROM OTHERS :

These deposits are received from the Education Committees formed in the villages for the Educational activities of that area. These deposits can be utilised for the Educational activities of the Mandal such as

opening of higher classes and for acquiring any land for building etc., and for payment of salaries of teachers of upgraded schools for which the Government does not give any grants. This should not be utilised for other purposes until and unless proper and specific sanction is obtained from the authority competent

13.18 REGISTER OF DEPOSITS

13.18.1 A register of Deposits shall be maintained in ZP/MP/EE's Office separate sets of pages shall be set aside for cash deposits and deposits not paid in cash - deposits by way of promissory notes etc.

13.18.2 Each part of the register will open with the details of the previous year's outstanding balances as shown in previous year's register. The deposits received during the year will then be entered in the relevant part as each transaction occurs. At the end of the month, a total of the deposit received during the month should be made and the total reconciled with the corresponding figure in the monthly statement of accounts and initialled by the Head of Office. Repayments in cash or by transfer should be noted the original credit in the column for the month in which the refund is made in the total of the postings should be made in the end of the month and agreed with the corresponding figure in the month statement of accounts. A plus and minus memo of deposits showing the opening balance of total of receipts and expenditure and closing balance of deposits shall also be prepared every month. Similarly plus and minus memo should be put up at the end of the year.

13.18.3 Refunds of deposits should be made on vouchers in the form prescribed. Refunds should be passed for payment only when the officer has satisfy himself by a reference to the Deposit, General Cash Book and of the records that the deposit is actually outstanding and is required to be refunded.

13.18.4 The order for refund shall be made after a note has been made in the register of deposits against the original credit entry, on a deposit refund voucher vide rule 7 of the Deposits Rules.

CHAPTER 14

ADVANCES

ADVANCES

Sl. No.	Heading	Para No.	Page No.
1.	Kinds of Advances	14.1	345
2.	Non-Interest bearing Advances	14.2	345
3.	Interest Bearing Advances	14.3	345
4.	Festival Advance	14.4	346
5.	Eligibility and Monitory Limits	14.4.2	346
6.	Authority to Competent to Sanction the Advances	14.4.5	347
7.	General Instructions Relating to the maintainence of Accounts of Festival Advances	14.4.6	348
8.	Educational Advances	14.5	351
9.	Eligibility	14.5.2	351
10.	Authority Competent to sanction the advance	14.5.3	351
11.	Monitory Limits	14.5.4	352
12.	APCO Advance	14.6	352
13.	Tour advances to Govt. servants Article 232 A.P. Financial Code Volume I	14.7	353
14.	Advances on Transfer	14.8	353
15.	Eligibility of Govt. Servant for an advance	14.8.3	353
16.	Sanctioning Authority	14.8.4	354
17.	Advances to V.D.O.s & Ministerial Employees for training in Rajendranagar	14.9	354
18.	Authority competent to sanction	14.9.2	355
19.	Amount of advance	14.9.3	355
20.	Recovery procedure	14.9.4	355
21.	House Building Advance	14.10	355
22.	Purpose for which Advances may be sanctioned.	14.10.2	355

23.	Advance for purchase of House Sites	14.11	356
24.	Authority Competent	14.11.2	356
25.	Eligibility	14.11.3	357
26.	Recovery Procedure	14.11.4	357
27.	Sanction of Advances for purchase of Ready Built House or construction of House	14.12.	357
28.	Eligibility	14.12.1	357
29.	Conditions	14.12.2	358
30.	Limitation of amount of advance	14.12.4	358
31.	Interest	14.12.5	359
32.	Penal Interest	14.12.6	359
33.	Surity	14.12.7	359
34.	Sanctioning Authority	14.12.8	360
35.	Constructions	14.12.9	360
36.	Repayments	14.12.10	360
37.	Advance for repairs to houses	14.13	360
38.	Marriage Advance	14.14	361
39.	Sanctioning Authority	14.14.2	361
40.	Monitory Limit	14.14.4	362
41.	Rate of Interest	14.14.5	362
42.	Repayment	14.14.6	362
43.	General Rules to be observed for charging of Interest on all kinds of loans	14.14.7	363
44.	Rate of penal Interest	14.14.8	363
45.	Recovery of Interest waived at the time of Retirement	14.14.9	363
46.	Waiver of the recovery of balance on death	14.15	364
47.	Recoverable Register	14.16	365

ADVANCES

14.1 KINDS OF ADVANCES

There are various kinds of advances, interest bearing and non-interest bearing advances which can be sanctioned to the staff working in Mandal Parishad and Zilla Parishad institutions subject to the rules conditions issued by the Government from time to time. No advance can be sanctioned if it involves breach of Government orders or rules or the Statutory Provisions of the Act.

14.2 NON-INTEREST BEARING ADVANCES :

The following are the advances on which no interest is charged.

1. Festival Advances.
2. Education Advances.
3. APCO Advances.
4. Tour Advances.
5. Transfer Advances
6. Other Advances

14.3 INTEREST BEARING ADVANCES

Interest is charged on the following types of advances. Hence they are known as interest bearing advances.

1. Advance for purchase of Bicycles
2. Advance for purchase of Motor Cycles.

3. Advance for purchase of Motor Car.
4. Advance for Purchase of House sites.
5. Advance for purchase of Ready built House or Construction of houses.
6. Advance for Celebration of Marriage : Male Government servant/ Female Government Servent and their children.

NON-INTEREST BEARING ADVANCES

14.4 FESTIVAL ADVANCES

G.O.Ms. No. 143 Fin.& Plg. dt. 20-6-81 Art. 242-D. A.P. Financial Code Vol. -I

18.4.1 This advance may be granted to non gazetted employees, members of last grade service, contingent and work charged establishment remunerated on monthly rates of wages subject to the rules, conditions fixed by the Governemnt from time to time. (G.O. Ms. No. 272F&P dt. 20-10-81).

Casual Employees will not be eligible for the advance.

14.4.2 ELIGIBILITY AND MONITORY LIMITS

1. Class-IV Employees Rs. 300/- raised L B 900=0
2. Non-Gazetted government Servants Rs. 500/- raised L B 1500 -
3. Contingent Employees Rs. 100/- Nil

G.O.(P) No. 123, Fin. & Plg. (FWA&L) Dept., dt. 2-8-99.

This advance will be recovered in not more than (10) Ten equal monthly

instalments from the Pay Bills by way of compulsory deductions. The first instalment shall be recovered from the pay following the month in which advance was made.

14.4.3 The advance shall be admissible on the eve of any festival mentioned in the list of holidays notified by the Government every year irrespective of the community to which government servant may belong and also irrespective of whether a General Holiday or optional Holiday has been declared for the festival in question. The festival advance should be granted on communal festivals only and not for National Festival like 15th August, 26th January.

14.4.4 Only one advance can be sanctioned to an individual in a Financial year and that too when the arrears of a previous advance if any have been completely recovered. Govt. Memo No. 29394-M1042/ Accts./63-1, Dt 26-4-1963.

14.4.5 AUTHORITY TO COMPETENT TO SANCTION THE ADVANCES

The Mandal Parishad Development Officer and Deputy Chief Executive Officer of Mandal Parishad and Zilla Parishads are empowered to sanction the advance to the staff working in their administrative control subject to the condition as prescribed above and on the availability of Budget provision sufficiently. Similar procedure has to be followed in case of Engineering Divisions by the Executive Engineers employees. For temporary employees who have put in one year service and who are likely to continue in service

The employee who stands surity for temporary employee should not draw lesser pay than the borrower.

14.4.6 GENERAL INSTRUCTIONS RELATING TO THE MAINTANANCE OF ACCOUNTS OF FESTIVAL ADVANCES :

(a) The Payment on account of festival advances will be accounted for under the detailed head "Festival Advances" under Advances - Advances not bearing interest. The Drawing Officer should classify in the Bill accordingly to facilitate the sorting of the vouchers.

(b) The drawing officer should maintain a register in Form A details on account of the advacnes shall be noted column 1 to 12 should be filled in as soon as the Bill drawn for payment of festivals advance or the L.P.C. indicating balance amount of the advance to be recovered from another office or disbursing officer. The recoveries as and when made from the pay bills should be noted in the columns 6 to 12. Similarly the reasons for non-recovery of any amount, which should have been normally recovered should be indicated briefly in the remarks column (eg., pay not drawn, transferred to)

(e) In support of the deductions the drawing officer should attach the pay bill concerned a "Schedule of Recoveries" (Form-B). This should be prepared in two parts as indicated therein.

(f) When an employee is transferred to another office, the amount of the advacne paid, the voucher number and date of payment, the number of instalments recovered to date, and the designation of the drawing and disbursing officer should be mentioned in the L.P.C.

FORM (A)

Register of Festival Advance and Recoveries made there for the year.

1. SI No.
2. Name of the Governement Servant

3. No. and date of the voucher in which the advances were drawn or the name of the drawing officer. If the advance was drawn by the other offices.
4. Amount of advance.
5. Outstanding balance as on 1st April if any.

Recoveries during the month of

April	May	June	Till March	Amount	Vr. No.
-------	-----	------	------------	--------	---------

6. Total recoveries during the year
7. Balance as on 31st March
8. Remarks

FORM (B)

SCHEDULE OF RECOVERIES OF FESTIVAL ADVANCE FOR THE MONTH OF

Major Head of Account in which the Pay and allowance of the incumbents are debited :

1. Sl. No.
2. No. and date of the Voucher in which the advance has been drawn.
3. Designation of the drawing officer by whom advance was drawn.

4. Amount of advance
5. Amount recovered
6. Remarks

PART (A) Recoveries in respect of advances drawn and disbursed by other drawing officer who makes the recovery.

PART (B) Recoveries in respect of advances drawn and paid by other drawing officer.

TOTAL RUPEES OF PART-A AND B.

- Certificate 1) Certified that the total recoveries shown in Col. (5) above entry with the amount actually recovered and shown in the body of the bill.
- 2) Certified that the recoveries effected have been duly posted in the register of advances (Form-C)

Signature of the Drawing Officer

Note : 1) The total columns (Part-A and B together) should agree with the total deductions shown in the Bill on account of the particular advance.

2) A separate schedule be prepared for each bill.

3) In respect of persons transferred from one office to another, an indication regarding the office from which they are transferred and the amounts of advance outstanding against them at the time of transfer should be given in the remarks column against Part -B

14.5 EDUCATIONAL ADVANCES

14.5.1 According to the Orders issued in G.O.Ms.No. 235-Fin. & Plg. dt. 22-8-1981 Educational Advance may be sanctioned as interest free advance recoverable in (10) now (8) equal monthly instalments commencing from the month following the month in which advance is drawn to the N.G.Os. and Class-IV Employees.

14.5.2 ELIGIBILITY :

- 1) Only one employee having atleast one child of school going age or higher age is eligible.
- 2) Regular employee having a minimum service of two years as on the date of application will be eligible.
- 3) Only one such advance in the period from May to June would be given if previous advance is completely recovered .

14.5.3 AUTHORITY COMPETENT TO SANCTION THE ADVANCE:

Head of the Office is empowered to sanction this advance after satisfying the conditions laid down in the G.O. cited as in the case of festival advance.

Head of office for this purpose in respect of Mandal Parishad, Mandal Parishad Development Officer and in respect of Engineering Divisions and in respect of Zilla Parishad Executive Engineer and Deputy Chief Executive Officer respectively.

The authority competent to sanction the advance shall obtain the application form in the prescribed proforma.

14.5.4 MONITORY LIMITS

The amount is restricted to Rs. 500/- only for NGOs & of class IV Employee and for Rs.1000 for employees in the scale of Rs.1380 2750 (G.O.160 F&PP (Fin. A & L) dt. 4.7.87. irrespective of number of children. Enhanced to Rs.2000/- in G.O.(P) No. 123 Fin. & Plg. (FWA&L) Dept. Dt. 20-8-99.

Only one of the employee is eligible for this advance when the Husband and Wife are both are Governments servants.

This advance shall be sanctioned subject to the availability of Budget Provision.

14.6 APCO ADVANCE

This advance can be sanctioned by the Head of the Office as per GO Ms. No. 191 Fin. & Plg. (A&L) Dept. Dt. 27-6-86 as in the case of Festival Advance once in a financial year on any festival irrespective of community and irrespective of public holiday or Optional Holiday declared by the Government in the list of Holidays. This advance need not be disbursed in cash. It may be sent by a crossed cheque or Demand Draft in favour of the concerned APCO Fabric shops with a letter to supply the clothes to the extent of the advance sanctioned to Government Servant on production of sanction order from the Head of Office. The APCO Fabric Societies will supply the clothes and send an intimation of receipt of cheque or Demand Draft and supply of clothes.

14.6.2 Recovery may be started from the month following the month in which sanction was accorded. This recovery shall not exceed (10) Ten equal monthly instalments.

14.7 TOUR ADVANCES TO GOVERNMENT SERVANTS ARTICLE 232 A.P. FINANCIAL CODE VOLUME-I

14.7.1 This advance can be sanctioned to all Employees and Class-IV Employees who are involved in regular tours. This should not exceed the probable TA for the month. The authority competent to sanction this advance is the Head of the Office as in the case of Festival advance. The advance drawn should be adjusted within a month or early on the submission of T.A. Bill by the concerned staff member to the Head of the Office.

14.7.2 No second advance shall be sanctioned until the first one is adjusted completely. While sanctioning the advance the authority competent may obtain a requisition from the employee about the probable expenditure for the tour.

14.8 ADVANCES ON TRANSFER

Article 239 of A.P. Financial Code Vol.I.

14.8.1 This advance is granted in accordance of the rules framed by the Government from time to time on transfer on administrative grounds which involve public interest.

14.8.2 No advance pay and T.A. will be granted to the employees in the case of transfers in which no public interest is served or transfer at request. Article 238 Note 3 of A.P. Financial Code Vol.I

14.8.3 ELIGIBILITY OF GOVERNMENT SERVANT FOR AN ADVANCE :

Advance pay or T.A. to an all employees who receives an order of transfer during duty or leave may be granted.

14.8.4 SANCTIONING AUTHORITY

The authority is shown below are empowered to sanction these advances to the extent indicated against each.

NATURE OF ADVANCE	AUTHORITY COMPETENT TO GRANT SANCTION
Advance pay and Advance Transfer T.A. to employees who are approved or Temporary Government Servant who are not likely to be discharged with in (4) months.	All officers who are authorised to draw Pay and T.A. Bills of establishment are authorised to sanction of advance pay and T.A. on transfer. Govt.Memo.No. 70662/975/A&L/71-11, Fin. Dt. 17-12-1984.

NOTE : Officers authorised to draw pay and T.A. Bills of Establishments may sanction advance pay and T.A. to themselves.

14.8.5 An advance should not exceed one months pay which Government servant is in receipt of immediately before transfer.

14.9 Advances to V.D.Os & Ministerial employees to meet the caution deposits at the various training centres on deputation such as S.I.R.D. now A.P.A.R.D. Training Centre at Rajendranagar.

14.9.1 The advance may be sanctioned to the employees Article 271 A.P. Financial Code Vol.I who are deputed to the various training courses conducted at various places such as Rajendranagar (A.P.A.R.D., VDO Training Centre at Rajendranagar etc.) This advance is meant to meet the caution deposits etc payable at the Training Centres.

14.9.2 AUTHORITY COMPETENT TO SANCTION :

The officer who relieves the incumbent for such training is empowered to sanction this advance.

Mandal Parishad Development Officer
of Mandal Parishad

Staff working in
Mandal Parishad.

Deputy Chief Executive
Officer, Zilla Parishad.

Staff working in
Engineering Divisions
and Zilla Parishad.

14.9.3 AMOUNT OF ADVANCE

The advance to be sanctioned shall not exceed one month basic pay or the amount required by the Training Centre which ever is less payable by the employee during the training period.

14.9.4 RECOVERY PROCEDURE

The same should be recovered in easy monthly instalments which may not be a burden to the employees as he is undergoing training. It may be adjusted in the Training T.A. Bill to be submitted by him after the expiry of Training. The caution deposit will not lapse for a period of Two years.

14.10 HOUSE BUILDING ADVANCES

14.10.1 The rules relating to advances for house building purposes were revised and issued in G.O.Ms.311, Fin & Plg. (Fin. Wing A & L) dept. dt. 6-11-96

14.10.2 PURPOSES FOR WHICH ADVANCES MAY BE SANCTIONED

An advance may be sanctioned for the following purposes.

1. Purchase of a house site and construction of a house / flat there on.
2. Construction of a house / flat on the site already owned by the applicant.
3. Purchase of a house site
4. Purchase of a ready built house Flat and
5. Repairs, extensions, enlargements, additions or improvements, to the house owned by the applicant / spouse minor child.

14.10.3 The advances may be sanctioned for construction of a house / flat at the place where the employee proposes to settle after retirement any where in India.

14.10.4 SOME OF THE GENERAL PRINCIPLES ARE GIVEN BELOW.

14.11 ADVANCE FOR PURCHASE OF HOUSE SITES

14.11.1 The Head of the Dept. is competent to sanction this advance for the non teaching staff working in MPs & ZPs. Revised.

The C.E.O. ZP is competent to sanction the advance to Staff working in Engineering Divisions & Staff working in Mdl & Zilla Parishads and ZP HS.

14.11.2 AUTHORITY COMPETENT

The sanctioning authority shall obtain required application form and agreement bonds from the applicants. If the conditions are satisfied and budget provision is available i.e., loan sanctioned by Govt. for the ZP sanction may be accorded. The sanctioning authority may issue sanction orders.

14.11.3 ELIGIBILITY :

Permanent employees and approved probationers or probationers with a service of Eight years if it is satisfied that they will continue in service till the house is built. The advance shall not exceed seven times the basic pay or Rs.35000/- whichever is less

14.11.4 RECOVERY PROCEDURE :

The amount of advance sanctioned for the purchase of house sites shall be recovered in not exceeding (50) instalments of the principal amount and after the recovery of principal amount only, the interest has to be recovered. The instalment of interest should in no case exceed the instalment of principal and it should be completed in (10) instalments. However if the borrower is willing to pay two or more instalments he can pay the amount at a time there is no such objection. The recovery must be made from the pay bills as a compulsory deduction.

14.12. SANCTION OF ADVANCES FOR PURCHASE OF READY BUILT HOUSE OR CONSTRUCTION OF HOUSE

14.12.1 ELIGIBILITY :

House Building advance may be granted to the following categories of employees

(a) Permanent employees

(b) Temporary employees who may either be approved probationers and have rendered (8) years of service of the sanctioning authority is satisfied that they are likely to continue in the service of the State Government atleast till the house for which the Advance is sanctioned is built or mortgaged to the Government.

(c) In case where both Husband & Wife are eligible for the advance it will be advisable to only one of them.

14.12.2 CONDITIONS :

Applicant must fulfil the conditions for the sanction of advance.

(a) He/she must not have availed of any loan or advance in the past.

(b) An applicant who or whose wife/husband/minor child is already a owner of a house or a house site or has a house or house site acquired through hire purchase or other wise the ownership of which will pass on to the applicant in due course shall not be eligible for the grant of advance for the construction or purchase of another house or house site as the case may be. However this condition may be relaxed by Government in exceptional circumstances for example if the applicant or the applicants wife / husband / minor child own a house in a village and the applicant desires to settle down in a town or wherever the applicant happens to own a house jointly with other relation etc., and he desire to build a separate house for his bonafide residential purposes. An applicant who or whose wife / husband / minor child is having a house site is however eligible for the grant of an advance for the construction of a house.

14.12.3 Purchase of ready built house and towards repairs, extension, enlargement or improvement to the houses owned by the employees.

14.12.4 LIMITATION OF AMOUNT OF ADVANCE

An advance not exceeding (60) months pay which the applicant was drawing on the date of his application or Rs.1.25 lakhs if the basic pay is Rs.2750 p.m. or less Rs.1.50 lakhs if the basic pay is above Rs.2750 upto Rs.4400/- Rs.1.75 lakhs if the basic pay is above Rs.4400 is upto Rs.6240/- and Rs.2 lakhs if the basic pay in above Rs.6240.

Revised in G.O.Ms.No. 50 Fin. & Plg. (FW A & L) Dept. dt. 1-4-98. and

Revised in G.O. (P) No. 122 Fin. & Plg. (FW A & L) Dept. dt. 20-8-99.

Pay drawing	Lakhs	
Upto 5300	2.50	or 60 less of basic pay which and is lessor
above 5300 upto 8400	3.00	-do-
Drawing 8400 above		
upto 12100	3.75	-do-
Drawing basic pay		
above 12100	4.50	-do-

Registration Charges and such other charges can be met by individual.

14.12.5 INTEREST :

Advance granted under these rules shall carry simple interest from the date of advance. Interest is calculated on the last day balance of each month.

14.12.6 PENAL INTEREST :

Penal interest at 1½ times of the normal rate shall be collected for the default of conditions.

14.12.7 SURITY :

Applicant must execute an agreement bond for repayment of advance. Sale deed in respect of the advance must be produced for inspection.

14.12.8 SANCTIONING AUTHORITY :

Head of the Department / CEO subject to availability of budget provision, out of the loan sanctioned by Govt. to Z.P.

G.O.Ms. No. 3 / Fin. & Plg. (FW A&C) Dept. dt. 19-8-97.

14.12.9 CONSTRUCTIONS :

Construction of houses shall be carried out exactly in accordance with the approved plan and specifications on the basis of which the amount of advance was sanctioned.

14.12.10 REPAYMENTS :

The advance sanctioned under these rules together with interest shall be repaid in full by monthly instalments as noted below. First the recovery of advance shall be made then interest.

The rate of interest 7.5 per cent for last grade servants and 8.5 percent for others (GO.Ms. No. 217 Fin. & Mg. (Fin A & L) Dept. Dt. 28-4-94.

Number of Instalments	Principal	Interest
	192	48

Advance for the construction of house (including the acquisition of site)

14.13 ADVANCES FOR REPAIRS TO HOUSES

Advance for repairs, extensions, Enlargements additions, or improvement to the houses shall not exceed 15 times of basic pay or Rs 60,000/- which is less. Now enhanced to Rs.90,000/- G.O.(P) No. 122, F&P (FW A&L) Dept., dt. 20-8-99.

The principal shall be recovered in sixty instalments and interest in ten instalments.

The rate of interest is Rs. 8.5 per cent per annum as per GO. Ms No. 217 (Fin. & Plg) dt. 28-4-94)

14.14 MARRIAGE ADVANCE

14.1 According to G.O.Ms.No. 90 Fin dt 26-3-70 and G.O.Ms No. 96 dt 8-4-75 Fin. & Plg. Accts. & Loans Department marriage advance may be sanctioned to the Government servant Male and female and as per the terms and conditions fixed from time to time by the Governments.

It may be sanctioned to all regular employees who have put in 5 years service. If an employees wife / husband or his / her father / mother are also employees only one of them is entitled for the advance G.O.Ms.168 Fin.28-6-75.

14.14.2 SANCTIONING AUTHORITY :

Head of the Office : Chief Executive Officer of Zilla Parishad is empowered to sanction this advance to the non teaching staff subject to allotment of budget by Head of the Dept.

14.14.3 The Mandal Parishad Development Officer, Executive Engineer of Engineering Division may submit their proposals to the Zilla Parishad together with the applications of the applicants who are actually in need after justifying the reasons. The Chief Executive Officer, Zilla Parishad will scrutinise the applications with reference to the Government orders and proposals of the sub-ordinate officers. After satisfying the conditions and on the availability of budget provision, sanction may be accorded. He shall obtain surity and agreement bond etc., before the amount is

drawn and disbursed well in advance of the Marriages. He shall also obtain the approval of the Standing Committee for Planning and Finance

14.14.4 Upto (15) months of pay subjects to a maximum of Rs, 10,000/- for the class IV employees and Rs.20,000 for others (G.O.Ms.219 F&P dt. 28-4-94) for the celebration of marriages of Female government servant or daughter of Government servant.

Upto (15) Months pay subject to a maximum of Rs. 5000/- for class IV employees Rs, 10,000 for others (GO Ms. 219 F&P. 28-4-94) for the celebration of marriage of Male Government servant or son of Government servant

14.14.5 RATE OF INTEREST

The Rate of Interest as follows :

Gazetted Officers 8.5 Percent

N.G.Os 7.5 Percent

Class IV Employee 6.5 Percent

14.14.6 REPAYMENT :

The Principal amount and interest has to be repaid in 70 monthly instalments for Principal & 10 instalments for interest by a compulsory deduction to be started from the pay bill for the next month and be recovered. The rate of instalment interest should not normally exceed the principal amount of instalment. If it is less this may be recovered in one lumpsum. If not the recovery may be started after the principal amount is fully recovered.

14.14.7 GENERAL RULES TO BE OBSERVED FOR CHARGING OF INTEREST ON ALL KINDS OF LOANS

RATE OF INTEREST :

1. 6½% of Interest to be charged to Class -IV employees of State Government.
2. 7½% of Interest to be charged to N.G.Os of State Government
3. 8½% of Interest has to be charged to Gazetted Employees.

Note : All advances interest bearing may be sanctioned by the CEO, Zilla Parishad after obtaining the approval of Standing Committee for Planning & Finance subject to availability of budget provision. The sanctioning authority shall indicate in the orders that the total amount of principal and interest to be payable by the Government servant so as to facilitate to enter in the Register of Advances Recoverable for the prompt recovery.

14.14.8 RATE OF PENAL INTEREST :

1½ times of normal rate shall be collected from the loanees who fail to utilise the amounts and complete the other formalities within the period stipulated in the rules. Go.Ms. No. 193 Finance (P&L Dept.) dt. 27-7-65.

Penal interest should be calculated on the balance outstanding for the actual period is excess of the stipulated period. If any extension is granted in a case interest will be charged on the expiry of the extended period.

14.14.9 RECOVERY OF INTEREST WAIVED AT THE TIME OF RETIREMENT : No interest for any period after the date of retirement

shall be charged on that portion of outstanding advances as on the date of retirement which is to be set off by adjustment of the Death-cum Retirement Gratuity and the leave salary payable to him by the Government.

GO. Ms. No. 435 Finance (P&L) department Dt.11-7-63.

14.15 WAIVER OF THE RECOVERY OF BALANCE ON DEATH

GO. Ms. No. 171 Fin & Plg. (FW accts) dt 4-7-75)

14.15.1 If the employee dies while in service, the recovery of outstanding balance of house Building advance can be waived by the Head of the dept. if he is satisfied.

(i) That the loan was utilised for the purpose for which it was sanctioned or ii) that substantial effort was made by the loanee to utilise the loan amount for the purpose for which it was sanctioned.

14.15.2 If the Head of the Dept. is satisfied about one of the conditions, the other condition relating to fulfillment of the other formalities by the deceased employee shall be deemed to have been dispensed with irrespective of the fact whether the death occurred within the period of one year from the date of sanction of loan and irrespective of the age of the employee at the time of sanction of the advance.

14.15.3 The conditions of death within one year from the date of sanction and the age limit were deleted in Go.Ms. No 410 Fin & Plg. (Fin A&L) dt. 14-11-90.

14.15.4 Outstanding balances of Bicycle advance and marriage advance can be written off in the case of death while in service provided that

(i) death does not occur within one year from the date of drawal of the advance; and

(ii) the advance was utilised for the purpose for which it was sanctioned.

Balance of festival advance also can be written off in the case of death of employee in service G.O.Ms.171 Finance & Plg. dt 4-7-75.

14.16 ADVANCES RECOVERABLE REGISTER

14.16.1 An account of all advances made by the ZP & MP shall be maintained in the Register of Advances in the prescribed Form 18 .

14.16.2 All the balances outstanding at the end of the previous year shall be first entered in it and then each advance given during the year shall be entered as soon as it is made. The total of the advances made during every month, as shown in this register should agree with the corresponding total shown in the abstract of the monthly account

14.16.3 The details of the outstanding balances should be carried forward to the register opened for the next year.

14.16.4 The monthly columns for recoveries should be totally at the end of the month

14.16.5. A monthly abstract/plus and minus memo indicating the OB the total of advances made during the month and the total amount adjusted during the month and the closing balance should be prepared at the end or every month on the register and signed by the MPDO/Dy. CEO. When an advance is repaid or recovered in cash or is adjusted by deduction from bill on transfer adjustment, the same should be noted against the entry retailing to that advance in the column in which the recovery or adjustment is made.

14.16.6 A plus and minus memo an abstract for the should be prepared at the end of every year as in the case of monthly abstract explained in the para 14.16.5

CHAPTER 15

ACCOUNTS AND REGISTERS

ACCOUNTS AND REGISTERS

Sl. No.	Heading	Para No.	Page No.
1.	General	15.1	371
2.	Accounts & Registers to be maintained by MP & ZP Offices	15.2	371
3.	Stock Account of Forms	15.7	382
4.	Cash Books	15.8.3	383
5.	Petty Cash Book	15.10	386
6.	Register of Investments	15.11	387
7.	Register of Permanent Advance	15.12	388
8.	Register of Bill Passed for Payment	15.13	389
9.	Register of Suits	15.14	389
10.	Transfer Adjustments	15.15	390
11.	Transfer Entry Register	15.16	390
12.	Provident Fund Register	15.17	390
13.	Provident Fund Cash Book	15.18	391
14.	Abstract Register	15.19	392
15.	Provident Fund Personal Ledger	15.20	393
16.	Register of Subscribers	15.21	394
17.	Register of Temporary withdrawals	15.22	394
18.	Register of Estimates and Allotments	15.23	395
19.	Register of contributions in kind	15.24	395
20.	Register of Tools, Plant and Stock Register of Furniture	15.25	395

21.	Register of Immovable Properties	15.26	396
22.	Copies of the Registers of the Fruit Bearing Trees	15.27	396
23.	Stock Account of Forms	15.28	396
24.	Register of Admissions & Withdrawal	15.28.5	397
25.	General	15.29	400
26.	Monthly and Annual accounts General	15.30	400
27.	Preparation and submission of Account - Abstracts - Posting Register	15.31	401
28.	Monthly Account	15.32	402
29.	Distinction between Maintenance and Development	15.33	404
30.	Submission of Monthly Account	15.34	404
31.	Annual Accounts	15.35	405
32.	Subsidiary Account B. 2202		
	Secondary Education Account	15.36.1	406
33.	E. Railway Account (Zilla Parishads only)	15.36.2	406
34.	C/D Deposits 'K' Advances Account	15.36.3	407
35.	F/E Endowment Account	15.36.4	407
36.	L. Loan Account	15.36.5	407

ACCOUNTS AND REGISTERS

15.1 GENERAL :

The account and registers are written and maintained by the staff. But the ultimate responsibility is that of the head of the office to see that they are maintained upto date and properly and represent the true picture of the transactions. Therefore the CEO/Dy. CEO/A.O./PEO/EEPR should verify the registers periodically. In cases where they have to attest individual entries in some cases as prescribed they should attest the same. Art in the A.P. Financial Code Vol. I prescribes.

All corrections in accounts should be attested by the above officers concerned (vide rule 18 of the Accounts rules issued with G.O.Ms.559 PR&RD (Mdl. I) dt. 5.9.94).

15.2 Accounts and Registers to be maintained by Mandal Parishads and Zilla Parishad Offices.

15.2.1 The Mandal Parishad Development Officer/CEO of every MP/Zilla Parishad shall maintain or cause to be maintained in the office of the MP/Zilla Parishad and be responsible for the correct and up-to-date maintenance of the following registers and accounts as per G.O.Ms.559 PR&RD Mdl. I dt. 5-9-94.

ANNEXURE - A

SEE RULE - 1

REGISTERS :

I. RECEIPTS :

1. Account of fees managed departmentally.

2. Officer to the filling for taxes and fees.
3. Bill Books for Taxes and fees and warrants and distrainments.
4. Demand Register for taxes and fees.
5. Miscellaneous Bill Books.
6. Miscellaneous Demand Register.
7. Miscellaneous Receipts Register
8. Miscellaneous Sales Register
9. Prosecution Register
10. Register of encroachment fees.
11. Register of encroachments.
12. Register of fruit bearing avenue trees.
13. Register of grants from Central and State Governments.
14. Register of subscriptions, contributions and donations.
15. Register of write off and remissions.

II. EXPENDITURE (GENERAL)

16. Acquittance Register
17. Cash Book
18. Cheque Book
19. Pay Bill Register
20. Petty Cash Book.
21. Register of Bills passed for payment
22. Register of undisbursed pay
23. T.A. Bill Register
24. Treasury Pass Book

III. ESTABLISHMENT :

25. Establishment Audit Register.
26. Last Pay Certificates.
27. Register of Increment Certificates.
28. Register of Probationers.
29. Register of Service Registers.
30. Service Registers

IV. CONTINGENCIES :

31. Register of Advances.
32. Register of Contigent Charges.
33. Register of Permanent Advance.

V. PENSIONS

34. Demand Register of Pensionary Contributions.
35. Pension Fund Cash Book
36. Pension Payment audit Register.
37. Register of Pension Payment Order.

VI. PROVIDENT FUND :

38. Abstract Register of Provident Fund.
39. Provident Fund Cash Book.
40. Provident Fund Ledger
41. Register of Insurance Policies.
42. Register of Premia
43. Register of subscribers to the Provident Fund and their nominees.
44. Register of Temporary withdrawals and their recoveries.

VII ACCOUNTS :

45. Abstract register of receipts and expenditure.
46. Annual Account
47. Budget
48. Detailed book of receipts and expenditure
49. Detailed monthly Account
50. Licences for industries and factories
51. Loans Ledgers.
52. Posting register of receipts and charges for general funds and secondary Education/elementary Education fund.
53. Register of Cheques and Postal orders received.
54. Register of deposits
55. Register of Investments
56. Register of lapsed deposits
57. Register of loans.
58. Register of Money Orders received
59. Register of receipts and expenditure of account of endowments transfer entry register.
60. Transfer entry register.

VIII. STOCK REGISTERS :

61. Stock Account of Stationery.
62. Stock Account of Forms
63. Stock Register of Furniture.
64. Stock Register of Measurement Books.
65. Stock Register of Tools and Plant

IX. MISCELLANEOUS :

66. Attendance register of members.
67. Catalogue of books.
68. Cash Book to be used by Pleaders.
69. Ledger to be used by Pleaders.
70. Log book for motor vehicles.
71. Register of Audit Objections.
72. Register of Encroachments.
73. Register of Immovable Properties.
74. Register of revenue yielding properties
75. Register of security deposits.
76. Register of suits.
77. Stamp account book.

X. REGISTERS SPECIAL TO SUBSIDIARY INSTITUTIONS (CRAFT CENTRES, WOMEN WELFARE CENTRES ETC.

78. Production Register of preparation register.
79. Stock Account of finished products.
80. Stock Account of raw materials

XI. ENGINEERING BRANCH :

81. Abstract register of receipts and charges.
82. Acquittance register of establishment.
83. Annual Register of receipts and issues and balances of materials at site account.
84. Annual verification statement of road metal and other material.

85. Cash Book.
86. Contractors ledger.
87. Grants appropriation register.
88. Monthly log book of heavy tools and Plant.
89. Imprest Cash book.
90. Measurement Book.
91. Petty Cash Book.
92. Register of Agreements.
93. Register of Advances Recoverable.
94. Register of Buildings.
95. Register of Bridges and Culverts.
96. Register of Cheques and Money Orders.
97. Register of Cheque/Receipt Books.
98. Register of Contractors.
99. Register of Deposits.
100. Register of encroachments.
101. Register of estimate received
102. Register of estimates technically sanctioned.
103. Register of fixed charges
104. Register of fruit bearing avenues.
105. Register of Hire Charges.
106. Register of lapsed deposits.
107. Register of miscellaneous recoveries.
- 108 Register of miscellaneous demand
- 109 Register of miscellaneous sales
110. Register of miscellaneous sanctions.
111. Register of minor irrigation tanks.
112. Register of Permanent advances.
113. Register of P.W.S. Schemes.

114. Register of Roads.
115. Register of Works.
116. Register of Work bills.
117. Register of works check measured and supper check measured.
118. Register of Wells.
119. Road Chart.
120. Road Metal rate Books.
121. Stock Register of M. Books.
122. Suspense Register.
123. T.E. Register.
124. T.E. Order
125. Tender Register.
126. Tender Schedules Register.
127. Treasury Remittance Book of the Engineer.
128. Unstamped Receipt Book.

ANNEXURE - II
SEE RULE - 14
FORMS

I. MISCELLANEOUS :-

1. Absentee Statements.
2. Abstract of Monthly Account.
3. Agreement Forms.
4. Annual Verification Statements.
5. Application for transfer of Allotments
6. Challan.
7. Contingent Statement of differences.
8. Completion Report.

9. Contingent Bills.
10. Contract Certificates.
11. D.C.B. Statement of Schools (ZPs only)
12. Estimates (i) Detailed measure sheet. (ii) Abstract of Estimate
13. Form relating to acquisitions and transfer of immovable properties.
14. Increment Certificates.
15. Indent for supply of forms.
16. Monthly D.C.B. Statement.
17. Pay Bills.
18. Proposition Statement.
19. Refund Vouchers of lapsed deposits.
20. T.A. Bills.

II. PROVIDENT FUND :

21. Bond of Indemnity.
22. Deposit Account of subscribers.
23. Form of nomination.
24. Form of Registered notice.
25. Statement of Provident Fund subscriptions received
26. Vouchers for repayment from Provident Fund.

III. PENSION :

27. Application for Pension/Gratuity.
28. Application for Family Pension
29. Application for Pensioner Gratuity.
30. Call for personal appearance of Pensioner

31. Consolidate Pensioners bill form.
32. Declaration for anticipatory pension/DCRG.
33. List of Family members
34. Nomination of DCRG.
35. No dues Certificate.
36. Pension Payment Order.
37. Pensioner Bill
38. Order of Pension Sanctioning authority

IV. ENGINEERING :

39. Agreement Forms.
40. Covering list of Engineering vouchers.
41. Daily log sheet.
42. Nominal Muster Rolls
43. Return showing the receipts, issues and balances, material at site.
44. Running Account Bill.

15.2.3 The MP/Zilla Parishad shall use the following forms laid down by the Government in such form as may be prescribed.

- Forms :
1. Pay Bills
 2. Travelling allowance Bills.
 3. Contingent Bills.
 4. D.C.B. Statement of School (Zilla Parishads only)
 5. Increment Certificates
 6. Absentee statements.
 7. Agreement Forms
 8. Nominal Muster Rolls

9. Refund Vouchers of lapsed deposits
10. Estimate, (i) Detailed measure sheet.
(ii) Abstract of estimate.
11. Comparative statement of differences
12. Completion report.
13. Contract Certificate
14. Annual Verification Statement
15. Abstract of Monthly Account.
16. Monthly D.C.B. Statements.
17. Application for transfer of allotments
18. Proposition Statement.
19. Challan

PROVIDENT FUND FORMS :

20. Form of nomination
21. Deposit account of subscribers
22. Form of Registered Notice
23. Voucher for repayment from Provident Fund.
24. Statement of Provident Fund subscriptions received.
25. Bond of Indemnity
26. Forms relating to acquisition and transfer of immovable properties.

15.3 No account forms other than these laid down by the Government under the powers vested in them by the Act or the rules made thereunder shall be used by the MP/Zilla Parishads without the previous sanction of the Government.

15.4 The Parishad Education Officer, Zilla Parishad shall maintain or cause to be maintained in the office of the Zilla Parishad and be

responsible for the correct and upto date maintenance of the following registers and accounts, pertaining to the Elementary and secondary Education units of the Zilla Parishad separately.

1. Cash Book
2. Miscellaneous Demand Register
3. Register of Donations and Subscriptions.
4. Register of tools and plant and office furniture
5. Consolidated register of Tools and Plant and furniture in schools.
6. Register of immovable property
7. Stook account of stamps
8. Pay, T.A. Contingent etc. bills of schools
9. Acquittance Rolls
10. Establishment audit Register
11. Register of increment certificates
12. Register of probationers
13. Register of Service Registers
14. Last Pay Certificates
15. Register of contingent charges
16. Register of Permanent Advance
17. Register of Endownments
18. Register of Advance on tour and on transfer
19. Register of Revenue yielding properties
20. Register of Cheques received
21. Register of money orders received
22. Stock Register of stationery
23. Stock Register of loans
24. Abstract book of receipts and expenditure
25. Detailed book of receipts and expenditure

26. Posting Register of receipts and expenditure
27. Annual account of receipts and expenditure

15.6 Consequents to the abolition of the State Chamber of Panchayat Raj which used to arrange for the printing and supply of account forms and registers, the C.E.O. MPDO ZPs MP are permitted to purchase them by calling for tenders vide G.O.Ms.No. 605 PRRD & R (M II) dt.23-8-95.

Subsequently permission given to purchase from A.P. State Trading Corporation.

15.7 STOCK ACCOUNT OF FORMS :

The Mdl. Parishad Development Officer / the CEO of a Mandal / Zilla Parishad shall arrange for the proper maintenance of a stock account in such form as may be laid down by the Government from time to time and forms as may be specified in the headings therein as well as for all forms of tickets printed for use in departmental collection of revenue. The correctness of the Stock account of forms shall be verified at the end of every half year by the M.P.D.O./C.E.O.

Procedure for maintenance of some of the important registers is explained below :

15.8.1 The cash book maintained in the office of the Mandal Parishads / Zilla Parishads / EEs office / PEO ZP shall be the primary record of all cash transactions of the Mandal Parishads / Zilla Parishad. All such transactions shall be recorded in the cash book daily as they occur.

15.8.2 The Mandal Parishads and Zilla Parishads are permitted under the Act to keep their funds in Government Treasuries under personal Deposit accounts. In the case of JRY (now JUSY) and other Rural Employment funds. The MPs & ZPs are permitted to deposit the fund in the Nationalised Banks, Cooperative Banks, and Post Office savings Bank Accounts.

15.8.3 CASH BOOKS

Separate cash books for the following funds shall be maintained in the Zilla Parishad office as prescribed above as the officer drawing cheques on one fund is different from the officer drawing cheques on the other.

Drawing Officer

General Cash Book for General Funds Dy. CEO, Zilla Parishad

Cash Book for Secondary Parishad Education Officer
Education Fund

Cash Book for Engineering Funds Executive Engineers and
Dy. Executive Engineers,
Panchayat Raj

15.8.4 The total receipts and charges in respect of each fund shall at the end of each month be furnished to the CEO Zilla Parishad for inclusion in the respective totals of the general fund cash book before the reconciliation is worked out. This statement of transactions shall reach the CEO on the 5th of the month following so as to facilitate the reconciliation of figures and the submission of the monthly account by the CEO in time. The statements of monthly transactions shall be signed by the respective drawing officers in token of an acknowledgement of his responsibility for correctness of the extracts forwarded from his books of accounts.

In both the cases a separate account is maintained with the Bank or the treasury and this is operated upon by the Executive authorities of Mandal Parishads and Zilla Parishads. The cash book prescribed for Mandal parishads/Zilla Parishads provides a column for transactions with the Treasuries or the Banks in addition to the cash held in office chest. Separate Cash Books shall be maintained for Education Funds, Women & Child Welfare Funds & JRY (now JGSY) & Rural Employment Funds.

15.8.6 All receipts should be posted in the cash book from the counterfoils of challans received from the Treasury, Register of money orders and counterfoils of Miscellaneous receipts issued to parties for amounts paid direct into the Mandal Parishads / Zilla Parishad. Cheques payable on demand drafts should be treated as cash and included as such in the cash balance.

15.8.7 The cash in office chest may represent revenue or other moneys received by the Mandal parishads and Zilla Parishads pending remittance into the Bank or the Treasury. A petty Cash Books is maintained for recording all cash payments other than those from the office imprest, while the main cash book will be confined to record payments made by cheque or remittances of cash to the Treasuries or Banks.

15.8.8 All payments should be made by cheques, and the necessary entries made in the cash book as soon as the cheques are written up, particulars of the charge being stated as brief as possible. Adjustments should be entered in red ink in the cash book from transfer entries, if any, while amounts paid into the treasury direct, should be entered also in red ink in the treasury column on receipts side of the cash book as soon as they are received.

15.8.9 At the end of the month the cash book should be totalled and balanced in the following manner.

Receipt Side	Cash	Treasury
--------------	------	----------

Total Receipts for the month and Opening balance		
---	--	--

Grand Total including Opening balance		
--	--	--

PAYMENTS SIDE

Total expenditure for the month

Add closing balance

Grand Total including

closing balance

15.9.1 RECONCILIATION

A memorandum should be submitted showing the numbers and amount of the cheques outstanding and showing the reconciliation of the closing balance as shown in the Treasury column of the cash book with that shown in the treasury pass book. The reconciliation will be effected thus :-

Rs. Ps.

Closing balance as shown in
the treasury column of the
cash book

Add total of the amounts of the
outstanding cheques;

Revenues credited in the treasury
accounts of fines, etc. but not yet
credited in the cash book

Total

Deduct money remitted in to the treasury
by the Mandal Parishads/Zilla Parishad
during the month, but credited in the
Pass book in the following month

Balance as per Treasury Book

15.9.2 The balance thus arrived at should agree with the closing balance as shown in the treasury pass book. The Mandal Parishad Development Officer/CEO/EE/PEO should make the comparison and record a certificate about the agreement.

15.10 PETTY CASH BOOK

15.10.1 Petty Cash Book shall be maintained in the Mandal parishad/ Zilla Parishad/EE Office for recording the petty cash payments such as payments on account of salaries and allowances, petty advances for Travelling allowance and other payments towards purchase of Stationery etc. These numerous petty cash transactions should not be posted in the main cash book.

15.10.2 On the receipt side of this register will be entered all sums withdrawn from the Treasury by means of cheques drawn in favour of the CEO / EE / PEO / Mandal parishad Development Officer as soon as they have been so withdrawn while the self-cheques should be posted on the payment side of the main cash book. When a self-cheque is drawn, the amount of the cheque should be posted as receipt in the petty cash book although the cheque has not been cashed. Revenue collections and other cash receipts should not be taken in the petty cash book.

15.10.3 Payments made from sums of the cash withdraw from time to time should be entered on the disbursement side in chronological order and a number should be allotted to each payment consequently. As each payment is made its serial number should be noted against the receipt entry for the voucher concerned in column 6 and the balance still remaining to be paid will be noted in column 13 against the payment with reference to the corresponding entry against the latest payment made on the same account as shown in column of the entry of receipt. If the payment made is other than the first payment of a voucher the serial number of the payment will be entered if not only against the original entry of the receipt but also against the balance shown in column 13 against the latest payment made on account of the voucher concerned. The balance representing the undisbursed cash in the office of the Mandal Parishad/Zilla Parishad will be determined by adding up the sums in Columns 5 and 13 against which no numbers are quoted in columns 6 and 14 respectively. This balance should be noted in column

15 at the close of every day and should be verified by the Mandal Parishad Development Officer / CEO periodically.

15.10.4 The disbursements out of cash should be restricted to the purposes for which sums were withdrawn from the treasury. On the last day of the month a memorandum will be prepared in this register showing the details of the items making up the undisbursed balance and all the undisbursed amounts relating to the previous month will be refunded in to the treasury. On the last day of the March all the undisbursed balances on hand should be refunded into the treasury. Those refunds will be shown in the treasury column of the cash book as receipts. The amounts will be shown in the posting register by deduction from the charges under the heads to which the items were originally debited.

15.10.5 Payments from permanent Advance or sums received in recoupment or permanent Advance should not be entered in the petty cash book.

15.11 REGISTER OF INVESTMENTS :

15.11.1 This register should show all the investments of the Mandal Parishads/Zilla parishads in whatever form they may be, whether Government promissory notes or municipal debentures etc. The investments relating endowments, provident fund, etc. should also appear in the register, although they already appear in the accounts prescribed for the transactions relating to those funds, the subject being to have a complete record of all investments. For this purpose separate pages may be set apart for the investments relating to endowments, provident funds etc. in the register which should be opened by entering in it all investments which have been made uptodate. Entries should be made time to time as new investments are made or old ones withdrawn.

15.11.2 The register will facilitate the realisation of the interest due from time to time on such investments. The balances of interest as well as

the amount or investments under each category should be correctly carried out.

15.11.3 In the case of transactions under investments relating to endowments, provident fund etc. the entries on the register of investments should correspond with the entries in the accounts maintained separately for each.

15.11.4 At the time the monthly accounts are closed and forwarded to the audit office the agreement should be effected and in token thereof the Mandal Parishad Development Officer/CEO shall record a review of these registers monthly. The register should evidence the review of the Mandal Parishad Development Officer/CEO and every time the register is reviewed he should see whether the interest is released timely on investments and whether the investments ripe for final withdrawal have been withdrawn in time.

15.11.5 Government have permitted the local bodies to invest their funds in the National Savings Certificates upto a limit at Rs. 1. Lakh in respect of funds other than provident Funds Care should therefore be taken to see that this limit is not exceeded.

G.O. No. 2279 L.A. dt. 9-6-44 and Govt. Memo. No. 5423 LA dt 11-3-46) The investments should be produced for verification by the auditors at the time of audit.

15.12 REGISTER OF PERMANENT ADVANCES

This Register is a record of the several permanent advances held by officers of the Mandal Parishad / Zilla Parishad including the additions and reductions made from time to time. The permanent advances granted from time to time as recorded in the register and certificate of the permanent advance held by each officer to whom advance is given is obtained at the close of each financial year and is held in the office in support of the advance. A note of the receipt of the annual

acknowledgement should be made against each item in the remarks column of the register. The correctness of the entries in the register should be proved with reference to the above acknowledgements and any mistakes rectified before the consolidated acknowledgement is sent to the District Inspector of Local Fund Accounts.

15.13 REGISTER OF BILLS PASSED FOR PAYMENTS :

A register of bills passed should be maintained with an index by detail of departments prefixed to it. Sets of pages will be set apart for the several departments in the order of their accounts heads which shall be noted at the top with the budget grant or allotment for each head of charge. On receipt of a bill, it will be entered in the index under the particular department concerned and a number allotted to it. Numbers will be allotted to bills in a consecutive order, irrespective of the department to which the bills relates. When passed for payment, the bill will be noted in the register in the page set apart for the department as noted in the index and this number as well as the name of the Mandal Parishad / Zilla Parishad concerned should be conspicuously noted on the voucher.

15.14 REGISTER OF SUITS :

A suit register should be maintained showing the particulars of suits instituted by or against the Mandal Parishad/Zilla Parishad, suits number, costs awarded by the court, Execution petitions or appeals, if any filed, the result or the Executive petitions and appeals etc. The advances given to the pleaders should also be entered in the register. The collections made towards the suit and the cost amounts should be noted in the collection column. A certificate should be accorded as the end of each half year that prompt action has been taken in time for contesting or realisation of amount or amounts or filling off a Executive petitions and that no suits allowed to become barred by limitation of time.

15.15 TRANSFER ADJUSTMENTS :

(1) Every alteration in the accounts or the Mandal Parishad / Zilla Parishad shall be effected by means of a transfer entry made in a register called the "Transfer Entry Register" kept for the purpose.

(2) Such registers shall be in such form as may be laid down by the Government from time to time and every entry made there in shall show the head or heads of account to be debited and the head or heads of account to be credited and the grounds upon which the entry as proposed to be made.

A transfer entry shall be duly passed by the Mandal Parishad Development Officer / PEO / EE / CEO of Zilla Parishad before it is entered in the register.

15.16 TRANSFER ENTRY REGISTER :

15.16.1 A transfer entry register shall be maintained in the Mandal Parishad/Zilla Parishad / EE PEO office showing a complete record of all adjustments made by transfer from any head of account to another. All adjustments should be entered in the register in a serial order after a transfer entry is duly passed by the Mandal Parishad Development Officer of the Mandal Parishad or CEO of Zilla Parishad. At the end of each month the totals of adjustments should be posted in the posting register under the appropriate heads of accounts.

15.16.2 The transfer adjustments should appear in the main cash book as per contra in the cash or treasury column and they should be entered in red ink to distinguish the cash and adjustment transactions appearing in the main cash book

15.17 PROVIDENT FUND REGISTER

The following are the main registers maintained in connection with

Provident Fund.

1. Cash Book
2. Abstract Register
3. Provident Fund (Personnel) Ledgers
4. Temporary withdrawal Register
5. Register of subscribers
6. Register of Premium
7. Register of Insurance Policies etc.

15.18 PROVIDENT FUND CASH BOOK

15.18.1 A separate cash book should be maintained for the recovery of Provident Fund subscriptions from the employee from month to month. The total amount of Provident Fund subscriptions recovered from the subscriptions is posted in the cash book and expenditures incurred from the fund either by investment or by advances or loans or by final refund of Provident Fund is posted or payments in the cash book in the appropriate coloum provided therefor.

15.18.2 The opening balance and the closing balance shown in the cash book subscription and bonus should agree with the respective opening and closing balance in the abstract register. The total monthly realisation of subscriptions and miscellaneous items or receipt will be shwon in the receipt side of the cash book. The temporary withdrawals, final withdrawals of subscriptions and bonus, payment of interest, purchase of investments and Miscellanous charges will be posted in the payment side of the Provident fund cash book.

15.18.3 The total of balances shown in the cash book under subscription Bonus, interest Miscellaneous, should agree with the total of the balance entered under the heads treasury. The balances shown in the cash book of Provident Fund should agree with those showing in the subsidiary account attached to the annual accounts of the Zilla Parishad.

15.19 ABSTRACT REGISTER :

15.19.1 The abstract Register should show under distinct columns "the account number allotted, the name of subscribers, their designation and pay on which subscription is levied. The opening balances under subscription against the account of each subscriber should be taken from the respective closing balances of the previous year. The monthly subscriptions and refunds of withdrawals should be noted in the respective months in which they are collected and the postings should be made direct from the schedule of monthly deductions on account of Provident Fund attached to the monthly pay bills. The realisations on account of subscriptions and refunds of withdrawals noted in each monthly column should be totalled at the end of each month and the total monthly realisations should tally with the figures appearing in the Provident fund cash Book for that month. The interest that has been worked out in the Provident Fund ledger at the end of the year should be shown in columns 20 and 21 of the register. The temporary withdrawal and repayment of amount made should be posted in the columns 25 and 26 as and when repayments or temporary withdrawals are permitted direct from the repayment or temporary withdrawal vouchers, before the Mandal Parishad Development Officer/CEO authorises the drawal of the amount the entries made in these registers as also in the Provident Fund cash Book for that month should be verified and he should affix his dated initials against every such entry in token of this verification both in the cash book and in the abstract register simultaneously.

After the postings are made in all monthly columns the abstract register should be verified to see if in respect of any subscriber the subscriptions recovered are not noted by clerical mistake. This check should be carefully exercised every month before the monthly column is totalled and the figures agreed with the cash book. Each account should then be balanced and the closing balances under subscription accounts should be posted in column 28 of the register. An abstract of the figures appearing in column 28 as also of the page-wise totals should be worked out in the last volume of the abstract register and the total

closing balance under all Provident Fund Accounts should be tallied with the balance under subscription and bonus for the year appearing in the Provident Cash Book.

15.19.2 Should any omission appear in the postings the monthly realisations in the account of any of the subscriber it should at once be investigated with reference to the original pay bill where the monthly pay of the subscriber for that month is drawn and if the amount of subscription was not in fact recovered in his monthly bill action should be taken to recover the subscription amount and to set right the accounts. After all the accounts are closed and balanced an abstract of each subscribers account as per the abstract register should be communicated to the subscriber concerned and his acknowledgement therefor obtained and filed.

15.20 PROVIDENT FUND PERSONAL LEDGER :

15.20.1 For each subscriber to Provident Fund a ledger account is maintained in this register. The ledger account will show the name of the employee, the scale of his pay and the amount of his subscription. Separate columns are provided to record the amounts recovered monthly from the subscriber towards the Provident Fund subscription or towards recoveries of temporary withdrawals as well as the contribution by the institution which is adjusted to the ledgers account of the subscriber at the close of year. The interest allowed on such balances and the closing balance standing to the credit or the account should be worked out in this register.

15.20.2 Separate ledger folios should be allotted in respect of each subscriber's account in the Provident Fund Ledger. Each subscriber's account will show the opening balances, deposits refunds of withdrawals and total under subscription account. The monthly balance on which interests is calculated should be noted in the appropriate column provided therefor and the total of the monthly balance should be made.

Interest on subscription account should than be calculated with reference to the rate approved by the Govt. for that year and added to the total under subscription account.

15.21 REGISTER OF SUBSCRIBERS :

The register or subscribers (Form No. 35) should contain the names of all employees subscribing to the fund. The full details in respect of each subscriber namely the date of birth, the age on the date of admission to the fund, the name of appointment, the names of nominees, their ages, relationship occupation and address etc, shall be furnished in the appropriate columns in the register. The register is a complete record of all subscribers and their nominees and should be written with reference to the information furnished in the application of the subscriber for admission to the fund and the nomination made by the subscriber. The name and address of the members attesting the certificate should also be entered in column 19 and the Mandal Parishad Development Officer of the Mandal Parishad or CEO, Zilla Parishad shall attest the entries in column 20.

15.22 REGISTER OF TEMPORARY WITHDRAWALS :

The register of temporary withdrawals and their recoveries is a complete record of the temporary advances sanctioned and the recoveries effected. All the temporary advances sanctioned according to the limitations prescribed in the rules should be entered in the register as each payment is made with full information as to the account No. authority sanctioning the advance, amount sanctioned amount withdrawn and the number of instalments for recovery etc. The entries in the register should be attested by the M.P. Development officer / CEO of Mandal Parishad / Zilla Parishad at the time the advance voucher is passed for payment by him. The recoveries of withdrawals should there after be watched through this register. At the time of refund of withdrawals is entered in the appropriate monthly column of the abstract register,

the amount recovered should be noted in the appropriate monthly column of this register also. The register should be reviewed periodically every month when the salary bills are passed by the Mandal Parishad Development Officer of the MP/CEO of the Zilla parishad to see if the monthly instalment of recovery towards the temporary withdrawal is made in the bill. The amount recovered in the bill should be posted immediately in the monthly column.

15.23 REGISTER OF ESTIMATES AND ALLOTMENTS :

This Register will show all sanctioned estimates for works as well as the allotments made during the current year. The works will be arranged according to the classification in the budget.

15.24 REGISTER OF CONTRIBUTIONS IN KIND :

Register showing labour contributions or contributions in kind has to be maintained. For all the works executed under the Community Development Programme, Janma Bhoomi Programme, participation of the people in the form of contributions either in cash or in kind is necessary. Cash contributions made by private individuals are recorded in the cash book and register of contributions. But this register is intended to show the value of contributions received in kind from the public.

15.25 REGISTERS OF TOOLS PLANT AND STOCK REGISTER OF FURNITURE :

This register should be a record of all the tools & Plants and Furniture purchased for office. An annual verification of the tools, furniture etc, should be made by the Mandal Parishad Development Officer / CEO / EE and every head of office or other responsible officer deputed for the purpose and a certificate to that effect should be recorded in the register. In cases where the articles are distributed

among several institutions subordinate to M.P. / Zilla parishad a certificate of the existence of all the furniture etc. recorded in the register maintained should be obtained annually from the head of each institution concerned and filed in the office.

15.26 REGISTER OF IMMOVABLE PROPERTIES

This register should be maintained in the form prescribed in G.O. NO. 2104 L.A. dt. 10-6-1940 . The register should contain complete record of all the immovable properties belonging to or vested in the MP/ Zilla Parishad together with their value. Separate set of pages or separate registers have to be used for different kinds of property like lands, bulidings etc.

15.27 COPIES OF THE REGISTERS OF THE FRUIT BEARING TREES

The copies as received at the beginning of each year through the Engineer, should be filed together and referred to when confirming the sale lists submitted to Mandal Parishad Development Officer / CEO Zilla Parishad either annually or often according to the seasons in which the usufruct are leased out. This register will also enable the MPDO/CEO to call upon the engineering subordinate to explain if the fruit-bearing trees of any road as a whole or any kinds of trees on the same road are not leased out.

15.28 STOCK ACCOUNT OF FORMS :

15.28.1 A stock account of all forms including tickets etc. should be maintained to show the number of forms of each kind received, the number issued for use from time to time and the balance on hand.

15.28.2 The correctness of the stock account of forms maintained in the office of the MP/Zilla Parishad shall be verified at least once a year by

the MP Development Officer/CEO or a responsible officer of the Mandal Parishad /Zilla Parishad under his direction.

15.28.3 Bills, licences, receipts etc, forms, Money value forms, shall be kept under lock and key in charge of a responsible officer. When new supplies are received, the issues upto date should be totalled and the new supply added to the balance so as to show the total quantities available for issue under each head. Invoices from the Press advising the supply should be separately filled and produced in support of the entries when called for. The stock in hand should be verified and certified to at the end of every half-year by the MP Development Officer/CEO. All unused forms which cannot be used in the same half-year should be recorded useless by clipping off the signature portions of the bill and stamping them as "cancelled" leaving the Machine number of the bill intact to be destroyed in audit after verification.

15.28.4 Bill, licence or warrant forms should be stamped with the MP Development Officers, CEOs facsimile stamp and the seal of the office only after they have been written out completely. Acknowledgements should invariably be taken either in the stock book or separately from the subordinates to whom the forms are issued for use.

15.28.5 REGISTER OF ADMISSIONS AND WITHDRAWALS

The admission and withdrawal of pupils shall be recorded carefully in this register as and when a pupil is admitted into the school or a certificate of transfer is issued, such a record is made with due regard to the admission applications and the Transfer Certificates issued. As the admission and withdrawal of pupils effect the demands under income from fees etc. adequate care should be taken by the Headmaster to see that a correct and upto date record of admission and of withdrawals is maintained in the school. He shall check this register as frequently as

possible and attest each entry with reference to the admission records and the transfer certificates.

15.28.6 ATTENDANCE REGISTER

This is a record of attendance of pupils maintained for each section of the class by the concerned school teacher. It should evidence the exact number on roll attended daily and if the regulations framed by the Zilla Parishad prescribe any fee for late attendance or for authorised absence, the register should evidence a check over this items miscellaneous revenue and it should not give any scope for any leakage under this item or revenue when the names of pupil should be removed from the rolls for non-payment of the fees no attendance should be given for the name should be struck off in the roll. whenever any new admissions are made for a pupil is withdrawn from the class the admission and withdrawal of pupils shall be entered promptly in the register so as to ensure a check over the demand of fees in respect of each pupil. Daily average attendance of each section of the class should be struck on each day and should be attested by the concerned teachers of the class. The register should bear evidence of a periodical check by the Head Master. Should thereby any case of a pupil who defaulted in payment of fees due in a month but who is continued in rolls in the attendance register the reasons therefore should at once be investigated by the headmaster as such instances often result in serious consequences like embezzlements of revenue and defalcations.

15.28.7 TERM FEE REGISTER

The term fee register is intended to show in distinct columns the name of the pupil the rates of fee if any due for a month, the demand of fees, the amount collected monthly from the pupil, the date of collection (being noted in the appropriate monthly column provided therefor) and the balance due for the year. The register should be written for the school year. When fines are collected from pupils on account of fee paid after

due date the amounts should be noted in a separate column "Miscellaneous". The special fee of each kind, the admission fee etc. should be noted under the appropriate column provided therefor. The names of the newly admitted pupils should be entered in the term fee register and the demand of fees arrived at with reference to the facts of each case. After the collections in each month are noted the total monthly collection in respect of each class and abstract of collections for all classes monthly should be arrived at in this register and this figure should agree with the total monthly collection and remittance of school fees recorded in the Demand collection and Balance statement. All unrealised bills shall, at the end of the school year, be listed with reference to the term fee register and the uncollected bills on hand together with this list should be sent to Zilla Parishad Office.

15.28.8 UNUSED MONEY VALUE FORMS

The unused money volume forms / Books should be produced for verification at the time of audit or inspection.

SCRUTINY OF RECORD AND REGISTERS RELATING TO REVENUE DUE TO MP/ZILLA PARISHAD BY THEIR EXECUTIVE AUTHORITIES :

The executive authority of every MP/Zilla parishad should scrutinise personally from time to time the records and registers relating to the revenue due to the MP/Zilla Parishad obtain from the subordinates concerned at the beginning of each half year statements of all item or uncollected arrears or revenue and take time by action for their realisation. The executive authority shall be held personally responsible, allowing the any default on his part, any amount due to the MP/Zilla Parishad becomes irrecoverable

FORMS :

15.29 GENERAL

15.29.1 Every register and account referred to in rules shall be maintained in such form as the State Government may from time to time direct.

15.29.2 All forms referred to in the rules and this Manual are standardised by the Government, if they are not available either free or on payment from the Superintendent, Government Press, shall be obtained from such press or presses as may be authorised by the Government to print and supply.

15.29.3 Indents for cheque books should be forwarded to the Treasury officer or the district, the supply being restricted to one book to each of the drawing officers at a time.

15.29.4 Pass Books are supplied by the Superintendent, Government Press.

15.29.5 Proformas and books which are required by M.P./Zilla Parishad the MP Development Officer / C.E.O. will forward to the Central Press selected by Government a consolidated indent before the 15th December of the year preceding that to which the indent relates accompanied by a remittance of the total cost of the indent.

15.30 MONTHLY AND ANNUAL ACCOUNTS GENERAL

15.30.1 The accounting system should closely follow the major, minor and detailed heads of account adopted by the Mandal Parishad and Zilla Parishad in the annual budget estimates. The account should show

the receipts from each source of revenue and expenditure on different heads of account. The classification of every item of receipt or expenditure should be correctly made in the accounts. In cases or doubt the auditor should be consulted for advice as regards correct and proper classification. Gross expenditure should be posted in the accounts with reference to the paid vouchers transfer adjustments being shown separately as a deduction from the charges under a particular head of account.

15.30.2 The transactions of the Mandal Parishad / Zilla Parishad shall be recorded in the accounts daily as they occur. The compilation of the monthly accounts should go on concurrently with the daily transactions. In order to avoid the delay in the compilation of the monthly accounts by the CEO Zilla Parishad, the Executive Engineer PR Parishad Education officer of the Zilla Parishad shall furnish the monthly account of the transactions appropriating to the Engineering funds, the social welfare funds and the Secondary or Elementary Education Funds.

15.31 PREPARATION AND SUBMISSION OF ACCOUNTS - ABSTRACTS - POSTING REGISTER :

15.31.1 The M.P.D.O. / P.E.O. / E.E.P.R. / C.E.O. shall maintain or cause to be maintained a posting register in such form as may be laid down by the Government from time to time to show the opening and the closing balances as well as the current and progressive receipts and charges for each month and for the whole year. The transactions for each month shall be posted and the account for each month closed in the register not later than the end of the month following.

15.31.2 The receipt portion of the pasting register shall be posted from the entries in the cash book and the transfer entry register. The several items of receipts shall be classified and posted in the posting register against the heads concerned. In cases there are more than one item against a detailed head, the total of such items shall be posted against

the head concerned, the details being posted at the foot. The payment side of the posting register shall be posted from the cash book and the transfer entry vouchers. These vouchers shall first be arranged in the order of the heads in the posting register. If there are more vouchers than one under any head, the several items with the numbers of their respective vouchers shall be posted at the foot of the posting register and the totals posted against the head concerned, the two being connected with each other by indicative letters. As soon as the accounts for the month have been compiled, the progressive totals under all the heads shall be made in the column provided for the purpose.

15.32. MONTHLY ACCOUNT :

In order to watch the collection of receipts and the progress of the expenditure the monthly account showing the receipts from each source of revenue and the expenditure on different heads of account should be prepared by the MP / Zilla Parishad. After the posting register has been completely written up as indicated in rule the grand totals monthly and progressive should be made and the final figures should then be copied in the account form. From the account which shows in different columns the receipts of expenditure under each head for the month and the progressive total upto the close of the month concerned and the budgetted income of expenditure the MPDO / PEO / EEPR / CEO can see how the realisations of revenue and the incurring of expenditure has been progressing as compared with the budgetted figure and take steps for improving collections or limiting the expenditure etc. to the extent necessary and for applying for reappropriation of allotments or additional allotments wherever necessary. The expenditure under items like travelling allowances, contingencies under various accounts, public works etc. require special check. On the front page of the account, there is an abstract of the account which show the main accounts like.

A. GENERAL ACCOUNT

I. General Fund

II. Management (Administration)

B. 2202 Elementary Education

C. 2225 Social Welfare

D. 2702 Minor Irrigation

E. Endowments

F. 2515 Roads and Bridges

G. 2215 Rural Water Supply

H. Other Schemes

1. JRY (now JGSY)

2. Water Supply & Sanitation (Vimukthi Programme)

J. Deposits

K. Advances

L. Loans

The total of receipts or expenditure under these accounts should be arrived at and the abstract of the receipts and expenditure for the month both under ordinary and capital with opening and closing balances should be worked out. The opening balance in the abstract account for a month both under ordinary and capital should correspond with the closing balance of that account of the previous month and the closing balance of the month should agree with the balance in the Cash Book for that month and should be correctly carried over as opening balance in the abstract account of the succeeding month. The "total closing balance both under Sec. I Maintenance & Development" and also the grand total of all accounts under maintenance and Development shall be arrived at monthly. The monthly abstract of account shows at a glance the result of the transactions for the month.

15.33 DISTINCTION BETWEEN MAINTENANCE AND DEVELOPMENT

Ordinary means normal, the ordinary income or expenditure of a recurring nature. Taxes, fees etc. recurring general purpose grants etc. come under maintenance, income. Maintenance expenditure is also of a recurring nature - that which is incurred on maintenance just for keeping the administration going on Development receipts are receipts of non-recurring nature, such as loans, grants from Government for special works, amount transferred from accumulations or surplus out of the ordinary receipts, sale proceeds of buildings and other assets. Development expenditure is of a non-recurring nature. It is incurred on acquiring capital assets, that is, expenditure which makes the one richer for it. Familiar examples of ordinary expenditure are charges of establishment contingencies etc. repairs to buildings roads etc. These are incurred just to keep the administration going, to keep buildings, Roads under water supply and drainage system in good condition and to prevent them from deterioration. The purchase of lands, the construction of new buildings, roads, improvements or additions to the existing buildings, purchase of vehicles come under Development expenditure.

15.34 SUBMISSION OF MONTHLY ACCOUNT :

After the month's account is prepared, an abstract of that is prepared on the front page of the account as indicated in the above instructions. A demand collection and Balance Statement and the abstract of receipts and charges with the opening and closing balances under all accounts should be submitted together with a certificate of verification not later than the end of the month following to the Zilla parishad and to the Auditor/Government and to the Auditor in the case of Zilla Parishad after following the procedure prescribed in instruction.

15.35 ANNUAL ACCOUNTS :

15.35.1 Unlike the monthly account the annual account will show the receipts and charges under each detailed head under the major head. The form of annual account Prescribed shall be adopted. Budget provisions of the receipts and charges as also the actuals of the amount and proceedings years are shown. The date available in the annual account will enable the administration to compare the current year's receipts and charges against the year's budget provisions and to call the reasons for the variations.

15.35.2 The annual account should be prepared with reference to the monthly accounts. The posting register of receipts and expenditure should be completely posted in all aspects and the transfer adjustments noted from monthly abstract in the Transfer entry register. The particulars of Transfer entry vouchers should be given in the space below each page of the posting register. The vertical and Horizontal total of each month and of each head of account should be checked so as to certify the arithmetical mistakes if any in the totals in the posting register.

15.35.3 The figures to be taken under the head "Final Budget appropriations" should be taken from the original budget sanctioned by the Zilla Parishad / Government and the transfer allotments if any ordered by in during the course of the year it should particularly be borne in mind that the figures given in the revised budget for that year submitted along with the Budget estimate for the subsequent year should not be adopted.

15.35.4 The figures finally entered in the annual account shall be checked in detail with the March Final Progressive figures or receipts and expenditure and the closing balance appearing in the account should be in agreement with the closing balance as per the cash book at the end of the year (the same total of the closing balance appearing in the

cash and treasury columns of the cash book as at the 31st March of the year).

15.35.5 The abstract of account at page 3 of the annual account should then be prepared with reference to the previous years account as regards the opening balances and the body of the account as regards the receipts and expenditure. The closing balance should then be worked out and tallied with the closing balance of the General Cash Book. Wherein the abstract of the transactions of the subsidiary cash books in the case of Zilla Parishad, Engineering, Education (Secondary) etc. funds are entered.

15.35.6 There is an abstract of the transactions relating to the Deposits and Advances etc. This should be prepared with reference to the abstract worked out in the registers of Deposits and of advances recoverable and the subsidiary account Deposits and Advance account.

15.36 SUBSIDIARY ACCOUNT - B. 2202 SECONDARY EDUCATION ACCOUNT :

From the separate posting register maintained for the Secondary Education fund account the various heads of account under ordinary and capital should be posted out and the totals of the subsidiary account should be posted in the abstract.

15.36.2 E. RAILWAY ACCOUNT (ZILLA PARISHADS ONLY)

From the subsidiary account in the posting registers the various heads of accounts under ordinary and capital should be posted and the

totals of the subsidiary account should be posted in the abstract at page 3 of the annual account.

15.36.3 C/D DEPOSITS AND 'K' ADVANCES ACCOUNT

The final totals of the receipts and charges as noted in the annual abstracts of transactions worked out should be recorded in the sub-accounts.

15.36.4 F/E ENDOWMENT ACCOUNT

The total of receipts and charges in the subsidiary account should agree with those which are worked out in the registers of Endowment receipts and expenditure and should then be posted in the account.

15.36.5 L. LOAN ACCOUNT

The total figures of the receipts and charges should be posted and agreed with these in the register of loans.

CHAPTER 16

**CONSOLIDATED
AUDIT REPORT**

CONSOLIDATED AUDIT REPORT

Sl. No.	Heading	Para No.	Page No.
1.	Consolidated Accounts and Review of Audit Reports	16.1	413
2.	Action to be taken by Government	16.2.3	414
3.	Action to be taken by CEOs of ZPs	16.2.4	414

CONSOLIDATED AUDIT REPORT

16.1 CONSOLIDATED ACCOUNTS AND REVIEW OF AUDIT REPORTS

Section 32(3A) was introduced in 1978 in the AP.PS ZPs Act 1959, According to that section read with section 56 now CEOs MPDOS, accounts of PS&ZPs audited by local Fund Audit shall be submitted by the DDOs and BDOs to the Director of LF Audit who will consolidate all such annual accounts in the form prescribed by the Government and forwarded the same to the Government. The Government will place the same in the State Legislature with remarks if any. In Section 36(4) (read with Section 65) of the AP MPPs and ZPPs, ZP and ASM Act a similar provision is made. The MPDOs and CEOs should submit copies of the annual accounts of MPDs / ZPs to the Director of LF Audit in the form prescribed in G.O.Ms. no. 690 PR & RD (Mandal-I) Dept dated 7-12-1987 and G.O. Ms. No. 672 PR & RD (Accts.IV) Dept dated 10-11-88.

16.2 The Director of LF Audit consolidates the annual accounts in the proforma appended for MPs & ZPs separately and submits the same to Government along with a review of Audit reports of MPs and ZPs. The consolidated review of the Audit reports normally among other irregularities noticed in the audit, shall give a brief note about the institutions audited, the excess and savings in expenditure, annual accounts not received, position relating to submission of replies to the audit reports, pendency of utilisation certificates and the position of pending audit objections. The irregularities generally pointed out consist of Misappropriations and Losses, non-realisation of amounts due, income foregone non-receipt of grants, non-utilisation of grants non-refund of unspent balances of grants etc. On the expenditure side it may consist of excess or illegal and irregular payments to staff (like in-correct pay

fixation, irregular sanction of leave or increments or irregular payment of allowances) and contractors for contingent expenditure or contractors for works. On the works side also, the excess and irregular payment or wasteful and infructuous expenditure, cost of materials supplied to contractors not recovered, incomplete works, level over material lying idle etc. are generally pointed out Extraordinary expenditure incurred and sanction not obtained for continuing the staff or non-production of vouchers, payees acknowledgements agreement filed and stock accounts and other accounts not produced for audit are also pointed out.

16.2.3 ACTION TO BE TAKEN BY GOVT.

After receipt of the consolidated annual accounts and the review of the audit reports of MPs & ZPs from the Director of LF Audit, Government issue instructions to the concerned MPDOs / CEOs ZPs and Executive Engineers PR to take action to rectify the irregularities pointed out, which were already pointed out in the audit reports and special reports on Serious irregularities. Thereafter the Government shall take action to place the consolidated accounts and audit reports indicating the action taken by the Government on the Table of the Assembly.

16.2.4 ACTION TO BE TAKEN BY THE CEOs - ZPs

After the consolidated accounts are placed in the Assembly copies of the same are communicated to the CEOs for obtaining details for the irregularities pointed out in the consolidated review and to take action to settle the objections. The CEOs should also issue suitable instructions to the EEs PR and MPDOs on the above lines. They should submit a periodical indicating the number of irregularities pointed out in the consolidated audit review and the amount there of, number settled in the month and amount involved and balances of objections and the amount involved. They should obtain similar periodical from the MPDOs

and EEs and submit a consolidated periodical in respect of ZPs and MPs separately, as this item generally comes for discussion in the meetings of the Public Accounts Committee.

CONSOLIDATED ANNUAL ACCOUNTS OF ZPPS (NOW ZPS) FOR THE YEAR

A GENERAL ACCOUNTS

I. GENERAL FUND

Rupees in lakhs

Sl. No.	Name of District	Opening Balance	Total Receipts	Total Expenditure	Closing Balance
1.	2.	3.	4.	5.	6.

Similar statements in respect of all other heads detailed below shall be appended

General Accounts-Management, Administration

Secondary Education

Social Welfare

Minor Irrigation

Railway Cess

Endowments

Roads and Bridges

Rural water supply

Rural landless employment Guarantee Programmes

Water supply and sanitation

(Vimukthi prog)

other programmes

Deposits

Advances

Loans

A General Accounts**I. General Fund**

Rupees in lakhs

Sl. No.	Name of District	Opening Balance	Total Receipts	Total Expenditure	Closing Balance
1.	2.	3.	4.	5.	6.

Similar statements in the respect of all other funds shall be appended

II. General Accounts Management (Administration)**General Account - Management & Administration****Community Development****Elementary Education****Social Welfare****Animal Husbandary****Women and Child Welfare****Minor Irrigation****Roads and Bridges****Rural water supply****Other Programmes****Endowments****Deposits****Advances****Loans**

CHAPTER 17

STATUTORY AUDIT

STATUTORY AUDIT

Sl. No.	Heading	Para	Page
1.	Statutory Audit	17.1	421
2.	Concurrent Audit	17.3	421
3.	Post Audit	17.4	422
4.	Powers of Auditor	17.6	422
5.	Manner of submission of Accounts	17.11	423
6.	Production of Records	17.16	424
7.	Nature of Audit	17.17	424
8.	Duties of Auditors - Audit Reports	17.19	425
9.	Serious irregularities	17.22	425
10.	Mis-appropriation	17.23	425
11.	Utilisation Certificates	17.24	426
12.	Verification of replies to old objections.	17.25	426
13.	Discussion of draft Audit objections	17.26	426
14.	Action to be taken during the course of Audit by heads of offices	17.27	426
15.	Action to be taken on receipt of the Audit report	17.28	427

16.	Surcharge powers of Auditors - Cases in which surcharge powers can be exercised	17.33	428
17.	Powers to Summon	17.34	429
18.	Procedure for issuing surcharge certificate	17.35	429
19.	Serving the Surcharge Certificate	17.36	430
20.	Appeal against surcharge	17.37	430
21.	Payment of amount surcharged	17.39	431
22.	Recovery of surcharged Amounts	17.40	431
23.	Action to be taken in respect of Audit Report of Accountant General	17.51	437
23.	Waiver of Audit objection	17.52	438
24.	Waiver of certain kinds of Audit objections for the period upto 31-3-1980	17.55	438
25.	Register of Audit objections	17.56	441

STATUTORY AUDIT

17.1 The Audit of the accounts of the Mandal Parishads and Zilla Parishads is done by the Director of Local Fund Accounts and his assistants, under G.O.Ms. No. 703 P.R.&R.D. (Mdl - I) Dept. dt. 5-11-94 & section 266 of the Act, read with AP State Audit Act 1989.

17.2 Under Section 15 of the Comptroller & Auditor General's (powers & Duties) Act of 1971, the Accountant General also conducts audit of the accounts of Mandal Parishad and Zilla Parishads.

MANNER OF AUDIT

17.3 Concurrent Audit orders were issued in G.O. Ms. No. 708 PR (Audit-III) dt. 29-6-67 that concurrent audit of the accounts of Panchayat Samithis and Zilla Parishads now Mandal Parishads and Zilla Parishads should be done by the Director of local Fund Audit. In this procedure, the Heads of offices have to send the monthly account along with vouchers of the particular month.

i) The CEOs / Accounts Officers of Zilla Parishads and the MPDOS of MP/EEs PR should send the vouchers to the concerned Asst. Audit Officers every month in two batches. First batch of vouchers relating to first fortnight should be sent along with the list of vouchers to the Asst. Audit Officers on 20th of the month and the 2nd batch of vouchers for the second fortnight should be sent along with monthly accounts and list of vouchers on 15th of succeeding month. The C.E.O. / the Account Officer, Zilla Parishad and the Mandal Parishad Development Officer & EEs PR should keep office copies of the vouchers sent to the Asst. Audit Officers.

ii) the vouchers should be thoroughly audited cent percent by the Asst.

Audit Officers and his staff concurrently and objection statement issued by the end of succeeding month.

iii) After the voucher audit is completed the vouchers should be kept by the Asst. Audit Officers in safe custody.

17.4 POST AUDIT

Besides voucher audit the Asst. Audit Officers and auditors should check locally, leave account, Measurement books, grants ledgers, stock entries, acquittances etc., in the Zilla Parishad/the Mandal parishad Offices, once in every month. Annual Audit of the accounts of Z.P.s & M.Ps. should also be done every year as usual and audit reports issued.

17.5 At the end of the year, post audit of the institutions, verification of the stores and stock account and annual account will be done by the Auditor.

17.6 POWERS OF AUDITORS

Rules relating to the powers and duties of Auditor were issued in G.O.Ms.No. 391, PR&RD (Mdl.II) Department. dt. 24-6-87.

17.7 The Mandal Parishad Development Officer of a Mandal Parishad and Chief Executive Officer of Zilla Parishad shall submit all accounts to auditors appointed under section 266 of the Act in the manner required by the auditors.

17.8 The Mandal Parishad Development Officer of a Mandal Parishad / the Chief Extension Officer of Zilla parishad shall report to the auditors any cases of defaultation, embezzlement loss or deficiency of theft of properties or records, immediately it comes to his notice.

17.9 The statutory auditor has the power to surcharge the loss, or irregular payments etc. against the officers and persons responsible therefor.

17.10 The Mandal Parishad Development Officer of a Mandal Parishad or the Chief Executive Officer of a Zilla Parishad shall forthwith remedy any defects or irregularities that may be pointed out by the auditor and report the same to the Mandal Parishad or the Zilla Parishad as the case may be and also to the auditor.

17.11 MANNER OF SUBMISSION OF ACCOUNTS

Soon after the completion of the financial year or in any case not later than one month after the completion of the financial year, Chief Executive Officer, Zilla Parishad / Mandal Parishad Development Officer, Mandal Parishad shall cause preparation of abstract of annual accounts of the Zilla Parishad / Mandal Parishad for that year showing the receipts and expenditure and its detailed annual accounts in the prescribed Form.

17.12 The Standing Committee for Planning & Finance of the Zilla Parishad shall scrutinise the annual abstract and the annual detailed accounts and place them before the Zilla parishad. The General Body of Mandal parishad shall scrutinise the annual abstract of the annual detailed accounts (vide rule 8 abid).

17.13 The Zilla Parishad/Mandal Parishad should consider the abstract and detailed accounts and send a copy of the same with its resolution to the Government/Zilla parishad as the case may be and to the Director. Local Fund Audit not later than the 15th day of the second month of the next financial year (vide rule 9 ibid).

17.14 According to rule 10 ibid the Zilla Parishad / Mandal Parishad shall prepare abstract of monthly accounts and the demand collection and balance statement and submit to the auditor and Government / Auditors and Zilla Parishad by the 15th of the succeeding month.

17.15 The Standing Committee for Planning and Finance of Zilla Parishad / Mandal Parishads shall transmit to the auditor/Zilla Parishad

concerned and auditors as the case may be copies of all financial sanctions accorded by them during the month by 20th of the succeeding month.

17.16 The CEO / EE P.R./Accts. officer / Parishad Education officer the Zilla Parishad and MPDO of Mandal Parishad at the time of audit or inspection cause to be produced all accounts registers, documents and subsidiary papers which may be required by the auditor or Inspecting Officer.

17.17 NATURE OF AUDIT

The audit consist of audit of receipts, grants and expenditure stores accounts and examination of records and accounts connected therewith.

17.18 THE AUDITOR SHALL SEE THAT :

- (i) The accounts have been maintained and produced for audit :
- (ii) That the Revenue received has been returned to Municipal/Zilla Parishad funds :
- (iii) That the income and grants due have been collected / claimed :
- (iv) The items of receipts and expenditure are recorded in sufficient detail in the records :
- (v) The payments are supported by vouchers and authority and whether :
- (vi) the receipts and expenditure are in all cases such as are authorised by law :
- (vii) Whether the statutory rules and standing orders of Government have been complied with and place them before the Standing Committee for Finance of Zilla Parishad / General Body of Mandal parishad vide rule

7 of the rules for maintenance of accounts by Mandal Parishads and Zilla Parishads issued with G.O.Ms.No. 559 PR&RD&R (Mdl. I) Deptt., dt. 5.9.94.

17.19 DUTIES OF AUDITORS AUDIT REPORTS

The auditors shall report to the Mandal Parishad / Zilla Parishad any material impropriety or irregularity which they may observe in the expenditure or in the recovery of the money due to it or in its accounts and report to the Mandala Parishad / Zilla Parishad any loss or waste of money or other property owned by or vested in it caused by neglect or misconduct with the names of persons directly or indirectly responsible for such loss or waste.

17.20 The audit reports on the accounts of Mandal Parishads shall be communicated to the Mandal Parishad Development Officers of Mandal Parishad and concerned C.E.O. Zilla Parishad and those of the Zilla Parishads to the C.E.O. Zilla parishad concerned (Govt.Memo No.3495/ Accts.VI / 62-5 Panchayati Raj dated 6-12-63).

17.21 A copy of the audit report on the accounts of the Engineering Fund shall also be sent to the Executive Engineers P.R.

17.22 SERIOUS IRREGULARITIES

The serious irregularities noticed in the audit of Mandal parishads and Zilla Parishads shall be reported by the Director, Local Fund Audit to Government in triplicate for taking necessary action.

17.23 MISAPPROPRIATION

If any misappropriation or embezzlement comes to notice of audit the

auditor shall report the same to the C.E.O. / EEPR / Mandal Parishad Devt. Officer and Government. immediately without waiting for completion of audit.

17.24 UTILISATION CERTIFICATES

The auditors shall also call for the utilisation certificate for grant released to MPs/ZPs during the course of audit and certify the same after verification and forward the same to the grant releasing authorities.

17.25 VERIFICATION OF REPLIES TO OLD OBJECTIONS

During the course of audit, the auditors shall also verify replies to the audit objections in the previous audit reports and attend to settlement of the same.

17.26 DISCUSSION OF DRAFT AUDIT OBJECTIONS

As far as possible the auditors shall during the course of audit discuss the draft objections with heads of offices and finally the draft audit report should be discussed with the heads of offices before it is finally approved by the competent authority.

17.27 ACTION TO BE TAKEN DURING THE COURSE OF AUDIT BY HEADS OF OFFICES

The C.E.O. / PEO / Executive Engineer / Mandal Development Officer shall be available in office during the course of audit by the Accountant General or Local Fund Auditors. They should also find out every day or periodically the draft objections raised during audit and take action to see that final replies are furnished by them immediately or at any rate before close of audit so that they do not get incorporated in draft audit report. They should invariably be present in office on the last day of audit

and discuss the objections in draft paras and see that the objections are got settled by taking action so that they are included by the auditors in audit reports and also not incorporated in audit report of the Comptroller and Auditor General giving scope for discussion in the Public Accounts Committee.

17.28 ACTION TO BE TAKEN ON RECEIPT OF THE AUDIT REPORT

AUDIT REPORTS-COPIES TO BE SUPPLIED TO MEMBERS

As soon as the audit reports of the Mandal Parishad and the Zilla Parishad are received from the Director of Local Fund Audit, the Mandal Parishad Development Officers and the Chief Executive Officers of the Mandal Parishad / Zilla Parishads concerned should prepare copies of the audit reports and supply them to all the members of the Mandal Parishads and the Zilla Parishads concerned.

(Govt. Memo No.6193 / Audit I/66-1, dt. 6.11.66)

17.29 COMMUNICATION OF EXTRACTS TO VARIOUS OFFICES

The Chief Executive Officers of Zilla Parishads and Mandal Parishad Development Officers of Mandal Parishads should furnish relevant extracts of audit objections from the audit report to the various officers at the District and to the Head of Department who are concerned with the sanction of grants and schemes.

(Govt. Memo No. 1528/Audit.I/66-1, P.R., dt. 23.4.1966)

17.30 The Mandal Parishad Development Officer or Chief Executive Officer as the case may be shall prepare replies to the audit report and

place them before the General Body/Standing Committee for Planning & Finance immediately. The replies in triplicate as approved by the General Body/Standing Committee shall within three months from the date of receipt of the audit report, be sent to the Director of Local Fund Audit for onward transmission to the Government with his remarks therein for review by Government (Govt. Circular Memo No.442/Accts.III/62-2, P&LA. dt.2.4.62 and Govt. Circular Memo. No. 546/Acct.III/62-2 P & L.A. dt. 3-5-1962).

17.31 The Mandal Parishad Development Officer or Chief Executive Officer, Zilla Parishad shall, in any case in which it is not possible to obtain the approval of the General Body/Standing Committee within the prescribed period, forward the replies to the audit report before the expiry of the said period. Copies of the resolutions approving the replies shall however be forwarded to the Director of Local Fund Audit soon after the replies are approved by the General Body / Standing Committee for Planning & Finance of the Zilla Parishad.

17.32 The replies to the audit report on the Elementary Education Funds in the case of Mandal Parishad or Secondary Education Fund of Zilla Parishad shall be placed first before the General Body/Standing Committee No. IV Standing Committee for Education & Medical Services of Zilla Parishad as the case may be. After their approval, the replies in the case of the Zilla Parishad should be placed before the Standing Committee for Planning and Finance.

17.33 SURCHARGE POWERS OF AUDITORS - CASES IN WHICH SURCHARGE POWERS CAN BE EXERCISED

The auditors exercise powers of disallowance and surcharge of :-

- (1) every item of expenditure incurred contrary to law

- (2) the amount of deficiency loss / or
- (3) any money which ought to have been accounted but is not brought to account or
- (4) unprofitable outlay occasioned by the negligence or misconduct of any officer or servant including non-officials of Zilla Parishads and Mandal parishads vide Section 266 of the Act. read with sec. 10 of the A.P. State Audit Act 1989.

17.34 POWERS TO SUMMON

All officers or persons empowered under Section 82 of the Act and the auditors appointed under Section 266 of the said Act are invested with powers to summon any person residing within the jurisdiction of a Mandal Parishad or Zilla Parishad to appear before such officer or person or to produce any document or thing in the possession of or under the control of such person, the production of which is in the opinion of such officer or person, necessary to the conduct of the enquiry into any matter relating to the discharge of their duties.

17.35 PROCEDURE FOR ISSUING SURCHARGE CERTIFICATE

Surcharge is a quasi judicial power vested with the statutory auditor i.e. Director of Local Fund Audit. When a loss or irregular or illegal expenditure or excess payment or unprofitable outlay is noticed in audit or when enforcement is not accounted for and when it is proposed to be surcharged against a person responsible therefor the individual concerned should be afforded an opportunity to make good the amount. A special letter enclosing extracts of the audit reports and inviting the attention to rectify the irregularities or make good the loss should be issued by the Registered post Acknowledgement due to the auditors allowing a reasonable time (one month). If the individual fails to rectify

the defects or make good the loss, then only the Director of Local Fund audit can issue a surcharge certificate. The executive authorities in office should also take action to rectify the irregularities or take action to recover the amounts notwithstanding the fact that it relates to their period or others. It shall not be open to any person to contend that he is not now in office and that

- (1) he is not holding that office now
- (2) the records are not available/easily accessible to him now;
- (3) notwithstanding his negligence or mis-conduct a deficiency or loss would not have been occurred but for the negligence or mis-conduct of some other person;
- (4) the Wing Officers or subordinates are responsible for the same.

17.36 SERVING THE SURCHARGE CERTIFICATE

While issuing the surcharge certificate, the auditors shall state in writing the reasons for their decision in respect of disallowance surcharge or charge. It shall be served on the person against whom it is made in the manner laid down for the service of summons in the Code of Civil Procedure 1908 (Central Act 5 of 1908). It is to be sent by Registered post Acknowledgement due to the person surcharged. If the letter is refused, the surcharge certificate is deemed to have been received by the surcharged on the date of refused.

17.37 APPEAL AGAINST SURCHARGE

Any person aggrieved by any disallowance, surcharge or charge may within fourteen (now sixty) days after the date of service on him of the decision of the auditors either.

- (a) make an application to the concerned principal civil court of original

jurisdiction to set aside such disallowance, surcharge or charge and the court after taking such evidence as is necessary, may confirm modify or remit such disallowance surcharge or charge with such orders as to costs as it may think proper in the circumstances or;

(b) in lieu of such application may appeal to the Government who shall pass such orders as they think fit.

Where an application is made to the court under sub clause (a) of clause (iii) the auditors shall be the sole respondents thereto and the applicant shall not make either the Government or any other person a party to the proceedings.

17.38 From the decision of the court under sub-clause (a) of clause (iii) an appeal shall lie to the High Court.

17.39 PAYMENT OF AMOUNT SURCHARGED

Every sum certified by the auditors to be due from a person under this Act shall be paid by such person to the Mandal Parishad Development Officer within fourteen days (now sixty days) after the date of service on him of the decision of the auditors unless within that time such person has made an application to the court or an appeal to the Government against the decision; and such sum, if not so paid, or such sum as the court or the Government declare to be due, shall be recoverable as if it were an arrear of land revenue.

17.40 RECOVERY OF SURCHARGED AMOUNTS :

The Block Development Officers (now Mandal Parishad Development Officers) have been empowered in the G.O. Ms. No. 367, Panchayati Raj (S.III) Department dated 5-4-63 to recover the dues of the Panchayati Samithis (Mandal Parishad) as arrears of land Revenue. They are competent to effect the recovery of the amount surcharged by

the Auditor under the Act against any person as if it were an arrear of land revenue. If the Mandal Parishad Development Officer himself happens to be the person against whom a surcharge certificate is issued by the auditors and the Mandal Parishad Development Officer fails to pay that amounts laid down in the Act, the Collector acting under Section 5 of the Land Revenue Recovery Act, 1864 can proceed to recover the surcharged amount from the Mandal Parishad Development Officer as if it were an arrear of land Revenue.

In respect of Zilla Parishad, The Chief Executive Officer Zilla Parishad shall take similar action.

17.41 Responsibility for any loss or waste or misapplication rests entirely with the officer making or authorising the making of an illegal payment or the officer through whose negligence to observe the provisions of law, the loss etc., was incurred.

17.42 In fixing the relative liability of elected bodies and of their Executive authorities in respect of losses caused to Panchayats funds, the following principles should be observed :-

(i) If any expenditure proposed to be incurred placed before the MP/ZP MPDO/CEO should prepare a note for its information stating clearly whether;

(a) the proposed charge is within its powers of sanction.

(b) it requires a sanction of higher authority.

(c) Such expenditure has been prohibited either by any statutory rules framed by the Govt. or executive order issued by them or by any other authority. If any objectionable item of expenditure is sanctioned by the MP (MPDO) Standing Committee / Z.P. without previous notices of the MP/ZP/CE or without giving him opportunity to scrutinise its legality, he should before incurring expenditure invite the attention of the MP/

standing committee/ZP to the correct position and advice it to reconsider its resolution. He will be held solely responsible for any loss or illegal expenditure incurred by failure to follow this procedure.

(i) If the MP/Standing Committee/ZP decides to incur any expenditure inspite of the fact that the M.P.D.O/C.E.O. has already pointed out that the incurring of the particular expenditure is against the orders of the Government or of any other authority or that it is not covered by the MP/ Standing Committee/ZP powers of sanction, the MPDO/CEO should address the collector or Governments for orders in the matters and await their orders before incurring the expenditure in question. In exceptional cases where there is no time to obtain such orders and the resolution in the matter is otherwise clean and the MPDO/CEO, has no reason to believe that loss will occur, he may give effect to the resolution and incur the expenditure. If any loss occurs in such cases the ability for it will be fixed on the members of the MP/Standing Committee/ZP who voted for the resolution.

(ii) If the MP/Standing Committee/ZP sanctions any item of expenditure subject to the requisite sanction of higher authority being obtained, the Chief Executive Officer / MPDO should obtain such sanction before incurring expenditure. If he fails to obtain such sanction and the unauthorizedly incur the expenditure he will be held responsible for the illegal expenditure and for the loss involved.

12.43 Some of the instructions issued by Govt. in respect of Gram Panchayats are given below, as similar procedure has to be followed in respect of MPs and ZPs.

12.44. Government directed that the charges incurred by the District Panchayat Officers in connection with the recovery of surcharge amounts should be met in the first instances from the State funds and recouped the same from the sums recovered from the surcharges and the balance being credited to the Gram Panchayat concerned. In cases, where it is not possible to recover the costs of the suits etc. from the surcharges,

the costs should be recovered from the Gram Panchayats concerned, and adjusted to the State funds. (G.O.Ms. No. 854 P.R. (Pts. III) Dept. dt. 9-12-1966 The same procedure has to be followed for incurring expenditure in respect of MP/ZP.

17.45 The Government clarify that if the surchargee acknowledged the surcharge certificate issued by the auditors and subsequently expires, he incurred a liability before his death, which will devolve on his legal heirs along with his property. The legal heirs can therefore be made liable to pay the surcharged amount to the extent of the properties of the deceased surchargee that devolved on them on his death. The heirs will also have the right of appeal in such cases. A surchargee, certificate cannot be issued against the heirs of a deceased person. If the surchargee has a share in joint family properties the surcharge amount can be recovered to the extent of his share in the said property.

(Govt.Memo.NO. 2232(Pts. III) 66-3 P.R. Dept. dt. 3-2-1967)

17.46 Surcharge certificates issued on the E.As. of G.Ps. Recovery of surcharged amounts by the D.P.Os - Instructions-Clarification.

The Government observed that Section 150 of the A.P.G.Ps. Act. 64 empowers the gram panchayat to file suits against the Sarpanch or Executive Authority for recovery of the loss caused due to their negligence, with the sanction of the Collector without waiting for Audit and surcharge, and that the power to file suits under the said section is vested only with the gram panchayat. But the power vested in the D.P.O. under Rule 7 of the Surcharge and Disallowance Rules for recovery of surcharged amounts is independent from that of Section 150 of the A.P.G.Ps. Act, 1964. Therefore, recovery of money by a suit filed under section of 150 of the A.P.G.Ps. Act, 1964 and recovery of money by surcharge proceedings under S.&D. Rules are two different modes of recoveries and that they are independent of each other. Thus section 150 of the A.P.G.Ps. Act, 64 does not apply to the cases relating to recovery of surcharged amounts and as such sanction of the Commissioner (Collectors are authorised to exercise the powers of the

Commissioner under section 150 of the A.P.G.Ps. Act 1964) is not necessary for filing suits by the D.P.O. for recovery of the surcharged amounts from the Executive Authorities of gram Panchayat. The liability of the elected representative for loss, waste or misappropriation of property, dealt within Sec. 265 of the Act. The above position holds good in respect of MPs and ZPs.

(G.M.No. 5087 (Pts. I) 70-3, dated 27-8-1971)

17.47 The Collector (P.W.) Srikakalum was requested to take suitable action against the persons responsible. Who failed to take necessary action in time for the recovery of the surcharged amounts from the surchargees and allowed the surcharge certificate to become barred by limitations of time. He is also requested to submit necessary proposals to the Government for taking suitable action against the defaulters if he feels that action beyond his powers is warranted against them. (Govt.Memo.No.677(Pts.1)75/P.R. Dept. dt. 13-5-1975/8-6-1975)

17.48 Government ordered that the applicability of Sec. 150 of A.P.G.P. Act, 1964 should be limited to the loss caused to the Gram Panchayat by the Sarpanch during his current term of office but not during his previous term of office. The conditions precedent for the applicability of Sec. 150 are (1) that the person should have caused loss to the G.P. while holding one of the offices of Sarpanch, Upasurpanch or Executive Authority and (2) that he continues to hold that office at the time he proceeded against under Sec. 150 aforesaid. Once the Sarpanch ceases to hold office, he can no longer be proceeded against under sec. 150 of the Act. On the same analogy Sec 150 of the Act has no application to a person who has been re-elected in respect of any misconduct committed by him during the course of his term, prior to his re-election. But this does not mean that a person can go scot free when once his term of office during which he caused losses to the gram panchayat expires. Under rule 5 of the rules relating to Audit, Surcharges, Disallowance and Appeals, Any auditor may disallow every item contrary to law and surcharge the same on the person making or authorising the making of the illegal payments and may charge against any person

responsible therefor the amount of any deficiency, loss or unprofitable outlay incurred by the negligence or misconduct of that person or of any sum which ought to have been, but is not, brought to account by that person and shall, in every such case certify the amount due from such person. A surcharge certificate issued under the said rule operates as a decree. The above mode of recovery under the surcharge rules which is applicable even to a person who ceased to be Sarpanch is a speedy and effective procedure by following which losses caused to the G.P. by Ex-Sarpanchas could be recovered easily. Therefore, in all such cases the proper course open is to initiate surcharge proceedings against such persons under the surcharge rules and recover the loss caused by them to the gram panchayat by his misconduct when they held one of the offices specified in Sec. 150 of the Act. The same will be the position in respect of MPs / ZPs.

(Govt.M.No. 3403(Pts.1) 75-4. dt31-5-1976)

17.49 Surcharge-Irrecoverable amount - write off Government clarified that the rules of the surcharge rules is different from the rules made in G.O. Ms. No. 822 Panchayat Raj Department dt. 25-7-1965, issued under Section 77 of the Act Rule 8 of the Surcharge rules come into play where the Government want to waive any surcharge amount if in their opinion, such course is necessary, considering all the circumstances of the case. This rule does not contemplate writing off of the Surcharge amount when it becomes irrecoverable. It is also pertinent to note that rule 8 of the surcharge rules has been framed under section 217(2) (viii) & (ix) of the Act. But not under section 77 of the act which empowers the gram panchayat to write off irrecoverable amounts. Therefore, when the surcharge amount which becomes irrecoverable has to be written off it can be done only under the rules framed in G.O. Ms. No. 822, panchayat Raj Department dt. 25-7-1965.

(Govt. Memo No. 10282, (P. I) 76-2, dt. 15-1-1977)

17.50 A Sarpanch and member of the Gram Panchayat ceases to hold office if he fails to pay any arrears of any kind of dues including the sums

surcharged other wise than in a financing capacity, to the gram Panchayat within ninety days after a bill notice has been served upon him. Certain Collectors (PW) have sought for clarification whether the notice given by the Local Fund Audit Department is enough or whether a separate show cause notice has to be issued indicating disqualifications on account of the the surcharge. The Government have clarified that while initiating action under the provisions of the sections 19(b) and 20(J) of the A.P.G.Ps. Act, 1964 (i.e. disqualifying a candidate on this account) a separate notice has to be issued indicating the disqualification on account of the surcharge, allowing time for clearing of dues.

(Govt.M.No.31 (Pts II/78-2, dt. 23-3-1978)

The Government have requested the District collectors (PW.) to see that action is properly taken by the Inspecting Officers under section 20(J) of the A.P.G.Ps., Act, 1964 and under rule 7 of the rules relating to the Audit, Surcharge, Disallowance and Appeals Rules issued through G.O.Ms.No.569 P.R., dt.13-5-1965 as amended for realisation of the surcharged amounts.

(Govt.M.No.3015 Pts-I) 78-1, dt. 28-7-78)

17.51 ACTION TO BE TAKEN IN RESPECT OF AUDIT REPORT OF ACCOUNTANT GENERAL

The Chief Executive Officers and Mandal Parishad Development Officers / E.Es / P.R. / P.E.O.s should take similar action as above after receipt of audit reports from the Accountant General. The Chief Executive Officers should watch prompt submission of replies to the Audit Report of the Accountant General and Local Fund Auditors by the Executive Engineers, PR/Parishad Educational Officers and Mandal Parishad Development Officers. The Engineer-in-Chief and Chief Engineers PR should also watch the prompt submission of replies to the Audit Reports by the Executive Engineers, PR.

17.5.2 WAIVER OF AUDIT OBJECTIONS

Financial Limits upto which audit objections can be dropped at the discretion of the auditors.

The Director of Local Fund Audit and his officers are empowered to waive audit objections of a trifling nature including expenditure irregularly or illegally incurred for amounts not exceeding those shown against each officer.

	Rs.
1. Director	1000
2. Dy. Director	500
3. Audit Officer	200
4. Asst. Audit Officer	100

17.53 The officers can drop the objections by using their discretion if they consider that the amounts are irrecoverable and that further correspondence in the matter of settlement of the audit objections would result in un-necessary expenditure.

17.54 Audit objections involving malafide or negligence or incompetence or exceptionally gross or culpable nature on the part of the officers will not be considered by the Auditors for waiver.

(G.O.Ms.No.275 PR & RD (Audit.I) Dept., dt. 16-6-'86)

17.55 Waiver of certain kinds of audit objections for the period upto 31-3-80.

Government have issued orders empowering the officers of Local Fund Audit Dept to waive audit objections of certain categories in the Local Fund Audit Reports on the accounts of Mandal Parishads and Zilla Parishads pertaining to the period upto 31-3-1980, after examining each case on its merit. The categories of objections are detailed below and

they can be waived subject to verification of alternative records or furnishing of certain certificates by the Executive Authorities.

These orders are not applicable to objections relating to fraud or misappropriation of funds and such objections can be dropped only after amounts are recovered or written off by the Government.

(G.O.Ms.No. 347, PR&RD (Audit.I) Dept., dated 10.7.1986).

Categories of objections referred to in G.O.Ms.347 PR&RD (Audit I dt. 10.7.86)

(1) **BLOCK JEEPS** : Audit objections pertaining to excess consumption of petrol and not covered by sanction and objections for taking jeeps outside the Block without Government sanction.

(2) **WANT OF BUDGET ALLOTMENT** : Objections raised for incurring expenditure in excess of budget allotment and without budget allotment.

(3) **WANT OF SANCTION** : Sanction of appropriate subject Committee and standing Committee and higher authorities not exceeding Rs.2,500/-

The Standing Committee have powers to sanction schemes and works upto Rs.2,500/-. As these schemes have already been implemented, all such objections may be waived. These orders will not apply to cases where sanction of Standing Committee was rejected.

(4) **SANCTION NOT OBTAINED** : Sanction of Government for incurring extraordinary expenditure. Under Rule (3) of the rules relating to purposes for which Panchayat Samithis/Zilla Parishad funds are to be applied prior sanction of Government is necessary for incurring extraordinary expenditure. Contributions have been paid by the several Panchayat Samithis without obtaining Government sanction. In such cases objections involving Rs. 50/- in respect of Panchayat Samithis and Rs. 100-00 for Zilla Parishads may be waived.

(5) Vouchers not passed by the Block Development Officers payments are made by the Block Development Officers without signing the vouchers. Such objections will be waived as cheques are signed by them and payments made, but they are still made responsible for irregular payments.

(6) NON-PRODUCTION OF VOUCHERS :

(a) Vouchers for pay and allowances and for works not produced. In such cases the objections will be waived if acquittances of the establishment and measurement books in respect of works are produced.

(b) Non-production of records, want of payees acquittances, Payees acknowledgements in respect of payment of more than three years standing will not be pursued if the executive authority furnishes a certificate that the payments were made to the rightful payee and that a second claim will not arise.

(c) Audit objection for want of stamped acknowledgements may be waived after obtaining certificates of disbursements from the concerned drawing officer.

(D) SERVICE REGISTER NOT PRODUCED

Several objections raised for want of non-production of service registers to verify verification certificates.

(7) Non-adjustment of advances on account of tour Travelling allowances.

Objections relating to adjustment of advances sanctioned for tour travelling allowances of officers and servants of Panchayat Samithis and Zilla Parishads be waived if the Executive Authority furnishes a certificate in the following form.

"Certified that the Govt. Servent for whom tour Travelling allowance advance drawn has actually performed the journeys and no amount is due for recovery, from him and no claim for Travelling allowance in respect of journeys will be preferred in future".

Besides obtaining the certificate from the executive authority, Travelling Allowance bill should also be obtained from the person who has taken the advances.

(8) SPLITTING OF ESTIMATES FOR INDENTS TO AVOID HIGHER SANCTION :-

Objections relating to splitting of estimates of indents to avoid higher sanction, be waived provided there is no financial loss to the Panchayati Raj Institutions and provided the executive authority certifies to the effect that there is no financial loss to those Panchayati Raj Institutions by splitting up the estimates of indents.

17.56 REGISTER OF AUDIT OBJECTIONS

A Register of Audit objections should be maintained in each section of the ZP / Mandal Office and a Consolidated register in Audit section to watch the settlement of audit objections. The full text of the objections need not be written in the register. It is sufficient, if a gist of the objection is noted.

PROFORMA

Sl No.	Para No. Year of the Audit Report	Gist of the Objections	Amount	Gist of Reply Furnished	Remarks
1	2	3	4	5	6

(R) SPLITTING OF ESTIMATES FOR INHERITS TO
AVOID HIGHER SANCTION

Director is invited to consider the objection in view of higher
sanction for value of Rs. 50,000/- is of Rs. 10,000/- only.
The objection is not valid as the value of the property is
not more than Rs. 50,000/- and hence the higher sanction is
not applicable in this case.

REGISTER OF AUDIT OBJECTIONS

A Register of Audit Objections is being maintained in the
office of the Director and a consolidated register is also
being maintained in the office of the Joint Director.
The Register of Audit Objections is being maintained in the
office of the Director and a consolidated register is also
being maintained in the office of the Joint Director.

यदैव विद्यया करोति श्रद्धयोपनिषदा
तदैव वीर्यवत्तरं भवति

**Duty performed
with Knowledge, Faith and Devotion,
becomes really effective**

Dr. MCR Human Resource Development Institute of Andhra Pradesh

oad No. 25, Jubilee Hills, Hyderabad-500 033. Phone : 3548487, 3543727 Fax : (040)3548887