



TAMIL NADU GOVERNMENT GAZETTE

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Part II—Section 2

**Notifications or Orders of interest to a section of the public
issued by Secretariat Departments.**

NOTIFICATIONS BY GOVERNMENT

MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT

PERFORMANCE GRANTS TO THE URBAN LOCAL BODIES - ELIGIBILITY CRITERIA-PROCEDURE FOR SELECTION OF ELIGIBLE URBAN LOCAL BODIES FOR RECEIPT OF PERFORMANCE GRANTS - PERMISSION TO URBAN LOCAL BODIES FOR ENGAGING PROFESSIONAL CHARTERED ACCOUNTANT FOR GUIDANCE IN COMPILING ACCOUNTS, ETC., UNDER THE 14TH CENTRAL FINANCE COMMISSION.

[G.O. (Ms) No. 187, Municipal Administration and Water Supply (MA2), 23rd December 2015,
மார்ச்சு 7, மன்மத, திருவள்ளுவர் ஆண்டு-2046.]

No. II(2)/MAWS/806(a)/2015.

The 14th Central Finance Commission in para 9.78, Chapter IX of its Report has recommended that a detailed procedure for the disbursal of the performance grant to urban local bodies would have to be designed by the State Governments concerned, subject to certain eligibility criteria.

2. Accordingly, the following **Eligibility Criteria** for release of **performance grants** to the Urban Local Bodies are prescribed:

- i. Submission of Audited Annual Accounts (Receipts and Expenditure) relate to a year not earlier than two years preceding the year in which the Urban Local Body seeks to claim the performance grant. (To illustrate, the audited accounts required for performance grants in 2016-17 will be for the year 2014-2015).
- ii. Increase in own Revenue over the preceding year as reflected in the audited Accounts. (For computing increase in own Revenue in a particular year, the proceeds from Octroi and entry tax must be excluded).
- iii. Service level bench marks shall be published for the entire plan period and make publically available.

3. The following **procedure** in connection with selection of eligible Urban Local Bodies for the receipt of performance grants is prescribed:

- i. Performance grant may be released to the Urban Local Bodies which achieve all the three conditions in each year.
- ii. Balance Performance grant remaining after disbursing to the eligible Urban Local Bodies, may be distributed on an equitable basis among all the eligible Urban Local Bodies that have fulfilled the conditions.
- iii. The performance grant may be released to Urban Local Bodies based on the distribution formula of the most recent State Finance Commission whose recommendations have been accepted (initially the recommendation of 4th State Finance Commission and subsequently 5th State Finance Commission).
- iv. The Director of Municipal Administration/ the Director of Town Panchayats/ the Commissioner, Corporation of Chennai/ the Managing Director, Chennai Metropolitan Water Supply and Sewerage Board are authorized to make arrangement for publication of Service level bench marks of respective Urban Local Bodies/CMWSS Board for each year in the concerned District Gazette and also to select the eligible Urban Local Bodies.
- v. The Urban Local Bodies may be permitted to utilize the performance grant as per the guidelines prescribed in G.O. (Ms) No.108 of this Department, dated 24th July 2015.

K. PHANINDRA REDDY,
Principal Secretary to Government.