

OFFICE OF THE COMMISSIONER OF MUNICIPAL ADMINISTRATION,  
CHENNAI, CHENNAI-600 005

MAA  
ROC. No. 99382/97-P2

Dated 13.12.97

C I R C U L A R

00021

Sub: BUDGET - Municipalities and Corporations -  
Expenditure on Capital Works from General  
Funds - Procedure to be followed from  
1998-99 - Instructions - issued.

5-1-98

N.G. Ref: Government D.O.Lr.No.45451/MA2/97  
dated 1.12.97.

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In the Annual Plan of the State from the year 1997-98, the expenditure on Capital works made out of General Funds by the Urban Local Bodies figures as a separate item. In every Annual Plan, hereafter, the expenditure on Capital Works by Urban Local Bodies is to be incorporated. It is, therefore, necessary for the Urban Local Bodies to systematise the quantum of General Fund works to be taken up in each Local Body. The following procedure has to be adopted by the Local Bodies to work out the fund available for capital works.

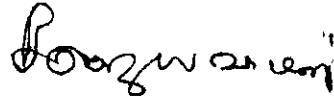
2. The Municipal/Corporation Commissioners may place before the council in the beginning of the financial year (not later than 31st May), the overall financial position of the Municipality, indicating the total receipts (viz. revenue, capital, loan, etc.) current expenditure (including annuities, etc.) and the amount if any available for capital works. The Council has to decide the works to be taken up from out of the amount indicated as available before the end of May of any financial year so that it is easy to execute the works in time. If any Urban Local Body finds that its total revenues are insufficient to take up any capital work, such position should be clearly brought out in the statement placed before the Council to ensure that current expenditure is fully taken care of and capital works are not taken up at the expense of provision for current expenditure. A format to arrive at the amount available for capital works is also enclosed.

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3. Once this is done in the beginning of the financial year, and this is recorded by the Council, additional works over and above the amount arrived at should not be taken up unless matching additional revenues can be generated.

4. All Municipal/Corporation Commissioners are requested to ensure that this basic financial discipline is followed without any omission from the financial year 1998-99.

5. The receipt of this circular may be acknowledged and action taken report sent to this office in time.



For COMMISSIONER OF  
MUNICIPAL ADMINISTRATION.

To

All Municipal Commissioners thro' the  
Chairman, Municipal Council

All Corporation Commissioners

Copy to: All Regional Directors of Municipal  
Administration