

No. PCH-HC (10) 1/2018-15th FC- 75344-439
Government of Himachal Pradesh
Department of Panchayati Raj.

From

The Secretary (PR) to the
Government of Himachal Pradesh.

To

- (1) All the DPO-cum-Secretary Zila Parishads,
Himachal Pradesh.
- (2) All the BDOs-cum-CEO Panchayat Samitis,
Himachal Pradesh.

Shimla-171009 dated 02 September, 2021

Subject:- Regarding utilization of grant under XV Finance Commission.

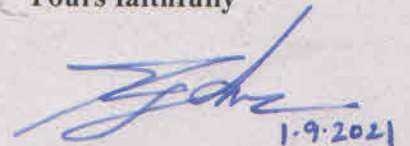
Sir/ Madam,

Kindly refer to this office letter of even number Dated 14th September, 2020 on the above subject and to intimate that the Basic (Untied) Grants (i.e. 40% of the total grant) under XV Finance Commission allocated for the period 2021-22 to 2025-26 can be utilized by the Panchayati Raj Institutions under the twenty nine subjects enshrined in the Eleventh Scheduled to the Constitution, except for salaries and other establishment costs. Further the indicative items of works/ activities that may be taken up by the PRIs by utilizing Basic (Untied) Grants has been mentioned **Annexure-I** for guidance. Since XV FC has made separate allocations as Tied Grants (i.e. 60% of the total Grant) towards drinking water, rainwater harvesting & water recycling and sanitation & maintenance of ODF status, the Basic (Untied) Grants are to be prioritized to be used for activities other than that to be carried out with Tied Grant.

It is also clarified that as allowed for the Fourteenth Finance Commission Commission (XIV FC) Grants to the PRIs vide this Office letter No.PCH-HC (10)1/2015(FFC) Dated 27th May, 2016, upto 10% of the allocation of XV Finance Commission (Untied) Grants is allowed for meeting the technical and administrative support towards O&M and Capital expenditure. The indicative list of components that can be taken up under these support are mentioned in **Annexure-II** for guidance. However, these expenditures are to be incurred on by the concerned PRIs.

In view of above, you are requested to kindly circulate the above clarification to all the PRIs under your jurisdiction for information and further necessary action.

Yours faithfully



1-9-2021

Director, Panchayati Raj
Himachal Pradesh.

Utilization of the FC-XV Basic (Untied) Grants recommended to Rural Local Bodies

The FC-XV has recommended 40% of the allocation as Basic Grants (Untied) to Rural Local Bodies (RLBs). The items of works/activities that may be taken up with the Basic (Untied) Grants include:

Activities relating to the National priority areas of Health, Education and Nutrition in consultation with the respective State Departments; immunization of children; prevention of malnutrition of children; construction and repair of Gram Panchayat Bhawans; construction and repair and maintenance of roads within Gram Panchayat (GP) and inter GP; construction and repair of foot paths within GP and inter GP; construction and repair and maintenance of LED street lights and solar lighting as applicable (solar street light may be individual poles or centralized solar panel system) – within GP and inter GP; acquisition of land & maintenance and upkeep of dead body burial grounds; construction, repair and maintenance of crematorium; providing sufficient and high bandwidth Wi-Fi digital network services within GP; public library; recreation facilities including children's park, playground, rural haat, sports & physical fitness equipment etc. and any other basic improved/enhanced service mandated by State Government under relevant State legislations; recurring expenditure for electricity; manpower on outsourcing basis and other administrative expenses as essential (within 10% limit); immediate relief work in the event of natural disasters/pandemic; discharge of responsibilities specifically mandated to Panchayats under various Acts/ Laws e.g. preparation and updation of People's Biodiversity Register (PBR) under Biodiversity Act, 2002.

RLBs can enter into Annual Maintenance Contracts/ Service contracts for providing the services to rural inhabitants. However, expenditure from the Grants on the negative list, namely, expenditure on items already being funded from other schemes, felicitation/cultural functions/decorations/ inaugurations, Honorarium, TA/DA of elected representatives and salaries/ honorarium of existing employees/permanent and contract, doles/awards, entertainment, purchase of vehicles and air-conditioners are not allowed under this component.

It may also be mentioned that the above items of expenditure are indicative. The Basic (Untied) Grants under FC -XV can be utilized by the local bodies for improving basic services in rural areas, except for salaries and other establishment costs. The expenditure required for auditing of accounts by external agencies including social audit approved by the State Government, however, may be borne from this grant.

Indicative List of Technical and Administrative Components of the FC-XV Basic (Untied) Grants' Expenditure

- Hiring of professionals on contract/ outsourcing basis – accountant cum data entry operator, technicians, engineer etc
- Purchase of computers and accessories in Panchayats/ Traditional bodies which do not have any computer at present, as well as cost of AMC
- Provision of Internet connectivity and recurring charges
- One time purchase of essential furniture for GP office
- Meeting the cost of professionals who may visit for inspecting quality of civil works
- Data Entry costs including payments to Common Service Centres(CSCs) ✓
- Updation of Accounts
- Hire charges of vehicles in emergent cases for inspection of works
- Cost of preparation of project reports and technical plans for implementation of projects
- Cost of preparation of GPDP – Covering all processes like IEC, surveys, preparing maps and other documents and holding consultations and cost of essential consumables.
