

*By Special  
Messenger*

GOVERNMENT OF KERALA

Abstract

14<sup>th</sup> Finance Commission Grant - Authorisation of Finance Commission Grant to Local Governments - Instructions – Orders issued.

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FINANCE (CSFC-A) DEPARTMENT

G.O.(Ms)No.250/2017/Fin. Dated, Thiruvananthapuram 3/5/2017

Read: G.O. (P) No.444/2012/Fin. dtd.8/8/2012.

**ORDER**

As per the recommendations of the 14<sup>th</sup> Finance Commission, Government of India releases Finance Commission Grant (Basic) in two instalments in the month of June and October and the Finance Commission Grant (Performance) in lump sum in the month of October every year. The Finance Commission Grant so released by the Government of India has to be transferred to Local Bodies within 15 days on receipt of the same from Government of India. But as per the existing practice, Government issues orders authorising the Finance Commission Grant to Local Governments for expenditure even though the same is not received from Government of India, which causes certain difficulties in furnishing Utilization Certificate resulting in clarifications of many queries raised by the Ministry of Panchayati Raj, Ministry of Urban Development and Ministry of Finance, Government of India. This has eventually led to delay in getting further releases from Government of India.

2. Government have examined the matter in detail and are pleased to issue a general order with regard to authorisation of Finance Commission Grant to Local Governments for expenditure as detailed below:

- (i) Finance Commission Grant (both Basic Grant and Performance Grant) to Local Governments shall be authorised to Local Governments for expenditure only on receipt of the same from Government of India.

- (ii) Basic Grant shall be authorised to all Gram Panchayats, Municipalities and Municipal Corporations based on the criteria recommended by the State Finance Commission then in force.
- (iii) Performance Grant shall be authorised to those Grama Panchayats, Municipalities and Municipal Corporations which are found to be eligible for the same based on the criteria fixed by the Ministry of Finance, Government of India as recommended by the 14<sup>th</sup> Finance Commission.
- (iv) If the Finance Commission Grant to Local Governments is not received till the close of the month of February the fund shall be authorised to Local Governments for expenditure in the first week of March every year.

*(By Order of the Governor)*

**MINHAJ ALAM IAS**

*Secretary (Finance Resources)*

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.

The Director of Treasuries, Thiruvananthapuram.

The Director of Panchayats, Thiruvananthapuram.

The Director of Urban Affairs, Thiruvananthapuram.

The Secretary, LSG(FM)Department.


The Executive Director, IKM.

The Finance (SFC-A) Department.

✓ The Nodal Officer ([www.finance.gov.in](http://www.finance.gov.in))

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*Forwarded By Order*



*Accounts Officer*