

**AMOUNT TO BE CREDITED IN THE ACCOUNTS OF THE STATE GOVERNMENTS**

F.15(4)FC-XV/FCD/2020-25  
Government of India  
Ministry of Finance  
Department of Expenditure  
Finance Commission Division

Block No. XI,5th Floor,  
CGO Complex,  
New Delhi-110003.  
Dated:-23-03-2022

To,

The Accounts Officer (State- Loan),  
O/o the Chief Controller of Accounts,  
Department of Expenditure,  
Ministry of Finance, North Block,  
New Delhi-110001.

Subject: Release of **Rural Local bodies Tied grant** as recommended by the Fifteenth Finance Commission (FC-XV).

Sir,

The undersigned is directed to convey the approval of Competent Authority in the Department of Expenditure, Ministry of Finance, Government of India for the release of FC-XV recommended **Rural Local bodies(RLBs) 2nd installment of Tied grant** for the year 2021-22 amounting to **Rs. 95191.04 lakh** (Rupees Nine Hundred, Fifty-one crore, Ninety-One lakh and Four Thousand Only) to the State Government(s) as per State-wise details given in Annexure-I(page-3).

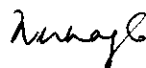
2. The State Government(s) is/are advised to ensure that the amount released is allocated to General Areas and Excluded Areas, if any (where Part IX & IXA of the constitution does not apply) within the State using population of 2011 Census with a weight of 90% and Area with a weight of 10%.

3. Grants apportioned for **Excluded Areas** (if any) as per para 2 above shall be directly transferred by the State Finance Department to the concerned Autonomous District Councils(ADC)/Village Development Boards(VDB)/Gram Sabhas(as the case may be) through the concerned Administrative Departments/nodal Departments looking after Panchayati Raj/ADC/VDB matters.

4. Grants apportioned for **General Areas** shall be distributed as per the inter se share finalized for all tiers of Panchayats and distributed within each tier across the State on the basis of accepted recommendations of the latest State Finance Commission (SFC). However, in case of non-availability of SFC recommendation for distribution, the allocations should be on the basis of population and area in the ratio of 90:10.

5. The States(State Finance Department) shall transfer grants-in-aid to the concerned RLBs as per the procedure given in para 3 and 4 above within ten working days of receipt from the Union Government without any deduction.

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6. Any delay beyond ten working days will require the State Government(s) to release the above grant installment(s) with interest as per the effective rate of average interest on market borrowings/State Development Loans (SDLs) for the previous year.


7. The above FC-XV recommended RLB's **tied Grant** can be utilised by the local bodies for the basic services of (a) sanitation and maintenance of open-defecation free status and (b) supply of drinking water, rain water harvesting and water recycling. The local bodies shall, as far as possible earmark one half of these tied grants to each of these two critical services. However, if any local body has fully saturated the needs of one category, it can utilise the funds for the other category.

8. The above local body grant shall be governed as per the recommendations of the FC-XV[Final Report], contained in Chapter-7 'Empowering Local Governments' and the provisions contained in the Operational Guidelines on the subject issued by the Department of Expenditure vide OM No. F. 15 (2) FC-XV/FCD/2020-25, dated 14 /07/2021.

9. The State Governments/ Autonomous District Councils / Excluded Areas shall have to ensure that a separate Bank Account of each Council/entity has been opened for FC-XV grant and the same has to be linked with PFMS during 2021-22 itself and maintained hereafter for every transaction for the full award period.

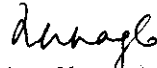
10. PAO-State Loan, O/o the Chief Controller of Accounts, Department of Expenditure, Ministry of Finance, North Block, New Delhi is requested to advise the Reserve Bank of India, Nagpur to credit the above amount to the accounts of the respective State Government(s).

11. The payments are adjustable in the accounts of the Ministry of Finance in Demand Grant No. 40 - Transfers to State Government(s) for the year 2021-22 under Function Head 3601071020100, Object Head 31, Scheme code 2084 as Grants for Local Bodies(3.01 Rural Bodies).

  
(Abhay Kumar)  
Director(FCD)

Copy To:-

Sl. No.	Name
1	The Secretary, RBI, Central office, Mumbai.
2	The Secretary, Ministry of Panchayati Raj, Krishi Bhawan, New Delhi.
3	The Secretary, Department of Drinking Water & Sanitation, Ministry of Jal Shakti, Govt. of India, New Delhi.
4	The Manager, RBI, Central Accounts Section, Nagpur.
5	The Budget Division (States Section), DEA, North Block, New Delhi.
6	The PAO, Department of Expenditure(DOE).
7	The Accountant General(A&E), concerned State Government(s).
8	The Accountant General(Audit), concerned State Government(s).
9	The Secretary(Finance), concerned State Government(s).
10	The Secretary(Panchayati Raj), concerned State Government(s).

  
(Abhay Kumar)  
Director(FCD)

Contd. on page 3.

**Annexure-I**

Sl. No.	Name of the State	Amount (Rs. in lakh)	Grant component	Installment	Year
1.	West Bengal	95191.04	<i>RLBs Tied Grant</i>	2 <sup>nd</sup>	2021-22
x	<b>Total</b>	95191.04	x	x	x

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