

**GOVERNMENT OF KERALA**

Abstract

Finance Department – Joint Venture Projects - Drawal of funds in respect of Local Governments – Revised Guidelines - Orders issued.

---

**FINANCE (SFC Cell - A) DEPARTMENT**

GO (P) No. 187/2015/Fin

Dated, Thiruvananthapuram, 19<sup>th</sup> May, 2015

Read:- 1. GO (P) No. 177/2006/Fin Dated 12-04-2006

2. GO (P) No. 119/2015/Fin Dated 21/03/2015

**ORDER**

Government in its order read as first paper above have issued revised guidelines for the drawal of funds by Local Governments from the Consolidated Fund and Public Account of the State. In the GO read as second paper above, Government have modified the mechanism for the release of funds to Local Governments incurring expenditure directly from the consolidated fund of the State instead of Public account. Detailed guidelines for Joint Venture Projects were not included in the GO read as 2<sup>nd</sup> paper above.

2. In the light of the modified mechanism for release of funds to LGs Government are pleased to issue the following guidelines for Joint Venture Projects of LGs.

- a) LGs are allowed to take projects in their domain area only
- b) There shall be an agreement among LGs participating in the joint projects
- c) One of the LG participating in the Joint project is to be fixed as Lead partner

- d) Lead Partner shall be decided either on the basis of quantum of investment in the project or on the basis of location advantage
- e) The investment pattern shall have priority over the location advantage
- f) The Lead Partner shall be the authority making agreement with the Tenderer/ Developer
- g) In the Tender itself it is to be specified that the pattern of payment shall be on 'Part payment' basis
- h) The order of incurring expenditure is based on the LG who put lowest amount in the joint project as first to be charged
- i) The Lead Partner should prepare the bill based on the quantity / Data reported / allowed by the concerned Engineer / officer in charge of the project
- j) The Standing Committee of the Lead Partner should approve the data and then the Secretary of the concerned LG should endorse it
- k) The endorsed bill should be referred to the partner LG based on the terms explained in point (i) above and the Standing Committee of the Partner LG and the Secretary should approve it
- l) The approved amount as sanctioned by the DPC may be given and the Bill should be passed and presented before the Treasury for payment
- m) The Treasury after auditing the bill, if passed, the amount should be transfer credited to the account of the Tenderer/ Developer in RTGS method after adjusting all dues including statutory dues
- n) The part bill of the project should be for the entire amount of the project sanctioned by the DPC for that LG
- o) No part payment of the DPC sanctioned amount for the project will be allowed
- p) As far as the Partner LG is concerned, it is the final bill for the project and all requirements of final bill will be taken care
- q) The same arrangement should be repeated, if more than one Partner LG is in the joint project

- r) The debiting of the expenditure of the Lead partner in the joint project should be only in the final phase
- s) The Lead partner is primarily responsible for the settlement of all dues, reconciliation of accounts, regularization if any etc
- t) The Lead partner should issue an order complying all these formalities on finalization of the joint Project.

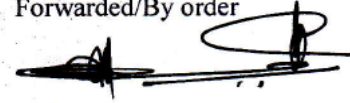
(By Order of the Governor)

**E.K. PRAKASH**  
**Special Secretary to Government (Finance)**

To

The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram  
 The Principal Accountant General (A&E), Kerala, Thiruvananthapuram  
 The Accountant General (E&RSA), Kerala, Thiruvananthapuram  
 All Local Governments  
 The Principal Secretary, Local Self Government Department  
 The Director of Local Fund Audit, Thiruvananthapuram  
 The Commissioner, Rural Development Department, Thiruvananthapuram  
 The Director, Panchayat Department, Thiruvananthapuram  
 The Director, Urban Affairs Department, Thiruvananthapuram  
 The Director of Treasuries, Thiruvananthapuram  
 The Executive Chairman & Director, Information Kerala Mission, Tvpm.  
 The Director, Kerala Institute of Local Administration, Thrissur  
 The Director of Information & Public Relations, Thiruvananthapuram  
 The District Treasury Officer, Thiruvananthapuram  
 All Deputy Directors of Panchayats  
 The Local Self Government (FM) Department  
 The Under Secretary, Finance (Accounts) Department  
 The Finance (Accounts- A/BW-J/ Dev. Wing/SFC-A&B) Department  
 The Nodal Officer, Finance ([www.finance.kerala.gov.in](http://www.finance.kerala.gov.in))  
 The Bill/Stock File/Office Copy

Forwarded/By order



Section Officer