

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

GP Administration – Drawl of Funds from GP Fund - Guidelines for issuing Cheques by the Gram Panchayats – Orders –Issued.

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**PANCHAYAT RAJ AND RURAL DEVELOPMENT (PTS.III) DEPARTMENT**

G.O.Ms.No. 432

Dated.30.10.2013

Read the following

1. G.O.Ms.No.30 PR&RD Dept Dated 20.1.1995
2. G.O.Ms.No.431, PR&RD(Pts.III) Department, Dt.30.10.2013.

**ORDER:**

Under rule 41 of the G.O. first read above, the drawing of moneys under rule 40 by the Sarpanch shall be subject to the control of and the conditions laid down by the District Panchayat Officer concerned. But, it is noticed that often times the general financial rules are not being followed while making payments from the Gram Panchayat Fund. The Cheque drawing authority is expected to ensure strict compliance of financial rules issued by the Government from time to time before making any payment from the Gram Panchayat Funds.

2. Government after careful examination of the matter hereby direct that the District Panchayat Officers should ensure that all necessary rules are observed scrupulously by the Cheque drawing authorities of Gram Panchayats. In addition to the rules issued from time to time on this subject the following instructions are followed **while issuing the cheques** and making payments from the Gram Panchayat Fund in order to maintain financial discipline.

i) All payments out of the Gram Panchayat fund in respect of bills presented to the Gram Panchayat shall be made only as per the administrative sanction accorded by the Sarpanch backed by Gram Panchayat resolutions invariably and as per the provisions of Andhra Pradesh Panchayat Raj Act 1994 and rules made thereunder.

ii) Before passing the respective bills by the Sarpanch, the Panchayat Secretary concerned should scrutinise bills strictly in accordance with the financial rules and place before the Sarpanch for passing the bills. Wherever possible printed forms shall be used in preparing the bills;

iii) After the bill is passed and entered in the respective accounting registers including cash book, thereafter only the Panchayat Secretary should place cheque for the signature of the Sarpanch;

iv) Where any item of expenditure requires the sanction of any authority higher than the executive authority drawing the bill, such sanction shall be obtained and the terms thereof shall be quoted on the bill;

v) No item of expenditure shall be sanctioned by the Gram Panchayat and payment made unless the following conditions are fulfilled:

- a) Passage of resolution by the Grama Panchayat.
- b) Existence of administrative sanction, Technical sanction, measurement of work(M books), check measurement, etc., if it is related to the execution of works in Gram Panchayat,
- c) In case of purchases, the same shall be made in accordance with the procurement procedure prescribed in Andhra Pradesh Financial Code and related rules issued thereunder,

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- d) In case of remuneration to the contract workers/part-time workers in the Grama Panchayat, they should have been appointed in accordance with the rules in force and payment is made as per the budget norms of Gram Panchayat,
- e) Whether sufficient provision is available in Budget of the Gram Panchayat for incurring such expenditure during the financial year,

vi) Payments shall be made only by cheque drawn in favour of the parties. Self Cheque should not be drawn unless otherwise permitted to do so for any particular purpose.

vii) All the Accounting and Work registers including cheque book and pass books should be kept in the Gram Panchayat Office and under personal custody of Panchayat Secretary. However, the records can be accessed by the Grama Sarpanch as per requirements. These records/books should not be kept in private houses under any circumstances.

viii) The drawer of a bill for salary and allowances shall be personally responsible for the amount so drawn until it has been disbursed to the proper person or persons concerned and their acquaintances have been obtained.

ix) The expenditure should not be prima-facie more than the occasion demands. The Sarpanch should exercise the same diligence and care in respect of all expenditure from public money under his/her control as a person of ordinary prudence would exercise in respect of expenditure of his own money.

x) Payments should not be made directly from the money collected by way of receipts. The receipts should be deposited in the Treasury immediately.

xi) There should be no undue rush of expenditure.

3. The District Panchayat Officers should ensure strict compliance of the above rules and closely monitor the financial transactions in the Gram Panchayats. Any failure on the part of the District Panchayat Officers in this regard will be viewed seriously and necessary disciplinary action initiated against the concerned.

4. The Commissioner, Panchayat Raj and Rural Employment, Hyderabad is requested to take necessary follow up action on the above guidelines.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.NAGI REDDY  
PRINCIPAL SECRETARY TO GOVERNMENT(PR)

To  
The Commissioner, Panchayat Raj and Rural Employment, Hyderabad.  
All District Collectors in the State.  
All District Panchayat Officers in the State.

Copy to  
The Director of Treasuries and Accounts, Hyderabad.  
The Director of Local Fund Audit, Hyderabad.  
The Accountant General, Andhra Pradesh, Hyderabad (Local Bodies Division).

//FORWARDED BY ORDER//

SECTION OFFICER