



GOVERNMENT OF KERALA

Abstract

Local Bodies-Deposit of funds- Opening of account by the Panchayat Raj institutions in Co-operative Banks/Nationalised Banks- Orders issued.

FINANCE (BW-J) DEPARTMENT

G.O.(P) 383/98/Fin.

Dated, Thiruvananthapuram, 24th January 1998

- Read:*
1. G.O.(P) 676/97/Fin. Dated 6-8-1997.
 2. G.O.(P) 1459/97/Fin. Dated 29-12-1997.
 3. Circular No. 2/95/Fin. Dated 18-2-1995.
 4. Circular No. 6/96/Fin. Dated 22-1-1996.

Detailed guidelines regarding the flow of funds to Local Bodies and their utilisation have been ordered by Government in the Government Orders read as first and second paper above. After considering the various aspects on the flow of funds through Treasuries Government are pleased to allow Local Bodies for operation of funds pertaining to schemes with individual beneficiaries in Co-operative Banks/Nationalised Banks as per guide lines issued hereunder.

- (a) Each Grama Panchayat may be allowed to open an account (The Imprest Account) in one financial Institution.
- (b) Such financial institution may be either a Co-operative Bank or a Nationalised Bank located with in the Panchayat.

- (c) Before opening such accounts, the Grama Panchayat should by a resolution decide to open such accounts to transfer funds for schemes where, money has to be disbursed to beneficiaries (individuals or families).
- (d) This imprest accounts shall be used only for depositing money that has to be disbursed to beneficiaries (individuals or families).

To clarify, if in a scheme a portion of expenditure has to be incurred by disbursing the same to beneficiaries (individuals or families) and expenditure for remaining has to be incurred directly by the Panchayat or by an Implementing Officer/Agency, only the amount to the extent that has to be disbursed to beneficiaries (individuals or families) should be deposited in the imprest Account subject to the condition in these paragraphs. Similarly funds for schemes or projects implemented through groups of beneficiaries (eg. Through beneficiary committees as in the case of JRY, IAY schemes) should not be deposited into the Imprest Account.

- (e) Once the account is opened in a Co-operative Bank or a Nationalised Bank, the Account Number, name & the location of the branch shall be intimated to the following.
 - i) Deputy Director of Panchayat
 - ii) Treasury officer of the Treasury in which the Panchayats maintains its account.
 - iii) Deputy Director of Local Fund Audit Department.
- (f) The Maximum amount in the Imprest Account shall be Rs. 50,000 (Rupees Fifty Thousand only). This limit is regardless of the number of schemes in which funds have to be disbursed to beneficiaries (Individuals or families) or the number of such beneficiaries (Individuals or Families)
- (g) The Imprest Accounts should be recouped only when the balance falls below Rs.10,000 (Rupees Ten Thousand only).The imprest account shall not be recouped more than once in a week.
- (h) Every time money is drawn from the PD account of the Panchayat for being deposited in to the Imprest Account, be it for the first time or to recoup the same, the Secretary of the Grama Panchayat shall attach a certificate as follows by presenting the cheque for drawal of the amount from the P.D. Account to the Treasury.

CERTIFICATE

**Certified that the balance amount in the Imprest Account
(No.....in Bank.....maintained by
the.....Grama Panchayat as per G.O. No.....is below
Rs. 10,000 (Rupees Ten Thousand only).**

Secretary

.....Grama Panchayat.....District.

- (j) The Treasury Officer shall maintain a separate register for recording withdrawals from PD Account of the Panchayat into the Imprest Account, and note the amount withdrawn and date of the certificate issued by the Panchayat.
- (k) The amount shall be drawn as a draft payable to the Imprest Account of the Panchayat.
- (l) The Secretary of the Grama Panchayat shall on the last working day of every quarter (ending March, June, September, December) send a consolidated statement of total funds brought into the imprest Account during that quarter and the total withdrawals from the same during the same quarter to Deputy Director of Panchayat and Deputy Director of Local Fund Audit Department.
- (m) Deputy Director of Local Fund Audit of a District shall audit the deposits and withdrawals from the Imprest Account of all the Grama Panchayat each year and attach his observations to the annual audit report for that Grama Panchayat.
- (n) The Maintenance of the accounts of the P.D. Account and ensuring that these conditions are adhered to shall be the responsibility of the Secretary of the Grama Panchayat.
- (o) Interest accrued on the money deposited in these accounts shall be accounted for separately and the interest used only for the purpose of distribution to beneficiaries.
- (p) These orders are issued in relaxation of the orders contained in Circulars read as third and fourth paper above.

By Order of the Governor

VINOD RAI

Principal Secretary (Finance).

To

The Accountant General (Accounts and Entitlements), Kerala

The Accountant General (Audit), Kerala.

All Heads of Department.

The Director of Local Fund Audit Department.

All Local Body Institutions.

All Departments in the Government Secretariat