



GOVERNMENT OF JAMMU & KASHMIR
Department of Rural Development and Panchayati Raj
Civil Secretariat, J&K, Jammu.

Subject:- Guidelines for the implementation and utilization of 14th Finance Commission Grants by the Rural Local Bodies (PRIs)

Government Order No: 156-RD&PR of 2019
Dated: 25-04-2019

In Supersession to Government Order No. 325 of RD& PR of 2015 dated 07-12-2015, sanction is hereby accorded to the issuance of Guidelines for implementation and utilization of 14th Finance Commission Grants by Panchayats/Rural Local Bodies (PRIs) as per **Annexure "A"** to this Order.

By order of the Government of Jammu and Kashmir.

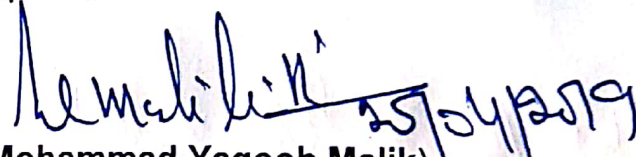
Sd/-
(Sheetal Nanda) IAS
Secretary to the Government

No: RD/Panch/122/2019

Dated: 25-04-2019,

Copy to the:-

1. Secretary, Ministry of Panchayati Raj, GoI, New Delhi.
2. Principal Secretary to the Government, Finance Department.
3. Director General, Rural Development Department, Jammu.
4. District Development Commissioners (All).
5. Director, Rural Sanitation, J&K, Jammu.
6. Director, Rural Development Department, Kashmir.
7. Director Panchayati Raj, J&K, Jammu
8. Additional Secretary to the Government, Department of Rural Development & PR (I/C MGNREGA)
9. Additional District Development Commissioners (All).
10. Joint Director (Planning), Department of RDD&PR.
11. FA/CAO, Department of Rural Development & PR.
12. OSD to the Advisor (KS) to Hon'ble Governor for information of Hon'ble Advisor.
13. Assistant Commissioner Development (All).
14. District Panchayat Officers (All)
15. Private Secretary to Chief Secretary for information of the Chief Secretary (copy of the Guidelines enclosed).
16. Pvt. Secretary to the Secretary to the Government, Department of RD and PR for information of Secretary.
17. Departmental Website.
18. Government order file/Stock file.


(Mohammad Yaqoob Malik)
Under Secretary to the Government

Guidelines for 14th Finance Commission
FOURTEENTH FINANCE COMMISSION GRANT-RELEASE OF
GENERAL BASIC GRANTS AND PERFORMANCE GRANT TO RURAL
LOCAL BODIES-ISSUE OF GUIDELINES FOR THE UTILIZATION
OF 14TH FINANCE COMMISSION GRANTS:

The 14th Finance Commission has recommended assured transfers to the rural local bodies for planning and delivering of basic services smoothly and effectively within the functions assigned to them under Panchayati Raj Act, of the state. It is advisable that all the expenditure incurred by the Halqa Panchayats on the basic services within the functions devolved to them under the PR Act may be incurred after proper plans are prepared by the Halqa Panchayats in due consultation with the Halqa Majlis, in accordance with the rules, regulations process and procedure contained in the Guidelines of the 14th Finance Commission and PR Act.

The 14th Finance Commission has recommended Grant in Aid to the duly constituted Panchayats in 2 parts, namely - (I) **Basic Grant** and (II) **Performance Grant**.

Basic Grant

The 14th Finance Commission has recommended Basic Grant to the rural local bodies with the purpose of providing a measure of unconditional support to the Halqa Panchayats for delivering basic services. The grants provided are intended to be used to support and strengthen the delivery of basic civic services including water supply, sanitation including septic management, sewage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, foot paths, street lightning, Playgrounds, sports infrastructure, burial and cremation grounds and other basic services within the functions assigned to them under relevant legislation.

The Halqa Panchayat shall have the power to administer the matters enumerated in the schedule I-A of the J&K Panchayati Raj Act, and to prepare and implement schemes relating thereto for development of the area. The planning and implementation of all centrally sponsored schemes in the Halqa Panchayats which are in

operation shall be the responsibility of Panchayat. The Halqa Panchayats shall:-

- a. Prepare the plans for the development of Halqa in consultation with Halqa Majlis and their timely submission to the higher authorities.
- b. To undertake measures for implementation of the development plans and
- c. specifically deal with the problems of soil conservation, water management, social forestry, rural industrialization, agriculture, sheep and animal husbandry, sanitation, health and other welfare programmes.

1. Sensitisation of Halqa Panchayat Sarpanches/Panches and the Rural Development Officials:-

Since the funds of 14th Finance Commission Basic Grant have been devolved to the Halqa Panchayat, there is a need for sensitization of ERs of Halqa Panchayat, Block Development Officers, Inspector Panchayats, Engineers, Monitoring officers and the Secretary Panchayats who are directly responsible for the implementation of the scheme.

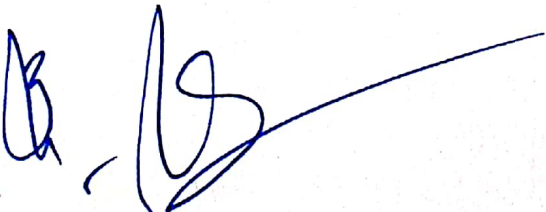
District Level and Block level sensitization programs should also be conducted for proper monitoring of the scheme at all levels. The organization of such sanitization programme shall be the responsibility of the District Development Commissioners/ District Panchayat Officers.

2. Executive Agency for utilization of Grants:-

The 14th Finance Commission has recommended the devolution of funds to the rural local bodies for planning and delivering of basic services including functions assigned to them under state legislations, therefore the Halqa Panchayat shall be the executive agency at the panchayat level for the execution of works under 14th Finance Commission Basic Grants

3. Types of Works to be taken up:

The amount allocated as 14th Finance Commission Basic Grants may be utilized for the following works / purposes in order of priority indicated below:



- I) Establishment and maintenance of play fields inside schools and on village lands.
- II) Vermi Compositing, dry-leaf compositing, generation of Gobar Gas, Solid Waste Management activities
- III) Preservation of Water Bodies, Water Conservation and water harvesting works.
- IV) Maintenance of community toilets, Bathrooms and Sanitary Complexes
- V) Creation of Halqa Panchayat Level Libraries and Reading Rooms.
- VI) Soil conservation, Development of waste lands and grazing lands, establishment and maintenance of nurseries, water conservation, seed production, organic farming.
- VII) Construction/ renovation and maintenance of all minor irrigation projects, maintenance of irrigation channels
- VIII) Construction/ repair/ renovation of buildings for Aanganwadi Centers
- IX) Afforestation and Social forestry.
- X) Providing and maintenance of basic amenities at tourist centers entrusted to Halqa Panchayats
- XI) Installation/ Maintenance of street lights at public streets and places
- XII) Cleaning and preservation of public roads, drains, ponds etc.
- XIII) Establishment and maintenance of Burial and cremation grounds
- XIV) Construction and maintenance of cattle farms, community cattle sheds,
- XV) Providing and maintenance of basic amenities at tourist centers entrusted to Halqa Panchayats.
- XVI) Village Bus Stand, Auto Stand, Rikshaw Stand, Slaughter houses etc.
- XVII) The Halqa Panchayat can take up works from the gaps indentified through Mission Antyodaya Survey in the Halqa Panchayat by dovetailing funds under MGNREGA, any other centrally sponsored scheme, state sponsored scheme and general funds of Halqa Panchayat in addition

XVIII) to Basic Grant of the 14th Finance Commission to create /improve Infrastructure facility in the rural areas subject to the permissibility of work/scheme under the guidelines.

4. Preparation of Prospective Plan

As per the recommendation of 14th Finance Commission, the Basic Grants are allocated for five years period. Hence the Halqa Panchayats shall have to prepare five years prospective plan. The Prospective planning shall be initiated at the ward level by the elected members falling in the Halqa Panchayat in consultation with the electors of the ward in accordance with the provisions contained in the chapter I-A of PR Act. The list of demands of the Ward duly approved by the Ward Majlis shall be placed before the Halqa Panchayat for its consolidation and making a prospective plan for the Halqa Panchayat .The demands shall be accommodated under different schemes transferred to the Halqa Panchayat by virtue of PR(Act) in accordance with the permissibility of work/scheme and all those which can be accommodated under any scheme/programme shall form part of the Gram Panchayat Developmental Plan(GPDP).

5. Preparation of Annual Plan and indentification of requirement of the Basic amenities at Halqa Panchayat level :-

The Halqa Panchayat shall cull out scheme / works permissible under the 14th Finance Commission out of the prospective plan for the amount allocated as Basic Grant of the 14th Finance Commission and shall place it before the Halqa Majlis for its approval and prioritization in accordance with the provisions contained in the chapter I-A of the PR Act. The secretary Panchayat shall ensure participation of community based organizations (UMEED groups), eminent / reputed persons, women and weaker section of the society. After the approval of the Plan by the Halqa Majlis, the Halqa Panchayat shall forward the plan to the BDC/BDO for integrating the plans of the Halqa Panchayats for their onward submission to the District Panchayat Officer for its consolidation at the district level for placing before District level planning committee for its approval. The Halqa Panchayat shall also forward a copy of the approved plan to the

Junior Engineer for preparation of actual estimates. The approved plans of the Halqa panchayat shall form part of Gram Panchayat Developmental Plan.

6. Preparation of estimates:-

After the approval of the plan by the Halqa Majlis, actual estimates should be prepared by the Junior Engineer after visiting the sites. No estimate should be prepared without verification of the field and capturing of pre execution photographs of the proposed site where work is to be executed. The estimates prepared by the Junior Engineer shall be checked by the Assistant Engineer and Assistant Executive Engineer. The AEE is responsible for getting the estimates prepared by the junior engineer within 15 days from the date of receipt of approved copy of plan by the junior engineers working under his / her control. Subsequently, AEE shall forward all the estimates duly checked by him/her to the executive engineer along with pre execution photographs duly signed by the Junior Engineer / Secretary Panchayat for evaluation and accord of technical check. After doing so, the Executive Engineer shall forward a copy of the technically checked estimate of individual work to District Panchayat Officer, for their consolidation and onward submission to the District level Committee along with the consolidated Action plan of the scheme for administrative sanction/ approval.

7. Administrative Sanction / Approval

The District Level Committee comprising of Assistant Commissioner Development, Executive Engineer REW, Executive Engineer PHE and District Social welfare shall be headed by the District Development Commissioner. The Committee may co-opt any other member as desired by the District Development Commissioner. The District Panchayat Officer shall be the member secretary of the committee. The District Committee will accord administrative sanction for the works after detailed scrutiny and evaluation of the estimates duly checked by the Executive Engineer RD&PR Department. No Sanction shall be accorded without proper estimate. The member secretary (DPO) District Planning Committee shall forward copy of the administrative approval to the Administrative Department, Executive Engineer, Block Development Officer and Halqa Panchayat. The Executive



Engineer REW shall accord the technical sanction of each works per the administrative approval accorded by the DPC within a period of 07 days from the date of receipt of copy and shall forward all the technically sanctioned estimates to BDO and Halqa Panchayat.

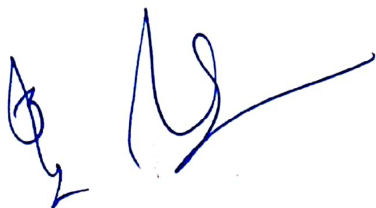
8. Mode of Execution:- The work shall be executed by the Halqa Panchayat only after obtaining administrative approval and technical sanction from the competent authority in accordance with the provisions contained in the Jammu and Kashmir Panchayati Raj (Amendment) Act, 1989 and rules made there under and other guidelines issued by the Department from time to time. The Block Development Council shall monitor the execution of the works and provide technical guidance to the Halqa Panchayat wherever required in the execution of the works. Besides, the Officers of the RD&PR Department shall also monitor the execution of the works under the scheme. The Assistant Executive Engineer shall be responsible for the quality of work and Executive Engineer of RD&PR shall inspect the execution of works on random basis and ensure timely completion of all the works. The District Development Commissioner is the overall authority for the implementation of the scheme at the District level. The Halqa panchayat shall work out the key material required for the execution of works under the scheme on the basis of the estimates and shall furnish the requisition to the Block Development Officer concerned for arranging the same as per the procedure of the department.

9. Release of Funds:-

The Department of RD&PR shall release the 14th Finance Commission Basic Grant directly to the Halqa Panchayats through PFMS as per their allocation to be worked out on the basis of Population & Area of the Halqa Panchayat.

10. Utilization of Basic Grant

The Halqa Panchayat shall utilize the Grants on the approved works of the scheme subject to the following conditions:-



- I. The account shall be operated by the sarpanch and the secretary panchayat as provided in the state legislation (PR Act) and procedure to be notified by the Government.
- II. The payment on account of the execution of the work shall be released by the Halqa Panchayat as per the procedure contained in the Act and as per procedure to be notified by the Government. All payments shall be made through PRIASoft application of PES.
- III. The Halqa Panchayat shall obtain the clearance of bills prepared on account of execution of works from the competent authority before releasing the payment. The Halqa panchayat shall also maintain pre, during and post execution photographs of all works by using mActionSoft mobile App.
- IV. The Halqa Panchayat shall submit MPRs to the BDO/DPO for their consolidation and onward submission to the DDC/Administrative Department.
- V. The Halqa Panchayat shall furnish utilization certificate to the Administrative Department through DPO concerned and it should be counter signed by the District Development Commissioner.
- VI. The Halqa Panchayat shall prepare a statement of accounts at the end of financial year and get the accounts audited as per the procedure in vogue and shall forward a copy of the audit report along with the utilization certificate to the Administrative Department through District Panchayat Officer and countersigned by DDC.
- VII. The Halqa Panchayat shall maintain a separate account / cash book for the scheme. The interest accrued on the funds of the scheme shall be the part of releases and to be utilized on the approved works of the scheme.
- VIII. In case Halqa Panchayat makes any payment directly to the contractor/vendors, the TDS as applicable shall be deducted at source for each bill individually by generating a CPIN(challan) and mention it in the bill itself deposited in the appropriate Head.

11. Monitoring Mechanism

- I. The District Planning and Development Board shall review the implementation of 14th Finance Commission



twice in a year preferably in the month of September and March.

II. The District Planning Committee shall review the progress of the scheme with the Block Development Officers on monthly basis.

III. The Director Panchayati Raj, Jammu and Kashmir shall take review meetings of District Panchayat Officers on quarterly basis.

IV. The District Panchayat Officer who is the Estates officer of the Panchayats shall frequently visit the Panchayats for the monitoring and implementation of the scheme and shall furnish a concrete report/feedback of every visit to the District Development Commissioner /Administrative Department.

12. Audit :-

Audit is one of the best mechanisms to bring transparency and accountability in the implementation of any programme. Two types of audit shall be held at Halqa Panchayat.

I. Social Audit: - under social audit three types of audits to be conducted.

a. **Ward Committee:**- The Ward Majlis shall constitute social audit forum at the ward level comprising of retired persons, members of self help groups, members from SC/ST community Including weaker sections & women to monitor and evaluate the implementation of the scheme at ward level.

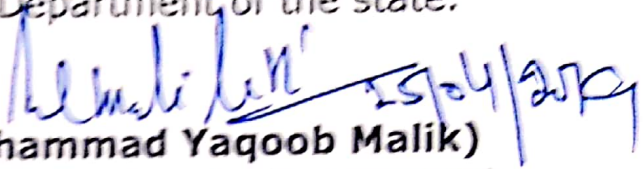
b. **Halqa Panchayat Committee:**- The Halqa Panchayat Committee comprising of retired persons, members of self help groups, members from SC/ST community including weaker sections & women shall be framed by the Halqa Panchayat to monitor and evaluate the implementation of the scheme in the Halq Panchayat .

c. **Halqa Majlis:**- The audit of the works/schemes of the 14th Finance Commission shall be conducted by the Halqa Majlis to be convened by the Sarpanch of the concerned Halqa Panchayat on quarterly basis. The



electors of the Halqa Panchayat shall be the members of the social audit forum. The minimum quorum for the meeting of the Halqa Majlis shall not be less than 1/10th of the total electoral population. The secretary panchayat shall issue a notice fifteen days prior to conduct of social audit in the Halqa Majlis and shall display the notice on prominent places for information of general public. On the day of social audit, the secretary panchayat shall place all the relevant record of the scheme before the Halqa Majlis for its audit. The officials who are associated with the scheme shall remain present during the audit for any sort of reply to the query to be raised by any person.

II. Financial Audit:- The C&AG shall conduct the audit of expenditure in the panchayats in accordance with the procedure in vogue. Besides the audit shall also be done by Local Fund Audit Department of the state.


(Mohammad Yaqoob Malik)
Under secretary to Government.
Department of RD&PR