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**Mahatma Gandhi National Rural Employment Guarantee  
Scheme, State Employment Guarantee Fund Rules Of  
Gujarat, 2010**

**[11 March 2010]**

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WHEREAS certain draft notification was published as required by sub section (I) of section 32 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005; (42 of 2005), at pages 120-1 to 120-3, in the Gujarat Government Gazette, Extraordinary, Part IV-A, dated 25th September, 2009, vide Government Notification, Panchayat, Rural Housing and Rural Development Department No. GVK/NREGA/193//06/SFS/22/( 19)Kh-2, dated the 25th September, 2009, inviting objections or suggestions from all the persons likely to be affected thereby, within thirty days from the date of publication of the said notification in the Official Gazette. AND WHEREAS, objections and suggestions received in respect to the said draft notification were considered by the Government. NOW THEREFORE. in exercise of the powers conferred by section 21 read with section 32 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005; (42 of 2005), the Government of Gujarat hereby makes the following rules, namely:-

### **1. Short Title And Commencement :-**

(1) These rules may be called the Mahatma Gandhi National Rural Employment Guarantee Scheme, State Employment Guarantee Fund Rules of Gujarat, 2010. (2) They shall come into force on the date of their publication in the Official Gazette.

### **2. Definitions :-**

In these rules, unless the context otherwise requires,- (a) Act means the Mahatma Gandhi National Rural Employment Guarantee Act, 2005;(42 of 2005); (b) " Scheme" or "MGNREGS" means the State Rural Employment Guarantee Scheme, 2006, notified by the Government Notification. Panchayat Rural Housing and Rural Development Department, No.GVK/NREGA/06/SFS/28/ (2I)/Kh-2, dated the 1st August, 2006; as modified or amended from time to time; (c) " Fund" means the Mahatma Gandhi National Rural Employment Guarantee Scheme, State Employment Guarantee Fund, Gujarat established under rule 3 of these rules hereinafter called the State Employment Guarantee Fund; (d) "Fund Management Agency" means Gujarat State Watershed Management Agency, Gujarat State (GSWMA) constituted under the Government Notification, Panchayat Rural Housing and Rural Development Department, No. GVK/GSWMA/01/SFS-42/Kh-2 dated 12/7/2009 or a dedicated agency constituted for MGNREGS by the Gujarat State and registered under Societies Registration Act, 1860; (e) the words and expressions used in these rules and not defined but defined in the Act shall have the same meaning as assigned to them in the Act.

### **3. Establishment Of Mahatma Gandhi National Rural Employment Guarantee Scheme, State Employment Guarantee Fund, Gujarat :-**

There shall be established a fund to be called the Mahatma Gandhi National Rural Employment Guarantee Scheme, State Employment Guarantee Fund, Gujarat to implement the Scheme.

### **4. State Employment Guarantee Fund Be Credited With :-**

(a) The amount received from the Mahatma Gandhi National Employment Guarantee Fund of the Government of India for the implementation of the Scheme. (b) The contribution of the State Government to the Mahatma Gandhi National Rural Employment Guarantee Scheme; 9 (c) The contributions received from statutory bodies created under an Act of Parliament or of the State Legislature, United Nations and its associate bodies or otherwise:

Provided that there are no conditions attached to such contributions; (d) Miscellaneous Receipts.

#### **5. Maintenance Of Fund :-**

The State Employment Guarantee Fund shall be maintained and administered by the Fund Management Agency in a bank account in any Nationalized Bank.

#### **6. Usages Of The State Employment Guarantee Fund :-**

The State Fund shall be used by the State Government to meet the expenditure on implementation of the Mahatma Gandhi National Rural Employment Guarantee Scheme.

#### **7. Functions Of Fund Management Agency :-**

The functions of the Fund Management Agency shall be as follows:-

(a) The Fund Management Agency shall hold its meeting at least once in every two months; (b) It shall review the overall performance of Mahatma Gandhi National Rural Employment Guarantee Scheme in the State and make appropriate recommendations to the Government; (c) It shall monitor the fund flow and ensure that the District Programme Coordinators meet the labour demand and effect payments as per the Mahatma Gandhi National Rural Employment Guarantee Act, 2005; (d) It shall review the work completion reports and utilization certificates received from the District Programme Coordinators in respect of funds previously released; (e) It shall review the work completion reports and utilization certificates received from the deployment of surplus funds; (f) It shall nominate the joint signatory authorities to operate the State Employment Guarantee Fund Account, g) It shall appoint Auditors to audit the accounts of the State Employment Guarantee Fund; (h) It shall review the reports of the Internal Audit wing and of Social Audit.

#### **8. Release Of Grants :-**

(1) After the approval of labour budget by the Ministry of Rural Development, Government of India the Fund Management Agency shall estimate the amount to be released to the District Rural Development Agencies, Panchayats or other implementing agencies from the State Employment Guarantee Fund. (2) Release of Funds to the District Rural Development Agency, Panchayats or other implementing agencies shall be made in accordance with the directions issued by the Ministry of Rural Development, Government of India and Government of Gujarat from time to time. (3) Funds shall be released directly to Districts within fifteen days

of receipt of funds from the Central Government. (4) The quantum of fund from State to the Districts shall not exceed the total amount based on the labour budget of the District. (5) The Fund Management Agency may retain a portion of funds received not exceeding twenty five percent of such funds as a reserve in the State Employment Guarantee Fund to meet unforeseen exigencies, (6) The District Rural Development Agencies, Panchayats or other implementing agencies may apply to the Fund Management Agency for the next tranche once they have utilized sixty percent of available funds consisting of carry over balance, Central Funds, State Funds and Miscellaneous receipts. Each such proposal shall be accompanied by certificate of District Programme Coordinator that:- (i) the opening and closing balance of Audit Report and the opening and closing balance shown in the Utilization Certificate for the previous year are same. (ii) the Management Information System(MIS) is fully operational. (iii) wage payments to the workers are being made through individual post Offices/bank accounts, (iv) amount paid as wages are being entered in the Job Cards of the households simultaneously. (7) The fund Management Agency may, in order to meet emergent needs and to meet the temporary shortage of funds on account of non-completion of prescribed formalities, give advances as it may consider necessary to the District Rural Development Agency Panchayats or other implementing agencies, pending regular release of funds and such advances shall be adjusted against regular releases. (8) The sanctioned amount may be released directly from the State Employment Guarantee Fund by Fund Management Agency to the District Rural Development Agency, Panchayats or other implementing agencies. (9) The funds so released shall be maintained by DRDAs, Panchayats or other implementing agencies in a Nationalized Bank Regional Rural Bank in a separate bank account. (10) The sanctioned amount shall be released directly from the State Employment Guarantee Fund to the designated bank account in Nationalized Bank/Regional Rural Bank at the district level for the implementation of the Scheme, and shall be non-lapsable. (11) The decision taken by Executive Body of the Fund Management Agency regarding the amount of fund release shall be final. The Executive Body shall however, have the discretion to relax the fund release conditions provided above at Para 8(6) of these rules for genuine reasons to be placed on the record.

## **9. Balance Budgeted Grant :-**

The balance budgeted grant of each financial year shall be transferred to the Fund before the close of the financial year and shall constitute the reserve in the Fund.

**10. Audit :-**

(1) The grants released from the State Employment Guarantee Fund to the District Rural Development Agency, Panchayats or other implementing agencies and accounts of the Scheme at all levels shall be audited by the Comptroller and Auditor General through the Accountant General. (2) In addition to the Audit by Comptroller and Auditor General. Commissioner & Principal Secretary, Rural Development Department shall designate independent agency to carry out internal audit of accounts of the Scheme at all levels By order and in the name of the Governor of Gujarat H.N.Mejiyatar, Deputy Secretary to Government.