

## CHAPTER 16 NON-GOVERNMENT WORKS

### 16.1 Introductory

16.1.1 Non-Government Works are divided into three classes – (1) Deposit Works (2) Local Loan Works and (3) Takavi Works

16.1.2 The General direction for the exhibition in accounts, of transactions relating to contributions from Central Revenue to Local Funds and Public bodies, and vice-versa as contained in Rule 68(1) of the Government Accounting Rules 1990 is reproduced below:-

“Contributions made by the Central or the State Government to District Boards, Municipalities, etc or vice-versa should be debited as expenditure or shown as receipts (as the case may be) under the head of account most closely connected with the object for which the contributions are made. Thus, a grant for the construction of a school should be debited to “2202 - General Education” grant for constructions of a drainage system to “2215 – Water Supply and Sanitation” and a grant for construction of a road to “3054 – Roads and Bridges” and grant given for general purposes, such as grant to make good a deficit or a compensation for revenue resumed, shall be classified under “3604 – Compensation and Assignments to Local Bodies and Panchayati Raj Institutions.”

Note 1 – If the financial assistance given by the Central Government to a Local body does not take the form of a grant of cash, but of expenditure in the Public Works Department equivalent to the whole or a part of the cost of a work constructed by that Department on behalf of the local body concerned, the contribution thus made should be debited as expenditure under the detailed head “Contributions” below the relevant major/minor head corresponding to the function/programme closely connected with the object of the assistance.

Note 2 – When buildings are constructed by CPWD and handed over to the grantees – In cases where the grantee institutions, organizations etc are willing to have the buildings constructed through the Central Public Works Department out of the grants-in-aid given by the Government, the sanctioning authority should get the buildings constructed through the Central Public Works Department instead of giving grants directly to the grantee institutions and then hand over the buildings to the grantees. The following instructions should be kept in view while doing so:-

The expenditure on such works should be met from the Budget Grants of the Administrative Ministry sanctioning the grant to the institution concerned. Necessary provision for the “Grants-in-aid” may be made in the respective Ministry’s grant under the relevant Major Head (Education, Medical, Public Health etc). The budget provision in each year should be restricted to the actual amount that is likely to be expended on the work in that financial year. The amount will not be paid in cash to the grantee institution but paid to concerned Central Public Works Division by means of ‘Government Account’

Cheque, debiting the expenditure as grants-in-aid etc, the latter shall classify it under the head “8443 – Civil Deposits 108 Public Works Deposits”.

Note 3 – A contribution paid by a local body or private party with the express object of meeting the whole or part of the cost of construction by the Public Works Department of a specific work which is eventually to be property of Government should be credited as revenue receipt of the Government relevant to the function/programme closely connected with the object for which the contribution is made.

16.1.3 In the Public Works Accounts, contributions made to Local Bodies are debited to the object head ‘Contributions’ below the relevant major/minor head corresponding to the function/programme closely connected with the object of the assistance. See also Note 1 below para 10.8.6.

16.1.4 When works already constructed or land already purchased, are transferred free of charge to local bodies, no readjustment of the amounts of cost is necessary.

Note – The rule in this paragraph does not apply to Irrigation, Navigation and Drainage Works (Commercial)

16.1.5 For every Non-Government Work there must be a duly sanctioned detailed estimate of requisition as the case may be, in the same way as for a Government Work.

## **16.2 DEPOSIT WORKS**

### **I. General**

16.2.1 For every Non-Government Work the local body or other party concerned should advance the gross estimated expenditure, which is payable by it to the Divisional Officer in lumpsum or in installments, and by such dates as may be specially authorized by the Administrative Ministry/Administrator concerned, vide paragraph 118 of the Central Public Works Department Code. The amount received should be credited in the accounts to the head “108 – Public Works Deposits” under the Major Head 8443 – Civil Deposits”, against which will be debited all expenditure incurred up to the amount of the deposit. As regards expenditure in excess of deposit, see paragraph 13.4.3 of this Code.

Note – In case of autonomous bodies financed entirely from Government funds where the receipt of money is assured only 33 $\frac{1}{3}$ % of the estimated cost of a particular work need be got deposited as advance and thereafter expenditure incurred may be got reimbursed through monthly bills. The deposit of 33 $\frac{1}{3}$ % obtained earlier should be retained for adjustment against the last portion of the estimated expenditure.

16.2.2 A consolidated record of the transactions of a month relating to all Deposit Works of the Division should be prepared in Form 65, Schedule of Deposit Works. The schedule shows, in respect of each work, the amount of deposit received and the expenditure incurred, both during the month and upto date.

Note 1 – Refunds of unexpended balances of completed works should be taken in reduction of the deposits and therefore, shown in the schedule as minus realizations and not as expenditure.

Note 2 – All payments of “decretal amounts” pertaining to “Deposit Works” should be charged on the Consolidated Fund of India under the minor head 799 Suspense, Sub-head “Miscellaneous Work Advance” Detailed Head – Other items subordinate to the relevant major head. These should simultaneously be transferred to the Deposit Work concerned by debit to “108 - P.W. Deposits – Deposits for work other than Takavi Works to be done” if sufficient funds are available or to Miscellaneous P.W. Advances – Expenditure incurred on Deposit Works in excess of deposits received (voted) (In case sufficient funds are not available) in accordance with the instructions contained in paragraph 16.2.1 and 13.4.3 respectively of this Code.

16.2.3 The amount of each deposit should be rateably divided into two parts, one representing the share available for works expenditure and the other the total amount chargeable as establishment, tools and plants, audit and accounts and pensionary charges, if any, recoverable under the rules, vide Appendix 4. In the schedule, the deposit received for each work should be numbered as a single item, but the transactions relating to the two parts of it should be shown separately thus -

For Works expenditure .....

For Percentage charges.....

16.2.4 The percentages leviable should be adjusted month by month as the works expenditure is incurred.

## **II. DISTRICT FUND WORKS, MUNICIPAL, CANTONMENT & PORT TRUST WORKS**

16.2.5 The accounting procedure prescribed in paragraphs 16.2.1 to 16.2.4 is also applicable to Deposit Works executed on behalf of District Boards, Municipal & Cantonment & Port Trust Works.

### **16.3 LOCAL LOAN WORKS**

16.3.1 Expenditure on a local loan work, including the portion of expenditure on a joint work, which is incurred against a sanctioned loan under orders of competent authority should be accounted for under the head “Loans and Advances pertaining to the Functional Major Head concerned” and shown in the Schedule of Debits to Miscellaneous heads of Account, Form 76 supported by a Schedule of Works expenditure in CPWA Form 64.

16.3.2 All charges debitable to a loan should be brought to account as they occur so that the interest charges may be correctly calculated and adjusted in the Pay and Accounts Office.

Note – This rule applies also to the percentages (vide paragraph 16.2.3) leviable under the rules which should, therefore, be adjusted monthly by inclusion in the Schedule of Work Expenditure. (Form 64)

## **16.4 TAKAVI WORKS**

### **I. Provision of Funds**

16.4.1 It is not imperative, as in the case of a Deposit Work, that the estimated cost of a Takavi Work shall be deposited by the person or persons interested in the work, before any expenditure is incurred on it, as if the amount due is not received in cash direct from them, it is recoverable through the District and Revenue Authorities in the same way as arrears of Land Revenue. Endeavour should, however, be made to effect direct and prompt recoveries of the probable cost of Takavi Works, as recoveries through the District and Revenue Authorities cause considerable trouble and delay in adjustment.

### **II. Accounting of Expenditure**

16.4.2 The transactions relating to Takavi Works should be recorded under Sub-head “Takavi Works Advances, under 8550 – Civil Advances, 103 - Other Departmental Advances”. They should be accounted for in the Schedule of Takavi Works, Form 66, which shows the expenditure incurred on each work, the amount realized on account of it and the outstanding balance of the account.

16.4.3 The rules in paragraphs 16.2.3, 16.2.4 and Note below paragraph 16.2.2 relating to Deposit Works apply, mutatis mutandis to Takavi Works.

16.4.4 The accounts of all works of construction or of special repairs should be closed as soon as the work is completed. Ordinary maintenance and repair works should, however, be considered as completed on the 31st October of each year (or any other date that may be prescribed by the Administrative Ministry/Administrator concerned, as the last date of the takavi year) and expenditure thereon incurred subsequently should be accounted for as pertaining to a new work of the following year, so that the transactions and balances relating to each takavi year may be kept distinct and separate.

### **III. Recovery through District and Revenue Authorities**

16.4.5 The following procedure is prescribed for effecting recoveries through the District and Revenue authorities, on account of the cost of individual Takavi Works, not covered by cash deposits received direct from the cultivators concerned:-

(a) A certificate showing (1) the full name of the work, (2) the name and address of the responsible cultivator or cultivators, (3) the authority for undertaking the work, (4) the total expenditure incurred, (5) the amount (with full particulars if any), recovered in cash and (6) the net amount still recoverable, should be prepared in duplicate by the Divisional

Officer, on the completion of the work (see paragraph 16.4.4) and submitted to the Collector or Deputy Commissioner of the District concerned.

(b) On receipt back of the duplicate copy, duly accepted, the amounts accepted should be credited on the authority of it to the Takavi Works Advances account by debit to the detailed head 'Cultivators' subordinate to the relevant functional major head for loans and programme minor head under "F Loans and Advances"

#### **IV Waters Courses**

16.4.6 The foregoing rules apply to such water courses only as are classed as Takavi Works. The account rules relating to water course of other classes are given in Appendix 3.