



## GOVERNMENT OF KERALA

### Abstract

Local Self Government Department - Memorandum of Association and Rules and Regulations of Kerala State Rural Employment Guarantee Fund Society - Amended - Orders issued.

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### LOCAL SELF GOVERNMENT (DD) DEPARTMENT

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G.O.(MS)No.137/2012/LSGD

Dated, Thiruvananthapuram, 23.05.2012

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Read:- 1. G.O.(P) No.100/2011/LSGD Dated 3-6-2011.  
2. DO No.J-12011/9/2007- (Vol-II) MGNREGA Dated 23-12-2011 from Government of India, Ministry of Rural Development.  
3. Letter No.34792/MGNREG Cell.1/10/CRD dated 10.1.2012 from Mission Director, MGNREGS.

### O R D E R

As per the letter read as 2<sup>nd</sup> paper above Government of India had directed the State Government to amend the Memorandum of Association and Rules and Regulations of Kerala State Rural Employment Guarantee Fund Society. Mission Director, MGNREGS as per letter read as 3<sup>rd</sup> paper above has also submitted necessary proposals for the amendment.


2. Government have examined the matter in detail and are pleased to amend the Memorandum of Association and Rules and Regulations of Kerala State Rural Employment Guarantee Fund Society as appended to this Order.

(BY ORDER OF THE GOVERNOR)  
**JAMES VARGHESE**  
**PRINCIPAL SECRETARY.**

To

1. The Commissioner for Rural Development, Thiruvananthapuram.
2. The Mission Director, MGNREGS, Thiruvananthapuram.
3. Government of India (with C/L)
4. All District Collectors/District Programme Co-ordinators.
5. All Joint Programme Co-ordinators (through Mission Director, MGNREGS)
6. The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
7. The Accountant General (A&E), Kerala, Thiruvananthapuram.
- ✓ 8. Director, IKM, Thiruvananthapuram. (for publishing in the official website)
9. Stock file/Office Copy.

Forwarded/By Order

  
Section Officer

Annexure to GO(MS) No: 137/2012/L&ND Dtd: 23.5.2012

**MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE  
FUND SOCIETY KERALA No.T 1859**

**MEMORANDUM OF ASSOCIATION**

- 1. Name of the Society-** The name of the society shall be Mahatma Gandhi National Rural Employment Guarantee Fund Society Kerala
- 2. Location and the registered office of the Society-** The Society shall have its registered office at Thiruvananthapuram and its address shall be Mahatma Gandhi National Rural Employment Guarantee Fund Society Kerala, Commissionerate of Rural Development, Thiruvananthapuram- 695033
- 3. Area of Operation-** The functional jurisdiction of the society shall extend to the whole State of Kerala.
- 4. Nature of the society and Scope of Work-** The agency shall act as an autonomous body. It shall manage the Mahatma Gandhi National Rural Employment Guarantee Fund Society Kerala,
- 5. Objectives of the society-** The objective of the society is to ensure operational flexibility, timely and smooth flow of funds of Mahatma Gandhi National Rural Employment Guarantee Scheme responding to labour demand and implementation needs and to administer the funds as a Revolving Fund in accordance with the provisions of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 and the rules framed thereunder from time to time.
- 6. Powers of the society-** Without prejudice to the above objectives and for effectively carrying out the above objectives, the society shall have the following powers;
  - 6.1** To manage the Fund with an institutional framework having independent and autonomous authority, responsibility and flexibility for dynamic operation
  - 6.2** To receive grants, loans, donations, deposits or any other financial contributions subject to the laws in force and to deal with funds and moneys of the society with a view to fulfilling all or any of the objectives of the society.
  - 6.3** To enter into contract or legal proceedings for and in connection with the declared objective(s) of the society.
  - 6.4.** To formulate guidelines, administer funds, initiate sector-related studies, approve projects, and conduct reviews and monitoring
  - 6.5.** To make rules and bye laws for the conduct of the affairs of the Society and add to, amend, vary or rescind any of the rules and the bye-law from time to time.
- 7. Management of the Society -** Mahatma Gandhi National Rural Employment Guarantee Fund Society Kerala, shall be managed and administered by a Management Committee which shall have the following composition.

1	Chairperson	Principal Secretary (LSGD)
2	Member	Senior Finance Officer of the Commissionerate of Rural Development
3	Member	Director of Panchayats
4	Member	State Performance Audit Officer
5	Member	Mission Director, MGNREGS or any other Officer nominated by State Government
6	Member - Secretary	Commissioner for Rural Development

8. **Governing body-** There shall be a Governing body to which, by the rules and regulation of the society, the governance of its affairs, is entrusted. The name and address of the present members of the Governing body shall be as follows:

**Chairperson** : Minister for LSG  
**Vice Chairperson** : Principal Secretary(LSGD)  
**Member Secretary** : Commissioner for Rural Development

**Members: -**

1. Executive Director, Kudumbasree
2. Director of Panchayats
3. Mission Director (NREGA)
4. Senior Finance Officer, Commissionerate of Rural  
Development
5. State Performance Audit Officer

9. We, the several persons whose signatures, occupation and addresses are given hereunder are desirous of being formed into an association, in accordance with the Travancore Cochin Literary, Scientific and Charitable Societies Act, 1955 in pursuance of the Memorandum of Association and in testimony of this, subscribed our respective names and signatures here unto on this the 5th day of November, Two thousand and nine at Thiruvananthapuram.



**Founding Members and Formation of the Society:**

Sl. No	Name	Age	Occupation and address	Signature with date
1	S.M. Vijayanad	52	Principal Secretary LSG Dept, Secretariat Thiruvananthapuram. 695001	Sd/-
2	K. R.Muraleedharan	56	Director of Panchayat	Sd/-
3	S. DivakaranPillai	56	State Performance Audit Officer LSG Department, Secretariat Thiruvananthapuram	Sd/-
4	V. Radhkrishnan Nair	51	Senior Finance Officer, Commissionerate of Rural Development, Thiruvananthapuram	Sd/-
5	Saradamuraleedharan	44	Executive Director, Kudumbasree	Sd/-
6	V.N.Jithendran	55	Commissioner for Rural Development	
7	V.N.Jithendran	55	Mission Director, MGNGREGS Mission	Sd/-

**Witness attesting signature:**

Name	Adress & Description	Occupation	Signature with date
M. Unnikrishnan	Additional Secretary to Government Local Self Government Department	Government Official	Sd/-
S.Dinesh	Additional Development Commissioner Commissionerate of Rural Development, Thiruvananthapuram	Government Official	Sd/-

**Mahatma Gandhi National Rural Employment Guarantee Fund Society, Kerala,  
Rules and Regulations**

**Name: Mahatma Gandhi National Rural Employment Guarantee Fund Society Kerala**

**Address: Mahatma Gandhi National Rural Employment Guarantee Fund Society Kerala**

**Commissionerate of Rural Development**

**Vikas Bhavan P.O.**

**Thiruvananthapuram-33**

**Jurisdiction : All over the State of Kerala**

**1. Title:- These Rules are called as the Rules for the Mahatma Gandhi National Rural Employment Guarantee Fund Society Kerala**

**2. Status of the society-The society shall be a legal entity having perpetual succession and can sue or be sued in its own name through its Member Secretary.**

**3.Scope and Application**

- a. These rules shall extend to all its units and activities of the agency.**
- b. These rules shall come into force from the date of registration of the society under the Travancore-Cochin Literary, Scientific and Charitable Societies Act, 1955**

**4.Definitions-In these rules unless the pretext to the context otherwise prescribes:**

- (a) "Act" means the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Central Act 42 of 2005);**
- (b) "Society" means the Mahatma Gandhi National Rural Employment Guarantee Fund Society, Kerala**
- (c) "Commissioner for Rural Development" means an officer of the State Government designated as such for the state level coordination and monitoring of anti poverty' programmes.**
- (d) "State Fund" means the Mahatma Gandhi National Rural Employment Guarantee Fund Society, Kerala established under sub-section (1) of section 21 of the Act;**
- (e) "Joint Programme Coordinator" means an officer of the State Government designated as such for the implementation of the Scheme in a district;**
- (f) "Member-Secretary" means Member-Secretary of the Management Committee**
- (g) "Mission Director" means an officer of the State Government designated as such for the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme in the State;**
- (h) "Project Director" means an officer of the State Government who is officiating as Project Director of the Poverty Alleviation Unit of a District Panchayat;**

- (i) "Section" means a section of the Act;
- (j) "State Council" means State Employment Guarantee Council constituted under sub-section (1) of section 12 of the Act;
- (k) "State Government" means the Government of Kerala

**5. Governing body-** There shall be a Governing body to provide overall policy guidance and support to the programmes of the society.

**5.1. Constitution of the Governing body:**

The Governing body of the society shall consist of all the members of the society as described in Para 8 of the Memorandum of Association of the society. The Minister for Local Self Government will be the Chairperson, the Principal Secretary of Local Self Government Department the Vice Chairperson and the Commissioner for Rural Development the Member Secretary of the Governing body.

**5.2. Annual General Meeting of the Governing body:**

The society shall hold every year a general meeting of all its members called Annual General Meeting.

**5.3. Special General Meeting of the Governing body:**

In addition to the Annual General Meeting, a Special General Meeting may be called at any time with the approval of the chairperson

**5.4. Notice of meetings of the Governing body:**

For every meeting of the Governing body, a notice of not less than ten clear days specifying the place, date, time and agenda for the meeting shall be sent to all members. An adjourned meeting can be called on a date and time fixed by the Chairperson.

**5.5. Quorum of the meetings for the Governing body-The Quorum of all**

Governing body meetings shall be one-third of the total strength of the members. In case the quorum is not met, an adjourned meeting is to be called at date and time fixed by the Chairperson. There shall be no quorum for an adjourned meeting of the Governing body. The members present at such "adjourned meeting" may transact the business for which the meeting was originally called.

**5.6. Nomination for the Meeting of Governing body-**If a person, who is a member of the Governing body by virtue of the office held by him, is unable to



attend the meeting of the Governing body, he may nominate a subordinate officer as substitute, in writing, to take his place at the meeting. Such a substitute will be entitled to take part in the proceedings of that meeting for which he has been nominated and will also have the right to vote.

#### **5.7. Business of the Governing body-**

5.7.1. Every meeting of the Governing body shall be presided over by the Chairperson or, in his absence by the Vice Chairperson. Each member including the member presiding at the meeting of the Governing body shall have one vote. The presiding member shall have the right to a casting vote in addition to his vote as a member in case of equality of votes. All the matters shall be decided by consensus or a majority of votes.

5.7.2. The following reports pertaining to the previous financial year shall be placed before the Governing body in every Annual General Meeting.

- a) Report of the Management Committee on the affairs of the society, including the progress made in its programmes in furtherance of its aims and objectives
- b) Audited copy of the assets and liabilities statement
- c) Audited copy of the Income and Expenditure statement
- d) Report of the Auditor of the society.

5.8. Minutes of the Governing body Meeting- A Copy of the minutes of the proceedings of each meeting shall be furnished to the Governing body members as soon as possible after the completion of the meeting. The Chairperson or the Vice Chairperson of the Governing body (who chairs is the meeting, as the case may be), shall approve the proceedings of the meeting. Proceedings of every meeting shall be kept by the Member Secretary and shall be read out at its next meeting and confirmed with or without amendments.

5.9. Resolution of the Governing body-Every resolution of the Governing body shall be passed by consensus or by a majority of members present and voting. In case of expediency, the Member Secretary of the society may circulate a resolution for

approval and such resolution shall be deemed to have been passed if a majority of the members approve it. Such resolution shall be valid only if the Chairperson is one among the members approving the resolution. The resolution so passed by circulation shall be recorded in the proceedings of the next meeting of the Governing body.

**5.10. Special invitees :** Chairman of the Governing body may invite such eminent persons in the field of activities related to the objectives of the society as he deems it to attend its meeting. Such persons shall have a right to participate in the meetings of the Governing body but shall not constitute the quorum and shall not have the right to vote.

**6. Constitution of Management Committee-** The State Fund shall be managed and administered by a Management Committee which shall have the following composition.

1	Chairperson	Principal Secretary, Local Self Government
2	Members	Senior Finance Officer of the Commissionerate of Rural Development
3	"	Director of Panchayats
4	"	State Performance Audit Officer
5	"	Mission Director
6	Member - Secretary	Commissionerate for Rural Development

**7. Functions and Powers of the Management Committee-**The Management Committee shall:

- Scrutinise the Labour Budgets of the Districts and determine requirement of State Government share;
- Ensure smooth flow of funds from National Funds to State Funds, from State Funds to the account of the District Programme Coordinator and from District Programme Coordinator to Local Self Government Institutions so as to effectively meet labour demand ;
- review the flow of funds, expenditure incurred under the Scheme and overall financial performance of the Scheme and make such recommendations to the State Government as it deems fit;



- d) manage and administer State Funds in accordance with the provisions of the Act and the rules made there under;
- e) formulate and lay down guidelines for financial management of the Scheme;
- f) ensure monthly reconciliation of the accounts of the State Funds;
- g) order enquiry based on complaints and information reports;
- h) inspect or cause to be inspected any work, project or transaction made under the Scheme;
- i) sanction studies, evaluations, action research, technical assistance and expert consultations based on the recommendation of the State Employment Guarantee Council;
- j) nominate joint signatory to operate the Fund;
- k) appoint Chartered Accountant to audit the accounts of the Fund;
- l) review audit reports and the follow up action taken thereon;
- m) review and approve annual audit of accounts of the Fund.
- n) perform all such acts and do all such things as may be necessary for the proper management of the State fund

**8. Procedure for conduct of business of the Management Committee- Procedure for conduct of business of Managing Committee shall be as follows:**

- (1) The Management Committee shall meet as and when necessary, but not more than three months shall intervene between any two meetings;
- (2) The Management Committee shall meet at such time and place as the Chairperson of the Management Committee may deem it;
- (3) The meeting of the Management Committee shall be presided over by the Chairperson;
- (4) Each meeting of the Management Committee shall be convened by giving notice of not less than 7 days from the date of issue of such notice, to every member, in writing;
- (5) Every member shall have the power to vote at any meeting. In case of difference of opinion amongst the members present and voting on any

matter in a meeting in the opinion of the majority shall prevail.

- (6) No proceedings of the Management Committee shall be valid unless it is presided over by the Chairperson and attended by a minimum of 2 other members.

9. **Special Meeting-** The Chairperson of the Managing Committee may convene special meetings of the Committee to consider any matter of special importance or urgency. Every notice calling for a special meeting of the Management Committee shall be issued at least two days in advance.

**10. Duties, responsibilities and functions of the Member-Secretary -**

- 10.1.1. to convene meetings of the Management Committee;
- 10.1.2. to furnish all reports, returns and other necessary documents required to be furnished under the Act to the Central/State Government;
- 10.1.3. to maintain records of the meetings of the Management committee and circulate the minutes among the members;
- 10.1.4. to receive grants-in -aid and accept other grant of money, donations and contributions and enter into any agreement or arrangements with donor organizations or individuals for receiving such assistance;
- 10.1.5. to administer the routine affairs of the State Fund in accordance with the directions given by the Management Committee from time to time;
- 10.1.6. to keep account of all the financial transactions of the Fund;
- 10.1.7. to prepare annual accounts of the Fund and get them audited by Chartered Accountant;
- 10.1.8. to liaise with the Government of India , State Government and line Departments to achieve the objectives of the Fund;
- 10.1.9. to execute all legal documents on behalf of the Management committee;
- 10.1.10. to sue and be sued on behalf of the Management Committee;
- 10.1.11. to review the physical and financial performance of the scheme;
- 10.1.12. to ensuring pre-audit before the release of funds to the Districts;

### **11. Operation of the Fund-**

- (1) The State Fund shall be maintained in a separate interest bearing Savings Bank account in a nationalised bank which shall be non-lapsable.
- (2) The account of the State Fund shall be in the name of the Mahatma Gandhi National Rural Employment Guarantee Fund, Kerala
- (3) The State Fund shall be operated jointly by the Member Secretary and the Mission Director or any other Officer authorised by the Managing Committee from time to time
- (4) The State Government or any other authority shall not create any encumbrance on the State Fund.

### **12. Estimation of labour budget:-**

- (1) The District Programme Coordinators shall submit to the Commissioner for Rural Development, in the month of December every year, a Labour Budget for the next financial year containing the details of anticipated demand for unskilled labour in the district and the plan for engagement of labourers in the works contained in the scheme. Based on the Labour Budget prepared by the District Programme Coordinators, the Commissioner for Rural Development shall formulate and submit in the month of January every year a State Annual Work Plan and Budget Proposal of MGNREGS for the next financial year to the Management Committee and the Ministry of Rural Development so as to estimate requirement of funds.

### **13. Source of funds:**

#### **13.(1) The sources of State Fund shall be-**

- a) MGNREGS funds received from Government of India
- b) State share and any other grant received from State Government
- c) Contributions received from Local self Government Institutions
- d) Grant received from Multi lateral and bilateral donor organisations
- e) Contributions from Public Sector Undertakings, private sector organizations registered under law and individuals
- f) Donations from any other source which the Committee deems it



**(2) Modalities of receipt of funds**

- a) All State Government grants for MGNREGA shall be drawn and transfer credited to the State Fund by the Commissioner for Rural Development. The State share of MGNREGS funds as prescribed in the Act shall be released to the State Fund within 15 days of the release of the Central funds
- b) The Committee may accept grants from multilateral and bilateral agencies after entering into a Memorandum of Understanding for the purpose with the approval of State Government
- c) Contributions from Public Sector Undertakings and private sector organisations mentioned under S.9 (e) may be accepted by the Committee after adopting a Resolution to that effect.

**(3)** All monies received from the Central Government or from the State Government or any fund received from any other agency or any other accruals for implementation of the Scheme shall be treated as receipts to the State Fund and shall be expended for the purpose for which they are received.

**14. Authority to administer the State Fund:** The Member Secretary shall be the authority for the day-to-day administration of the State Fund subject to the policy directives of the Managing Committee.

**15. Release of the State Fund :**

- a. The Member Secretary shall release funds to the District Programme Coordinator and Member -Secretary of State Council as the case may be in accordance with Act, Rules and Operational Guidelines prescribed by Government of India and the rules and directions issued by the Local Self Government Department of Government of Kerala from time to time.
- b. The Member Secretary shall in order to meet emergent needs and to meet any temporary shortage of funds on account of non completion of prescribed formalities, give advance as he/she may consider necessary to the District Programme Coordinators pending regular release of funds. Such advances shall be adjusted against regular release. No further advance shall be sanctioned to a District Programme Coordinator where prior advance to him/her has not been adjusted.

- c. The decision on release of funds on extra ordinary situations shall be taken by the authority with the approval of the Principal Secretary, Local Self Government Department of Government of Kerala.
- d. The sanctioned amount shall be released from the State fund to a separate bank account at the District level maintained in a nationalised bank jointly by the District Programme Coordinator and Joint Programme Coordinator or District Programme Coordinator and Project Director, as the case may be, for the implementation of the Scheme. This amount shall also be nonlapsable.
- 16. Usage of the Fund:** The Fund shall be used to meet expenditure connected with the implementation of the MGNREGS (Kerala) including payment of wages-unskilled, semi skilled and skilled, cost of material component, expenditure on administration subject to the ceiling prescribed by Central Government from time to time, expenditure of the State Council except the routine day to day administrative expenses of the State Council.
- 17. Maintenance of Books of Account and records:** The Member Secretary shall maintain fund allotment register and such other books of accounts as may be prescribed by the Management Committee and submit such statements and reports to the Management Committee in such form as may be directed by the Committee from time to time.
- 18. Inspection:** The Member Secretary shall accord facilities for inspection of the accounts of the State Fund by any authority authorized by the Government or the Management Committee.
- 19. Audit:** The grants released from the State Fund shall be audited by the Comptroller and Auditor General and Director of Local Funds Audit Department. The internal audit shall be done by the Commissioner for Rural Development on behalf of the State Government.
- 20. Authority for filing Audited Statements-**The Member Secretary and the Mission Director shall monitor the operation of the State Fund and furnish audited accounts and Utilisation Certificates to the Ministry of Rural Development , State Government, Management Committee, Governing body, and Comptroller and

**Auditor General**

- 21. Pro-active disclosure-** The Member Secretary shall voluntarily publish all minutes of the Committee meetings, Fund Flow Statement, monthly Expenditure Statement and Audit Reports in a free down loadable electronic form through website.
- 22. Annual Report-** Within three months of the close of the financial year the Managing Committee shall furnish to the State employment Guarantee Council an Annual Report on the implementation of the scheme and the management of the State Fund together with the Audited Statement of Accounts.
- 23. Winding up or dissolution-** If on the winding up or dissolution of the society there shall remain, after satisfaction of all its debts and liabilities, any assets and property whatsoever, the same shall not be paid to or distributed among the members of the Society or any of them but shall be given to the Government upon such terms and conditions as may be stipulated by Government.
- 24. Amendments-**
  - 1.** Amendments to any of the Clauses of the Memorandum of Association and /or Rules and Regulations may be made through a Resolution approved by simple majority of the Governing body present and voting in the meeting specially convened for the purpose provided that the members voting in favour of the amendment shall constitute not less than 1/3 of the total number of the members of the Governing body at that time.
  - 2.** The amendments shall take effect after the Government approves it.
- 25. Savings-** Notwithstanding anything contained in these Rules and Regulations, Government shall have the right to issue directions in regard to the business of the society or to modify, amend or repeal any clause in the Rules and Regulations and the decision of Government on any question relating to the administration of the society shall be final.