



**GOVERNMENT OF KARNATAKA**

No. RDP 03 GPS 2017

Karnataka Government Secretariat,  
M.S Building,  
Bangalore, Dated:20-12-2017

**CIRCULAR**

**Sub:** Fulfilling the conditions for obtaining Performance Grants under 14<sup>th</sup> Finance Commission for the period of 2017-18 to 2019-20

**Ref:** 1. GoI Guidelines Letter No. 13(32) FCC/FCD/2015-16, Dated 08-10-2015.  
2. GoI Letter No. 13(32) FCC/FCD/2015-16, Dated 16-12-2015.  
3. GoK Circular No.RDP 11 GPS 2016, Dated:11-02-2016 and 09-03-2017.  
4. GoI Letter no: M-11015/51/2016-FD, Dated: 16-09-2016.  
5. GoI Letter no: N-11011/4/2017-FD, Dated: 29-09-2017.  
6. GoI Letter no: N-11011/4/2017-FD, Dated: 24-11-2017.  
7. Secretary, Ministry of Panchayathi Raj, D.O letter No. N-11011/4/2017-FD Dated:06-12-2017

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In order to obtain the 14<sup>th</sup> Finance Commission Performance Grants are released based on the guidelines cited in references (3). Government of India has observed guidelines of all the State Governments in reference (4) and also in reference(6) and (7) the State Government has included additional conditions as per Government of India guidelines. Based on the guidelines issued by the Central Government Gram Panchayaths have to fulfill the following two conditions:

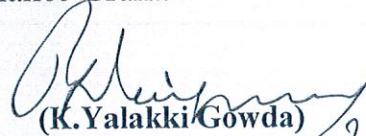
- The Gram Panchayaths will have to submit information related to Own Source Revenue(OSR) for the previous three years to the year of claim, submission of Audited Accounts for the year corresponding to two years preceding the year of claim.
- Preparation of plan for FFC funds utilization and inclusion of the same in GPDP.
- Uploading of FFC sector wise expenditure in the FFC dash board are obtained.
- Based on the figures of increase in OSR for the year 2015-16 over 2014-15 and ODF & children immunization status.

**Procedure:**

1. To obtain the Performance Grants for the year 2017-18, audited annual accounts for the year 2015-16 have to be submitted.
2. Audited annual accounts means "accounts audited by Local Audit Circle".
3. Gram Panchayat "Own Revenue" means collection of revenue from all tax and non-tax sources.



4. Increase in own revenue means, revenue collected as per Schedule IV to Section 199 of the Karnataka Panchayath Raj Act 1993 and license fees collected as per Section 70 of the Karnataka Gram Swaraj and Panchayath Raj Act 1993 and also rentals from own assets. To claim the performance Grants, the audited accounts required for Performance Grants in 2017-18 will be for the year 2015-16 and so on.
5. Every year the Chief Executive Officers, Zilla Panchayat shall consolidate the information as per the guidelines issued and shall submit it to the Government before the end of May. The consolidated statement of all the districts will be submitted to Government of India by end of August.
6. These instructions will be enforced for the period 2015-16 to 2019-20 i.e., 1<sup>st</sup> Finance Commission award period.
7. The Performance Grants shall be utilised for the purpose indicated in the General Basic Grants GOI Guidelines dated: 08-10-2015 and GOK Circular RDP 75 GPS 2016, dated:07-12-2017.
8. In case some amount of performance grant remains after disbursement to the eligible Gram Panchayaths. This undisbursed amount should be distributed on an equitable basis among all the eligible Gram Panchayaths that had fulfilled the conditions for getting the Performance Grant.

  
(K. Yalakki Gowda) 20/12/17  
Director (Panchayat Raj-2) and  
Ex-officio Joint Secretary to Govt.  
RD & PR Department  
20.12.17

To

1. The Chief Executive Officers of all the Zilla Panchayath.
2. The Executive Officers of all the Taluk Panchayath (through the Chief Executive Officers).
3. The President/Panchayath Development Officers of all the Grama Panchayaths (through the Executive Officers).
4. Section copy/additional copies.

Copy to:

1. The Personal Secretary to the Hon'ble Minister for Rural Development and Panchayath Raj, Vidhana Soudha Bangalore.
2. The Personal Secretary to the Additional Chief Secretary/Principal Secretary (PR), Rural Development and Panchayath Raj Department.
3. The P.A to Deputy Secretary to Government, Finance Commission Cell, Finance Department.
4. The P.A to the Director (P.Raj-1 &2) and ex-officio Joint Secretary to Government, Rural Development and Panchayath Raj Department
5. The P.A to the Director, Abdul Nazeer Sab State Rural Development & Panchayath Raj Insititute, Lalitha Mahal Road, Mysore.



6. The P.A to the Internal Financial Advisor, Rural Development and Panchayath Raj Department
7. The Chief Editor, Karnataka Vikasa, Rural Development and Panchayath Raj Department
8. The website, Rural Development and Panchayath Raj Department.

