

# **Guidelines on DRDA Administration**



**Ministry of Rural Development  
Government of India  
2008**

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## **PREAMBLE**

The District Rural Development Agency (DRDA) has traditionally been the principal organ at the District level to oversee the implementation of different anti-poverty programmes. Since its inception, the administrative costs of the DRDAs were met by way of setting apart a share of the allocations for each programme.

However, of late, the number of the programmes had increased and while some of the programmes provided for administrative costs of the DRDAs, others did not. There was no uniformity among the different programmes with reference to administrative costs. Keeping in view the need for an effective agency at the district level to coordinate the anti-poverty effort, a new Centrally Sponsored Scheme for strengthening the DRDAs has been introduced with effect from 1st April 1999. Accordingly, the administrative costs are met by providing separate budget provisions. This scheme which is funded on a 75:25 basis between Centre and States, aims at strengthening and professionalising the DRDAs. The funding ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009.

## **I - ROLE AND FUNCTIONS OF THE DISTRICT**

### **RURAL DEVELOPMENT AGENCY (DRDA)**

1.1 If effective programme design is critical to successful implementation of rural development programmes, so is an effective delivery agency. None of the anti-poverty programmes can have impact unless they are implemented with a clarity of purpose and a commitment to the task. It is here that the DRDAs play a critical role. The DRDAs are not the implementing agencies, but can be very effective in enhancing the quality of implementation through overseeing the implementation of different programmes and ensuring that necessary linkages are provided. To this extent the DRDA is a supporting and a facilitating organisation and needs to play a very effective role as a catalyst in development process.

1.2 The District Rural Development Agency is visualised as a specialised and a professional agency capable of managing the anti-poverty programmes of the Ministry of Rural Development on the one hand and to effectively relate these to the overall effort of poverty eradication in the District. In other words, while the DRDA will continue to watch over the implementation of RD Programme to ensure effective utilisation of the funds intended for anti-poverty programmes, it will need to develop a far greater understanding of the processes necessary for poverty alleviation/eradication. It will also need to develop the capacity to build synergies among different agencies involved for the most effective results. It will

therefore need to develop distinctive capabilities rather than perform tasks that are legitimately in the domain of the PRIs or the line departments. The role of the DRDA will therefore be distinct from all the other agencies, including the Zilla Parishad.

1.3 DRDAs must themselves be more professional and should be able to interact effectively with various other agencies. They are expected to coordinate with the line departments, the Panchayati Raj Institutions, the banks and other financial institutions, the NGOs as well as the technical institutions, with a view to gathering the support and resources required for poverty reduction effort in the district. It shall be their endeavour and objective to secure inter-sectoral and inter-departmental coordination and cooperation for reducing poverty in the district. It is their ability to coordinate and bring about a convergence of approach among different agencies for poverty alleviation that would set them apart.

1.4 The DRDAs are expected to coordinate effectively with the Panchayati Raj Institutions. Under no circumstances will they perform the functions of PRIs. 1.5 The DRDAs will maintain their separate identity but will function under the chairmanship of the Chairman of the Zilla Parishad. They are expected to be a facilitating and supporting organisation to the Zilla Parishad, providing necessary executive and technical support in respect of poverty reduction efforts. Wherever the Zilla Parishads are not in existence or are not functional, the DRDAs would function under the Collector/District Magistrate/Deputy Commissioner, as the case may be.

1.6 The DRDAs are expected to oversee the implementation of different anti-poverty programmes of the Ministry of Rural Development in the district. This is not to be confused with actual implementation, which will be by the Panchayati Raj and other Institutions. The DRDAs will monitor closely the implementation through obtaining of periodic reports as well as frequent field visits. The purpose of the visit should be to facilitate the implementing agencies in improving implementation process, besides ensuring that the quality of implementation of programmes is high. This would include over-seeing whether the intended beneficiaries are receiving the benefits under the different programmes.

1.7 The DRDAs shall keep the Zilla Parishad, the State and the Central Government duly informed of the progress of the implementation of the programmes through periodic reports in the prescribed formats. Special report, as and when called for, shall be provided.

1.8 It shall be the duty of the DRDAs to oversee and ensure that the benefits specifically earmarked for certain target groups (SC/ST, women and disabled) reach them. They shall take all necessary steps to achieve the prescribed norms.

1.9 The DRDAs shall take necessary step to improve the awareness regarding rural development and poverty alleviation particularly among the rural poor. This would involve issues of poverty, the opportunities available to the rural poor and generally infusing a sense of confidence in their ability to overcome poverty. It would also involve sensitising the different functionaries in the district to the different aspects of poverty and poverty alleviation programmes.

1.10 The DRDAs will strive to promote transparency in the implementation of different anti-poverty programmes. Towards this end, they shall publish periodically, the details of the different programmes and their implementation.

1.11 Keeping in view, the substantial investment that are being made in poverty alleviation programmes, the DRDAs shall ensure financial discipline in respect of the funds received by them, whether from Central or State Governments. They shall also ensure that the accounts are properly maintained including in respect of the funds allocated to banks or implementing agencies in accordance with the guidelines of different programmes.

1.12 Thus the role of the DRDA is in terms of planning for effective implementation of anti-poverty programmes; coordinating with other agencies-Governmental, non-Governmental, technical and financial for successful programme implementation; enabling the community and the rural poor to participate in the decision making process, overseeing the implementation to ensure adherence to guidelines, quality, equity and efficiency; reporting to the prescribed authorities on the implementation; and promoting transparency indecision making and implementation.

1.13 In addition the DRDAs shall coordinate and oversee the conduct of the BPL Census and such other surveys that are required from time to time. 1.14 The DRDAs shall also carry out / aid in carrying out action research/or evaluation studies that are initiated by the Central/State Governments. 1.15 The DRDAs should deal only with the anti-poverty programmes of the Ministry of Rural Development. If DRDAs are to be entrusted with programmes of other ministries or those of the State governments, it should be ensured that these have a definite anti-poverty focus. Entrusting of any programme to the DRDAs, other than anti-poverty programmes of the Ministry, be it of any other Ministry of Government of India or the respective State Government will have to be done with the approval of the Secretary, Rural Development of the respective State(s), who should examine such request in consultation with the Ministry of Rural Development, Government of India. In such cases, it must be ensured that adequate provision is made for requisite staffing needed for proper implementation of the programme.

## II - ORGANISATIONAL STRUCTURE OF THE DRDAs

2.1 Each district will have its own District Rural Development Agency. Ordinarily it would be a society registered under a Societies Registration Act. In respect of such states where DRDA does not have a separate identity a separate cell should be created in Zilla Parishad which maintains a separate identity and separate accounts, so that the accounts are capable of being audited separately. This Cell should be directly under the charge of CEO or alternatively an officer who has the qualifications to be a Project Director. The accounts of DRDAs should under no circumstances be merged or amalgamated with those of the Zilla Parishads.

2.2 In order to be effective, the DRDA must have an appropriate staffing structure as well as suitable personnel policy. Keeping in view the role and functions of the DRDA listed in the previous chapter, the staffing structure of DRDA must include positions for Planning for poverty alleviation, Project formulation, Social organisation and Capacity building, Gender concerns, Engineering supervision and Quality control, Project monitoring, Accountancy and Audit functions as well as Evaluation and Impact studies. An indicative staffing structure is given in Annexure and is also detailed below. The State Government may modify the structure suitably, but without altering the basic design, to take care of the needs of individual districts keeping in view their size as well as specificity. However, this will also be subject to the overall ceiling of administrative costs admissible to the DR DAs in the State. By and large the staff appointed should be dedicated to DRDA-related works and should not be frequently transferred.

The Staffing structure will be as follows :

### A) PROJECT DIRECTOR

- i) Each DRDA should be headed by a Project Director, who should be of the rank of an Additional District Magistrate. The Project Director should preferably be a senior scale officer of the All India Services or a senior officer of the State Service, eligible for appointment to the All India Services. He would be in overall charge of the activities of the DRDA and responsible for interaction with the District/State administration as well as with the Government of India. The PD should be exclusively for the DRDA work.
- ii) In some States, such as Maharashtra, the CEO of the Zilla Parishad is the Chairman of the Zilla Parishad. Government of India have suggested to all the State government that the chairman, Zilla Parishad should be the chairman of the governing body of the DRDA. In the light of this, in such states, the C EO of the Zilla parishad could also be designated as the Project Director of the DRDA.

iii) Each DRDA should have the following wings :

- a ) Self-employment Wing;
- b) Women's Wing;
- c ) Wage employment Wing;
- d) Engineering Wing
- e ) Accounts Wing;
- f) Monitoring and Evaluation Wing; and
- g) General Administration Wing

#### **B) SELF-EMPLOYMENT WING**

i) The self-employment Wing, shall be headed by a Project Officer and should have APOs in the field of planning, social mobilisation, credit and Technology. The Project officer may be specifically responsible for any of these four functions. The APO (Planning) would look after the activity clusters, district/block/village group plans, guiding the BDOs and others in plan preparation, planning for infrastructure including marketing infrastructure. He would coordinate with the district officers, the banks as well as other institutions in the district.

The APO (Social Mobilisation) would look after group formation, capacity building, monitoring of groups, choice of activities for groups, release of revolving funds and coordination. The APO (Credit), who should be from the commercial banking sector, would coordinate with the banks in all matters relating to credit, including the interface between the bankers and the beneficiaries/beneficiary groups, loan disbursements as well as loan recovery. The APO (Technology) would look after issues concerning Technology upgradation as well as transfer of technology.

ii) The DRDAs would be drawing up projects for specific activities under the Self-employment programmes. It would be necessary to have suitable experts to oversee the successful implementation of such projects. As part of the overall programme management, the DRDAs may take outside experts on a consultancy basis. Secretary, Rural Development of each state should develop guidelines for selection of consultants so as to avoid any wrong use of such provisions and to see that only those who have a proven practical expertise are engaged. Such experts to be engaged on project specific basis will function under the overall control and supervision of the Project Officer, self-employment programmes.

#### **C) WOMEN'S WING**

In order to ensure that women receive adequate attention in all the anti-poverty programmes, a Women's Cell should be set up in each DRDA. This Cell would establish

necessary synergy with Departments such as Women & Child Development, Education and health Departments to ensure that women not only receive their due share in the anti-poverty programmes but are also able to receive benefits of other programmes. The Women's wing will be headed by an Asst. Project officer, who will function under the overall co-ordination of the Project Officer of the self employment wing.

#### **D) WAGE EMPLOYMENT WING**

The Central concern of the DRDA in the wage-employment programmes should relate to planning, monitoring and vigilance by a technical wing. The DRDA should not concern itself with the actual implementation and execution of works which can be done by the line department/engineers or the Panchayati Raj Institutions. At the same time, the magnitude of the wage employment wing, with a Project officer assisted by a small complement of staff.

#### **E) WATERSHED WING**

A Watershed Wing will be set up in the DRDA in all such districts where IWDP/DPAP/DDP is in operation. This wing should consist of a Project Officer, assisted by a small complement of staff. This staff would be independent of the programme support in the form of PIAs or Watershed committees.

#### **F) ENGINEERING WING**

Each DRDA should have a technical wing, which should also be responsible for innovations in design or use of materials, as well as training of the engineering personnel of the line departments or the PRIs. This wing should be manned by an Executive Engineer assisted by one or two Assistant/Junior Engineers.

#### **G) ACCOUNT WING**

i) Wherever it has not been done, the DRDAs should shift over to commercial accounting systems from the existing government account system. They should publish an annual report alongwith the balance sheet. The accounts wing of the DRDA should be headed by a Sr. Accounts Officer, either on deputation or by engaging the services of a chartered accountant. He should be supported by an Accounts Officer each for self-employment programmes and wage employment programmes duly assisted by accountants. Wherever the Watershed programmes (IWDP/DPAP/DDP) are under implementation, an additional post of Accounts Officer may be sanctioned. For Indira Awaas Yojana, one Accountant at the district level should be available to monitor the progress of the programme and the accounts.

ii) One of the Accounts Officers should perform the role of internal audit.

## H) MONITORING WING

There should be a separate Monitoring and Evaluation wing headed by a Project Economist and functioning directly under the supervision of the Project Director. Apart from monitoring the progress of all the programmes, this wing should also carry out evaluation/impact studies regularly by independent institutions/experts including NGOs. The cost of such studies will be met from the respective programme funds. This wing should also monitor issues relevant to poverty in the district.

## III - ADMINISTRATIVE COSTS

3.1 Administrative costs were earlier admissible under different programmes. In order to enable the DRDAs to develop a proper personnel structure and to ensure its proper growth over years, the practice of meeting the administrative costs as percentages of each programme allocation has been given up. It will, on the other hand, be taken up as a new scheme called 'DRDA Administration' with effect from 1st April, 1999. This scheme will be funded on a 75:25 by the central and state government. The funding ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009.

3.2 Till 31.3.1999, administrative costs of the DRDAs were being met by way of a part of the programme fund of IRDP, JRY, EAS, DPAP, etc. With the introduction of the scheme of 'DRDA Administration' the administrative costs earlier available under different programmes stand withdrawn from 1.4.1999 and provision of administrative support to the DRDAs will be only under the scheme of DRDA Administration.

3.3 Since the salary structure in different States is different, the States may follow their own salary structure. However, the administrative cost ceiling fixed should be strictly adhered to. Any increase over and above the ceiling should be met entirely by the State government.

3.4 A maximum of 30% of the salary cost may be allocated towards contingencies inclusive of Rents, POL office expenses, etc. DRDA may hire vehicles in addition to the existing vehicles subject to the overall ceiling of 30% of the salary cost.

3.5 The administrative cost per district is fixed as follows :

- Category A districts (<6 blocks) Rs. 46 lakh per year
- Category B districts (6-10 blocks) Rs. 57 lakh per year
- Category C districts (11-15 blocks) Rs. 65 lakh per year
- Category D districts (>15 blocks) Rs. 67 lakh per year

3.6 The above limits will be applicable from the year 1999-2000. This ceiling will be raised every year, on a compounding basis, upto 5% to set off the increases due to inflation etc.

3.7 The state government are allowed a sum upto 10% of the above costs, to be calculated at 10% of the total admissible cost to all the districts in the state.

#### IV - PERSONNEL POLICY OF THE DRDAs

4.1 Currently, there is no uniform policy for engaging and/or recruiting the staff by the DRDA. In many States, there are staff both directly recruited as well as on deputation. It is essential that prudent personnel policies are followed if the DRDA are to be a professional agency or are to perform the tasks expected of them. The following principles are laid down which must necessarily be followed.

4.2 As a matter of policy, the DRDA should not have any permanent staff. Taking employees on deputation to the DRDA for specific periods has the advantage of better choice of staff, flexibility in staffing pattern and of motivating the staff. The objective of strengthening of DRDAs is to provide them with certain professional capacity and have a flexible-staffing pattern. To start with, DRDAs shall no longer be allowed to make any direct recruitment. In respect of the Staff that is currently borne on the DRDA, the State Rural Development Department should immediately draw up a 3-5 year plan for absorption of the staff into the line departments.

4.3 The Project Directors, Project Officers, APOs and all technical posts are to be manned by officer with proven capability and motivation and are selected in an objective manner by specific Selection Committees. The Project Directors should be selected by a Committee headed by the Chief Secretary/ Development Commissioner/Addl.Chief Secretary of the State and with the Secretary (RD) being the member convenor. Similarly, for officers at the level of APOs and other technical officers, there should be a selection Committee headed by Secretary (RD). For other staff, too, other than, ministerial and lower rank, the selection should be by an appropriate selection Committee. State Governments may fill up vacant sanctioned posts in Group 'A' 'B' & 'C' as per their recruitment rules by hiring technically qualified and experienced personnel on contract basis. However, sanctioned posts should not exceed the suggested staffing pattern for DRDAs as prescribed in the guidelines. The total emoluments for these posts may not exceed the basic pay and other allowances which are permissible by the State Governments for that post. State Governments may determine basic qualification which will be required for these posts and selection to these posts may be made temporarily by a Selection Committee headed by State Secretary (RD). Such hiring of personnel for vacant posts is not permissible in respect of posts

lying vacant in Group 'D'. State Government may be required to contribute their due share of 25% of emoluments paid to such personnel and Central Government will bear 75% of

such expenditure. The ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009. Wherever DRDA assesses the need for outsourcing of particular assignment, it may be resorted to subject to expenditure on this account being within the

overall limit of 30% of salary cost. However, outsourcing of the work being done by Group 'C' and 'D' employees is not allowed.

4.4 In the selection of Project Directors and APOs, emphasis should be on selecting officers of young age. Indicatively, the PDs and APOs should not be more than 40-45 years of age, and in any case not more than 50 years of age.

4.5 Lack of sufficient length of tenure to the project personnel has been a worrisome factor in the implementation of the anti-poverty programmes. In order to avoid this risk, it is necessary to insist on a minimum tenure and also ensure its compliance. The Project Directors, APOs and other technical staff must have a minimum tenure of 2-3 years and only under exceptional circumstances can they be shifted that too after recording the specific reasons in writing. Any violation should mean suspension of funds to the concerned DRDA.

4.6 The Secretary, Rural Development of the State should be in overall charge of the Project Directors of DRDAs. To start with, after selection the posting orders of Project Directors (the project officers, APOs) should be issued by the Secretary, Rural Development and not by any other department. The cadre controlling authority of the Project Directors/ other officers may place the services of the concerned officers (after selection) at the disposal of the Rural Development Department for appointment to the concerned posts. The Secretary, Rural Development should also be responsible for making interim arrangements when Project Directors go on long leave. The Secretary, Rural Development should actively associate himself/herself in the training requirements of Project Directors and other DRDA staff.

4.7 In order to make the DRDA a professional body, the officials and staff of DRDAs should be constantly trained in the general field of management of rural areas and poverty. The personnel to be posted to the DRDA should be given a pre-service training to orient them suitably to their tasks. 4.8 There should also be a system of an annual in-service training where the officers could be given the updates about the relevant fields and which would also afford them an opportunity of exchanging their experiences.

4.9 Suitable training programmes will be designed by the Ministry in consultation with professional institutes of the national importance. The State Government may also identify suitable state-level institutions in consultation with the Ministry of Rural Development.

## V - ADMINISTRATION OF DRDAs

5.1 As indicated, the role of the DRDA is to perform tasks which are distinctly different from other institutions/departments. However, the DRDAs are very much a part of the district. They shall function accordingly.

5.2 The DRDA shall be a registered society registered under a Societies Registration Act or a distinct cell in the Zilla Parishad having a separate identity. The chairman of the Zilla Parishad shall be the chairman of governing body of the DRDA. The Executive and financial functions shall however lie with CEO, Zilla Parishad/District Collector who shall be designated as the Chief Executive Officer or Executive Director. It shall be his responsibility to ensure that the administration of DRDA and the programmes are conducted in accordance with the guidelines. Wherever the Zilla Parishads are not in existence or are not functional, the DRDAs would function under the Collector/District Magistrate/Deputy Commissioner of the District, as the case may be.

5.3 The administration of the DRDA shall be carried out by a governing body. The Governing Body of the DRDA will provide policy directions, approve the annual plan and also review and monitor the implementation of the plan, including the different programmes. They shall give such directions to the DRDA as may be necessary from time to time. The Governing Body of the DRDA will meet once in a quarter.

5.4 The composition of the governing body shall be as follows :

1. Chairman of Zilla Parishad - Chairman;
2. All MPs and MLAs and MLCs of the District;
3. 1/3rd of Panchayat Samiti Chairpersons to be nominated by rotation in alphabetical order for a tenure of one year, one of whom must belong to SC/ST and another a woman;
4. CEO of Zilla Parishad/District Collector - Chief Executive Officer/ Executive Director;
5. Head of the Central Cooperative Bank of the District;
6. Chairman, Regional Rural Bank;
7. District Lead Bank Officer;
8. Representative of the Reserve Bank of India at district level.
9. NABARD representative at district level.
10. General Manager, DIC;
11. Representative of KVIB;
12. District Officer, in charge of Scheduled Castes/Scheduled Tribes Welfare;
13. District Women & Child Welfare officer;
14. District officer dealing with welfare of the disabled;
15. One representative from technical institutions;

16. Two representatives of NGOs;
17. Two representatives of the weaker sections, one of whom may be drawn from SCs and STs;
18. One representative of rural women;
19. Project Director, DRDA - Member Secretary

Wherever the Zilla Parishads are not in existence, the State Governments may nominate elected members of the State Legislature from the concerned districts to act as Chairman of the Governing Bodies of the DRDAs.

#### **EXECUTIVE COMMITTEE (EC)**

5.5 All executive and financial powers of the DRDA shall be exercised by the executive committee as per a scheme of delegation of financial and executive powers to be determined by each State/UT Government and this Committee will be fully accountable in all matters of DRDA to the governing body as well as to the Government. The Executive Committee of DRDA shall be headed by the Chief Executive Officer/Executive Director and shall consist of all the District level officers and any other officer deemed necessary for planning and implementation of the anti-poverty programmes. The Project Director DRDA will be the Member-Secretary of the E C. The Executive Committee will meet at least once in a month.

## **VI - FINANCIAL PROCEDURES**

6.1 The scheme of 'DRDA Administration' shall be a centrally sponsored scheme. The funds required under this programme shall be shared between the Centre and the States in the ratio of 75:25 Funds will be released directly to the DRDAs, in accordance with the guidelines under this programme. The funding ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009.

6.2 The Centre will release funds in two instalments.

#### **A) RELEASE OF FIRST INSTALMENT**

i) The release of first instalment can be made without any formal request if the second instalment in the previous year had been released without any condition. If latter instalment was not released at all or was released with some conditions, formal requests for release of first instalment are required from the DRDAs after the conditions have been fulfilled/reasons for non-release of the second instalment have been met. For the first year i.e./1999-2000 all the DRDAs will be released first instalment on an adhoc basis.

ii) The release of the first instalment should ordinarily be completed by the end of the second month of the financial year.

#### **B) RELEASE OF SECOND INSTALMENT**

i) The quantum of the second instalment shall be subject to actual requirement within the overall ceiling. The second instalment of Central funds shall be released on the request of the DRDAs in the prescribed proforma on fulfilment of the following conditions :

1) Budget provision for the current year may be indicated by the State Government. The Central release will not exceed it proportionately.

2) The State Government should have released its contribution during the previous year. Deficiency in release of its share will be deducted from the second instalment. Also the contribution of the State Government for the first current year should have been released.

3) Available funds including carry forward funds should have been utilised at least to 60%

4) The opening balance of the DRDAs should not exceed 10% of the allocation of the year in which funds are being released. In case, the opening balance exceeds this limit, the Central Share of the amount by which it exceeds this limit will be deducted at the time of release of second instalment.

5) Audit reports, utilisation certificates for the previous year should be furnished. This will not be required in the first year i.e., 1999-2000.

6) Any other terms and conditions imposed at the time of the last release should have been met.

ii) The DRDA shall maintain the fund under the head. 'DRDA administration', in a separate bank account in any of the nationalised bank. Interest earned on the funds will necessarily be used only for admissible items of expenditure under DRDA administration. They shall not be used for any programme funding or non-admissible items of expenditure, such as construction of building and purchase of vehicles.

#### **C) MAINTENANCE OF ACCOUNTS**

##### **i) Principles**

Separate account shall be maintained of this scheme and each other scheme under which the DRDA receives funds. Such maintenance of accounts is governed by the principles that the expenditure incurred is not repugnant to the objective of the scheme and is made, in accordance with the prescribed procedures. DRDA accounts are to

be maintained on double entry system. The accounting procedure for DR DAs has been described in detail in the Government of India, Ministry of Rural Development Publication entitled "Revised Accounting Procedure for District Rural Development Agencies/ Societies", 1984 and subsequent instructions issued/to be issued from time to time. Internal Audit Cells should be specifically charged with the responsibility of overseeing and the observance of these principles. One of the Accounts Officers should perform the role of internal audit.

#### D) AUDIT OF THE ACCOUNTS

i) The Project Director should cause the annual accounts of the DRDA to be prepared by a date not later than 30th June comprising Receipt and Payment Account, Income and Expenditure Account and Balance Sheet. After approval by the Governing Body, he shall have the accounts audited by the Chartered Accountant or any other auditor appointed for the purpose. A copy of such audit report (duly signed by auditor) alongwith the annual statement of accounts certified by the auditor and the Chairman of the DRDA thereon should be furnished simultaneously to Government of India and the State Government not later than 30th September.

ii) The Comptroller and Auditor General (CAG) has the right to conduct the audit of the accounts of the society and for this purpose shall have the right of access to the books of accounts and other relevant records of the DRDA. For this purpose a copy of the annual accounts along with the audit report and the comments of the DRDA thereon shall be sent to the audit office nominated by CAG.

iii) The account of the DRDA shall also be open to inspection by such individual or parties as are nominated to carry out such inspections by the Ministry of Rural Development at the State level or at the level of the Government of India. All Officers of and above the level of Under Secretary in the Ministry of Rural Development, Government of India and such officer as may be authorised by the State Government may also inspect the accounts.

iv) A Statement showing the schedule of Fixed Assets held by the DRDA/ Agency at the end of the financial year should be sent to the State Government and Government of India with the form prescribed alongwith the annual statement of accounts. No depreciation should be charged and value of assets to be shown at the original cost in the accounts.

v) All the Agencies should send a utilisation certificate to the Government of India (Department of Rural Development) in the prescribed proforma alongwith annual statement of accounts. The utilization certificate must be prepared strictly on the basis of the Receipts and Payment Accounts and opening/closing balance in both Receipts and Payment Accounts. Utilisation Certificate must also tally.

vi) The above provisions are in addition to the statutory requirements under relevant law under which the DR DAs are registered.

## STAFFING PATTERN FOR DRDA

Post	No. of Posts			
	Category A	Category B	Category C	Category D
<b>Project Management</b>				###
1 Project Director / CEO	1	1	1	1
<b>Self Employment Wing</b>				
1 Project Officer	1	1	1	1
2 APOs	2	2	3	3
3 Technical Assistants	2	2	3	3
4 Clerk-cum-Typist / Typist	2	2	3	3
<b>Women's Wing</b>				
1 APO	1	1	1	1
2 Technical Assistants	1	1	1	1
3 Clerk-cum-Typist/Typist	1	1	1	1
<b>Wage Employment Wing</b>				
1 Project Officer	1	1	1	1
2 Technical Assistants	1	1	2	2
3 Clerk-cum-Typist/Typist	1	2	2	2
<b>Watershed Wing</b>				
1 Project Officer	1	1	1	1
2 Technical Assistants	1	1	1	1
3 Clerk-cum-Typist/Typist	1	1	1	1
<b>Engineering Wing</b>				
1 Executive Engineer	1	1	1	1
2 Assistant Engineer	1	2	2	2
3 Technical Assistants	1	2	2	2
<b>Finance Wing</b>				
1 Senior Accounts Officer	1	1	1	1
2 Accounts Officer	2	2	2	2
3 Accountant / Account Clerk	3	3	4	4
4 Clerk-cum-Typist/Typist	1	2	2	3
<b>Monitoring Wing</b>				
1 Project Economist	1	1	1	1
2 Statistical Investigator / ASO	1	2	2	2
3 Clerk-cum-Typist/Typist	1	1	1	1
<b>General Administration</b>				
1 Superintendent/Office Manager	1	1	1	1
2 Assistants	2	3	3	3
3 Stenographer	1	2	2	2
4 Drivers	1	2	3	4
5 Attendant/Watchmen	3	4	5	6

Government of India  
Ministry of Rural Development  
(Department of Rural Development)  
DRDA Administration Section

C-21,3<sup>rd</sup> Floor, State Emporia Complex  
Baba Kharak Singh Marg, New Delhi  
Dated: 30th April, 2018

To

The Secretary/Principal Secretary,  
Department of Rural Development,  
All States/UTs

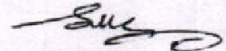
**Subject**—Release of funds under DRDA Administration Scheme: - Entertainment of proposals from States/UTs instead of Districts/DRDAs-Modifications in DRDA Administration Guideline –Regarding.

Sir,

The undersigned is directed to say that the Guidelines of DRDA Administration Scheme have been modified with the approval of competent authority. The modified provisions are enclosed here with as Annexure for further necessary action.

2. Receipt of letter may please be acknowledged.

Yours faithfully,

  
(Guljari Lal)

Under Secretary to Govt. of India  
Tel:011-23347108  
Email:drdaadmn2013@gmail.com

Annexure

Sr. No	Clause No.	Earlier provision in the DRDA guidelines	New provision	What does it mean by the new provision/ Remarks
1.	3.1	<p>Administrative costs were earlier admissible under different programmes. In order to enable the DRDAs to develop a proper personnel structure and to ensure its proper growth over years, the practice of meeting the administrative costs as percentages of each programme allocation has been given up. It will, on the other hand, be taken up as a new scheme called 'DRDA Administration' with effect from 1st April, 1999. This scheme will be funded on a 75:25 by the central and state government. The funding ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009.</p>	<p>The DRDA Administration scheme will be funded on a 60:40 basis by the Central and State Government from the financial year 2015-16, subject to the ceiling prescribed in the Guidelines. However, the funding ratio in respect of 3 Himalayan States (J&amp;K, Himachal Pradesh and Uttarakhand) and North Eastern States is 90:10. In the case of UTs 100% funding will be provided by Centre.</p>	<p>The funding ratio of 60:40 is already being followed since 2015-16 and funds are being allocated proportionately.</p>
2.	3.6	<p>The above limits will be applicable from the year 1999-2000. This ceiling will be raised every year, on a compounding basis, upto 5% to set off the increases due to inflation etc.</p>	<p>The ceiling of administrative cost applicable for the year 1999-2000 for each of four categories of DRDAs will be raised every year, on a compounding basis, upto 5% till 2017-18 and the same will be applied for all DRDAs of a State/UT in 2017-18 according to their category. The total amount of the ceiling of all such DRDAs of the State/UT will be the ceiling for the State/UT for release of funds under the scheme which will be increased every year by 5% on compounding basis for a State/UT as a whole. Any expenditure over and above this</p>	<p>The funds are already being allocated proportionately due to administrative constraints. Any expenditure beyond the funds released by Central Government plus proportionate State share is to be borne by the State/UT.</p>

			ceiling will be entirely met by the State from its own resources. In case of non-availability of adequate funds, the Central Govt. shall allocate the available funds to the States/UTs proportionately.	
3	3.7	The state governments are allowed a sum upto 10% of the above costs, to be calculated at 10% of the total admissible cost to all the districts in the state.	The State/UT governments are allowed a sum upto 10% of the total Central share released under the scheme towards its headquarters expenses.	State Government can spend upto 10% of Central release for meeting the cost of administrative set up maintained at State Headquaeter for operating DRDA Administration scheme.
4	6.1	The scheme of 'DRDA Administration' shall be a centrally sponsored scheme. The funds required under this programme shall be shared between the Centre and the States in the ratio of 75:25. Funds will be released directly to the DRDAs, in accordance with the guidelines under this programme. The funding ratio in respect of NE States has been revised to 90:10 with effect from the financial year 2008-2009.	Funds will be released to the State/UT Govt., who will further transfer funds to the respective DRDAs/ZPs in accordance with the guidelines subject to their requirement.	Funds are already being released to the State/UT Govt., for further transfer to the respective DRDAs/ZPs. States may now restrict the transfer of funds to the actual requirement of a DRDA in case its expenditure is below the total funds available to it during the financial year
5	6.2 A (ii)	The release of the first installment should ordinarily be completed by the end of the second month of the financial year.	The release of the first installment should ordinarily be completed by the end of the sixth month of the financial year. Any proposal submitted thereafter should be accompanied by an appropriate explanation for the delay in submitting the proposal.	Proposals for 1 <sup>st</sup> installment from the State/UT shall not be entertained in normal course if received after the month of September. An explanation for delay in submission of the proposal will be required.
6	6.2(B) (i) (2)	The State Government should	The State Government should have released its contribution	In case State share for previous year was

		<p>have released its contribution during the previous year. Deficiency in release of its share will be deducted from the second instalment. Also the contribution of the State Government for the first current year should have been released.</p>	<p>during the previous year. Deficiency in release of its share will be deducted from the second installment. Also the contribution of the State Government for the first installment of current year should have been released.</p>	<p>less than its due share, the proportionate amount of Central share of current financial year will be deducted from the 2<sup>nd</sup> installment of Central share. Further 2<sup>nd</sup> instalment of Central share will be released only after due State share against 1<sup>st</sup> installment of Central share is contributed for the scheme.</p>
7	6.2(B) (i) (4)	<p>The opening balance of the DRDAs should not exceed 10% of the allocation of the year in which funds are being released. In case, the opening balance exceeds this limit, the Central Share of the amount by which it exceeds this limit will be deducted at the time of release of second instalment.</p>	<p>The total of the opening balance of all the DRDAs of the State/UT should not exceed 10% of the allocation of the year in which funds are being released. In case, the opening balance exceeds this limit, the Central Share of the opening balance by which it exceeds this limit will be deducted at the time of release of 2<sup>nd</sup> installment. For example, if the opening balance exceeds 10% of the allocation of the year by Rs.100 in the case of State of Haryana, an amount of Rs.60 will be deducted from due amount of 2<sup>nd</sup> installment while in the case of J&amp;K the deduction of Rs.90 will be made from the due amount of 2<sup>nd</sup> installment.</p>	<p>The opening balance of DRDA Administration funds lying with the DRDAs will be totalled to see if the opening balance exceeds the 10% of the total allocation for the State during current financial year.</p>
8	6.2(B) (i) (5)	<p>Audit reports, utilisation certificates for the previous year should be furnished. This will not be required in the first year i.e., 1999-2000.</p>	<p>A consolidated Utilization certificates for the previous year should be furnished by the State Government. Audit reports, utilization certificates for the previous year should be furnished by the DRDA to the State Govt./UT Administration up to their satisfaction.</p>	<p>It means Audit reports, utilization certificates for the previous year will be furnished by the DRDAs to the State Govt./UT Administration and they, in turn ensure that the same are satisfactory. On the basis of the UC &amp; Audit reports</p>

				submitted by DRDAs, the State Govt. shall submit a consolidated Utilization Certificate to the Central Government.
9	6.2(B) (ii)	The DRDA shall maintain the fund under the head. 'DRDA administration', in a separate bank account in any of the nationalised bank. Interest earned on the funds will necessarily be used only for admissible items of expenditure under DRDA administration. They shall not be used for any programme funding or non-admissible items of expenditure, such as construction of building and purchase of vehicles.	The State Govt./UT Administration shall maintain the fund under the head 'DRDA Administration', in a separate bank account in any of the nationalized bank. Interest earned on the funds will necessarily be used only for admissible items of expenditure under DRDA administration. They shall not be used for any programme funding or non-admissible items of expenditure, such as construction of building and purchase of vehicles. The State Govt./UT Administration shall also maintain DRDA-wise details of release & utilization of funds. The DRDA shall also maintain the fund received by them under the head 'DRDA administration', in a separate account.	The State Govt./UT Administration shall maintain a separate bank account at State level. The State Govt./UT Administration shall also maintain DRDA-wise details of release & utilization of funds.  The DRDA shall also maintain at district level the fund received by them under the head 'DRDA Administration', in a separate account.
10	6.2 D (i)	The Project Director should cause the annual accounts of the DRDA to be prepared by a date not later than 30th June comprising Receipt and Payment Account, Income and Expenditure Account and Balance Sheet. After approval by the Governing Body, he shall have the accounts audited by the Chartered Accountant or any other auditor appointed for the purpose. A copy of such audit report (duly signed by auditor) alongwith the annual statement of accounts certified	The Project Director should cause the annual accounts of the DRDA to be prepared by a date not later than 30th June comprising Receipt and Payment Account, Income and Expenditure Account and Balance Sheet. After approval by the Governing Body, he shall have the accounts audited by the Chartered Accountant or any other auditor appointed for the purpose. A copy of such audit report (duly signed by auditor) along with the annual statement of accounts certified by the auditor and the Chairman of the DRDA thereon should be furnished to the State	A copy of the audit report for the previous financial year should be furnished by the DRDA to the State Government by 30th September.

		by the auditor and the Chairman of the DRDA thereon should be furnished simultaneously to Government of India and the State Government not later than 30th September.	Government not later than 30th September.	
11	6.2 D (iv)	A Statement showing the schedule of Fixed Assets held by the DRDA/ Agency at the end of the financial year should be sent to the State Government and Government of India with the form prescribed along with the annual statement of accounts. No depreciation should be charged and value of assets to be shown at the original cost in the accounts.	A Statement showing the schedule of Fixed Assets held by the DRDA/ Agency at the end of the financial year should be sent to the State Government with the form prescribed along with the annual statement of accounts. No depreciation should be charged and value of assets to be shown at the original cost in the accounts.	These documents will be submitted by DRDA to the concerned State/UT and not to the Central Government.
12	6.2 D (v)	All the Agencies should send a utilisation certificate to the Government of India (Department of Rural Development) in the prescribed proforma along with annual statement of accounts. The utilization certificate must be prepared strictly on the basis of the Receipts and Payment Accounts and opening/closing balance in both Receipts and Payment Accounts Utilisation Certificate must also tally.	State Government/UT Administration should send a consolidated utilization certificates in respect of DRDAs to the Government of India (Department of Rural Development) in the prescribed proforma along with annual statement of accounts. The utilization certificate must be prepared strictly on the basis of the Receipts and Payment Accounts and opening/closing balance in both Receipts and Payment Accounts and Utilization Certificate must also tally. The claim proposal of all DRDAs including Audit Reports, UCs, etc submitted by the DRDAs shall be processed/scrutinized by the respective States/UTs and thereafter a consolidated proposal may be furnished to MoRD.	DRDAs will submit the statement of accounts, UC etc to the State/UT and the state/UT Government will prepare a consolidated UC on that basis and send the same to the Central Government. Processing of claim proposals of DRDAs will be done by the concerned State/UT and after satisfying itself that the DRDAs have given the requisite proper documents; they shall prepare a consolidated proposal for sending to the Central Government.

2. In view of the above modifications in the Guidelines, the State Government/UT Administration is required to submit a consolidated proposal for release of funds under DRDA Administration Scheme, as and when required, in the following manner:-

- i) The proposal of release of 1<sup>st</sup>/2<sup>nd</sup> installment should be submitted by State Govt. in r/o of all eligible DRDAs in the prescribed proforma (copy attached).
- ii) The proposal of 1<sup>st</sup> installment should be ordinarily submitted latest by 30<sup>th</sup> September and the proposal of 2<sup>nd</sup> installment should be submitted by 30<sup>th</sup> November of the financial year. No proposal for release of funds would be considered if received after prescribed date unless there is a justifiable reason for delay.
- iii) The following documents should be attached with the proposal of State/UT for release of funds:-
  - a) Consolidated Utilization Certificates (for the State/UT as a whole) by State/UT Govt. in r/o all eligible DRDAs for the funds received during the previous to previous financial year in the case of 1<sup>st</sup> Installment and for previous year for 2<sup>nd</sup> Installment in prescribed proforma. This should indicate DRDA wise Utilization.
  - b) Provisional Utilization Certificates (for the State/UT as a whole) by State/UT Govt. for the fund received during the current financial year in prescribed proforma in case the proposal is for 2<sup>nd</sup> Installment.
  - c) A consolidated certificate that the expenditure on contingency is less than 30% of the salary cost and expenses have been incurred on permissible items only.
  - d) A certificate that the funds have been transferred to DRDAs along with due State Share giving date of the sanction order.
  - e) Non diversion of funds and non embezzlement of funds certificates.
  - f) Consolidated Item wise break-up of expenditure of previous year and estimated expenditure of current financial year (a proforma attached).
  - g) A consolidated Certificate that Audit report of the previous to previous financial year in the case of 1<sup>st</sup> Installment and for previous year for 2<sup>nd</sup> Installment have been received from concerned DRDAs which have been duly examined and found to be in order.
  - h) A consolidated certificate that no audit objections, C&AG audit paras and Parliamentary assurances are pending for more than six months.
  - i) Any other certificate/document which may be required to be submitted.

3. The proposal should be authenticated/singed by an officer authorized to do so who should not be below the rank of Director in the State /UT Govt.

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**PROFORMA FOR RELEASE OF 1<sup>ST</sup> /2<sup>ND</sup> INSTALMENT UNDER THE DRDA ADMINISTRATION SCHEME  
DURING THE YEAR 2018-19 .(To be filled by State/UT Government)**

(Rs. in lakh)

1	Name of the State/UT	
2	Name of the State/UT Co-ordinator	
	a) Email ID	
	b) Telephone No.	
	c) Fax No.	
	d) Mobile No.	
3	No. of DRDAs and their Names	
4	Opening balance as on 01.04.2016	
5	Funds received during the 2016-17	
	a) Central Share	
	b) Central Share of 2015-16 but received in 2016-17	
	c) State Share	
	d) State Share of 2015-16 but received in 2016-17	
	e) Misc. receipts (if any, source to be specified)	
	(i) Bank interest	
	(ii) Others	
6	Total available funds during 2016-17(4+(5a to 5e))	
7	Expenditure during 2016-17	
8	Opening Balance as on 01.04.2017	
9	Funds received during the 2017-18 (Last year)	
	f) Central Share	
	g) Central Share of 2016-17 but received in 2017-18	
	h) State Share	
	i) State Share of 2016-17 but received in 2017-18	
	j) Misc. receipts (if any, source to be specified)	
	(i) Bank interest	
	(ii) Others	
10	Total available funds during 2017-18(8+(9f to 9j))	
11	Expenditure during 2017-18	
12	Opening Balance as on 01.04.2018	
13	Funds received during the current year 2018-19	
	(i) Central Share	
	(ii) Central Share of 2017-18 but received in 2018-19	
	(iii) State Share	
	(iv) State Share of 2017-18 but received in 2018-19	
	(v) Misc. receipts (if any, source to be specified)	
	(i) Bank interest	
	(ii) Others	
14	Total available funds during 2018-19(12+(13k to 13o))	
15	Latest Expenditure during 2018-19	
16	% of Expenditure	
17	The following documents to be attached attached:-	
	(i) Consolidated Utilization Certificate of previous year	
	(ii) Consolidated Utilization Certificate of previous to previous year	
	(iii) Certificate that expenditure on contingency is less than 30% of salary cost	
	(iv) Certificate that funds have been transferred to DRDAs along with due State Share in prescribed timeline	
	(v) Certificate of No embezzlement of funds	
	(vi) Consolidated Item-wise break up of expenditure of previous financial year	
	(vii) Consolidated Item-wise break up of estimated expenditure	

\*Black ink may not be used for Signature and Stamp/Seal.

	(viii) Certificate that all Audit Reports for up to previous to previous year have been received from concerned DRDA and found to be in order	
	(ix) Certificate that no Audit Objection ,C&AG Audit Para and Parliamentary assurance is pending for more than six months	
	(x) Any other Certificates/ Documents	

Signature\*

Date:

Name & Designation of the authorized officer  
Govt. of .....

Stamp/Seal :-

\*Black Ink may not be used for Signature and Stamp/Seal.