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- 9 SEP 2014

No. J-1011/18/2007-MGNREGA
Government of India
Ministry of Rural Development
(Mahatma Gandhi NREGA Division)

ADM(G)

Handwritten: DNO, MGNREGA

Handwritten: No 1659-CR dt 9/9/14

Krishi Bhavan New Delhi
Dated 21st August 2014

To
The Spl CS/ Prl Secretaries/Secretaries Rural Development (in charge of MGNREGA)

Subject: Regulating the use of the administrative costs under MGNREGA

Dear Madam/Sir,

The Paragraph 24 of the Schedule I of MGNREGA (as amended on 4th Jan 2014), lays down that at least 1/3rd of the total administrative costs shall be used at the Gram Panchayat level.

2. An analysis of the use of the administrative charges in 2013-14 has shown that more than 2% of the expenditure is incurred at the District and State levels and just 0.58% of the total expenditure is used for administrative costs at the GP level. This shows imbalance, indicating that adequate funds are not being used to employ the core staff, leading to gaps in technical supervision.

3. In order to rectify the above situation, the following direction is issued under Section 27 (1) of MGNREGA regarding the use of administrative costs allowed under Section 22 (1) (c) of MGNREGA:

- a) The expenditure at the GP level shall not be less than 2% of the total expenditure.
- b) Atleast another 0.5% of the total expenditure shall be used for meeting the costs of conduct of the Social Audit at GP level.
- c) The expenditure for strengthening Block level management consisting of the non-technical management staff shall not exceed 2% of the total expenditure.
- d) The cost for putting in place the management team at the district level shall not exceed 1% of the total expenditure.
- e) The cost for putting in place the management team at the State level shall not exceed 0.25% of the total expenditure.
- f) Atleast an amount equal to 0.25% of the total expenditure shall be used for capacity building of MGNREGS functionaries; and

4. All State Governments are requested to analyse the current utilisation of administrative costs as per the above regulation and take steps for correction where needed. It is further clarified that any expenditure over and above the limits prescribed, shall be borne by the respective State Governments. The above changes will be implemented with effect from 1st October 2014.

Yours faithfully,

(R. Subrahmanyam)
JS, MGNREGS (RE-I)

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Con Sec. of A.D.M. (G)
Paschim Medinipur
08 SEP 2014
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