

Gujarat Village Panchayats (Custody and Investment of Village Funds) Rules, 2000

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Gujarat Village Panchayats (Custody and Investment of Village Funds) Rules, 2000

Whereas, draft of the Gujarat Village Panchayats (Custody and Investment of Village Funds) Rules, 1999 were published as required by sub-sec. (1) of Sec. 274 read with sub-secs. (1) and (2) of Sec. 112 of the Gujarat Panchayats Act, 1993 (Guj. 18 of 1993), at pages 11-1 to 11-3 of Gujarat Government Gazette, Part I - A, Central Section dated 31st January 2000 under the Government Notification, Panchayats, Rural Housing and Rural Development Department No. KP/5 of 2000/PRR/1097/822/GH, dated 31st January, 2000, inviting objection and suggestions from all persons likely to be effected thereby within thirty days from the date of publication of the said notification in the Official Gazette. And whereas no objections and suggestions were received from the public in respect of the said draft notification; Now, therefore, in exercise of the powers conferred by sub-sec. (1) of Sec. 274 read with sub-secs. (1) and (2) of Sec. 112 of the Gujarat Panchayats Act, 1993 (Guj. 18 of 1993), the Government of Gujarat hereby makes the following rules, namely:

1. Short title :-

These rules may be called the Gujarat Village Panchayats (Custody and Investment of Village Funds) Rules, 2000.

2. Definitions :-

In these rules, unless the context otherwise required

- (i) "the Act" means the Gujarat Panchayats Act, 1993;
- (ii) "section" means a section of the Act;
- (iii) words and phrases not defined in these rules but defined in the Act shall have the same meaning as given in the Act.

3. Custody of Village Panchayats Funds :-

(1) The Village Panchayats may allow its Secretary to keep permanent advance not exceeding rupees one thousand for meeting the current expenditure.

(2) Subject to the provisions of sub-rule (1), a Village Panchayat may

(i) deposit all funds paid by the State Government as grants for specific purpose in

(a) a Government Treasury, or

(b) a Bank to which Government Treasury work is entrusted, and shall draw them as and when required for the relevant purpose;

(ii) deposit all funds obtained by loans in the manner specified in sub-clause (a) or (b) of clause (i) and shall draw and disburse them in suitable installments as and when the need arises.

(iii) deposit immediately, all funds realised by way of taxes or moneys collected on behalf of the Government or on behalf of the Taluka or District Panchayat in (a) a Government Treasury or Sub-Treasury, or (b) a Bank to which Government Treasury Work is entrusted, or (c) a Bank as approved for deposit of funds of Taluka Panchayat or District Panchayat, as the case may be, according to the directions of the Panchayat;

(iv) subject to clauses (i), (ii) and (iii), deposit its funds in (a) a Co-operative Bank, approved by the Government for deposit of local funds within the limits specified for such Bank or, (b) any Scheduled Bank approved by the Government, or (c) a Post-Office Savings Bank;

(v) invest such funds and sums in public securities in its own name.

Explanation. For the purpose of this rule

(1) "Scheduled Bank" means a Bank included in the second schedule to the Reserve Bank of India Act, 1934;

(2) "Public securities" means

(a) securities of the Central Government or any State Government;

(b) securities, stocks, debentures or shares, the interest where upon has been guaranteed by the Central or the State Government;

(c) debentures or other securities for money issued by or on behalf of any local authority in the State of Gujarat in exercise of the powers conferred by any enactments for the time-being in force; or

(d) securities expressly authorised by any order which the State Government may make in this behalf.

4. Permanent advance account to be checked every month :-

At the end of each month, the Sarpanch or in his absence the Up-Sarpanch of the Village Panchayat shall check the permanent advance account maintained by the Secretary and verify the balance, and the certificate as to the correctness of the expenditure incurred and the balance on that specific date shall be recorded in the general cash-book under his dated signature.

5. Surplus funds to be deposited immediately :-

Subject to the provisions of sub-rule (1) of Rule 3 all funds and sums received by a Village Panchayat shall, unless deposited or invested under sub-rule (2) of Rule 3, if the amount in hand excluding the permanent advance on any day exceeds rupees five hundred, be immediately deposited on the same day in the Taluka Sub-treasury or District Treasury or in a Bank specified in the said Rule 3 :

Provided that if in any case it is not possible to deposit all the funds on the same day, they shall be kept under double lock with one key with the Sarpanch or Up-Sarpanch of the Panchayat and the other key with the Secretary and shall be deposited on the next working day and in each of such cases the reason for not depositing them on the same day shall be recorded.

6. Securities to be furnished by the persons having custody of cash etc :-

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(1) The Secretary or any other servant of a Village Panchayat who is entrusted with the custody of cash, funds, stores, or valuables

and is authorised to receive and handle cash or enter into any other cash transaction on behalf of the Panchayat shall be required to furnish security. The amount of security to be furnished by the Secretary or such other servant shall be determined by the Panchayat according to the circumstances of each case. The Secretary or such other servant required to furnish security may at his option deposit cash in lump sum or by monthly deductions from pay bills or deposit Government securities or execute a security bond for the required amount. If a bond is executed the number of sureties shall not be less than two when the amount of security exceeds Rs. 1000 : Provided that the Sarpanch or in his absence the Up-Sarpanch of the Village Panchayat, in the case of Secretary and the Secretary in the case of such other servant shall be required to verify and satisfy himself as the satisfactory mode of furnishing the security by the Secretary or other servant.

(2) Where the security is furnished by a servant other than the Secretary of the Village Panchayat, the Secretary shall carefully scrutinise the same and satisfy himself as to the sufficiency when they are first offered and thereafter verify the validity or otherwise of such securities atleast once in a year. If he considers any of the said securities to be insufficient, he shall require the servant concerned to furnish the additional or fresh security. He shall be required to take care to see that the same person is not accepted a surety on behalf of a disproportionately large number of servants.

(3) The Secretary or such other servant shall not ordinarily hold a large amount in his custody than the amount that for which he has furnished security.

(4) The Secretary shall be required to maintain a register or securities furnished by each such servant and at the beginning of every financial year, he shall be required to make enquiries about the existence and solvency of the sureties and record a certificate against each entry to the effect that sureties are solvent and alive.

(5) Where the security is furnished by the Secretary the duties and functions of the Secretary specified in sub-rules (2) and (4) shall be performed by the Taluka Development Officer within his jurisdiction.

7. Repeal :-

The Gujarat Gram and Nagar Panchayats' (Custody and Investment of Gram and Nagar Funds) Rules, 1963 are hereby repealed. Such

repeal shall not affect anything done or any action taken or initiated under the rules so repealed.