

# Sustainable Development in Rural Sector Using Financial Management with Special Reference to Rural Self-Governing Bodies

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**Abstract:** Financial Management in the context of this study deals with the Procurement of Fund and their Effective Utilization through Financial Planning for Various Programmes and Schemes, Preparing Estimate Budget, and Efficient and Effective Utilization of the Grant received, through Implementation Strategy and Control on the Activity, so that the Finances raised in the form of grant shall be utilized significantly for the betterment of the people.

**Index Terms**—Gram Nidhi (Gram Funds), Sustained growth, Finance Commission, Utilization of Revenue

## I. INTRODUCTION

The study of financial management of rural and urban self-governing bodies in Nagpur district has a very wide need since it involves every person who is the ultimate beneficiary of the various Programmes of these bodies. If we turn the pages of the history then we came to know that Stone Age people used to live in groups so as to satisfy their combined needs. Now we have a Maslow's Need hierarchy which states that the ladder of need which are tries to achieve. The study of financial management of local self-governing bodies is very for society because local self-governing bodies are closely attached to the citizens in term of their mutual interest. Local self-governing bodies provides basic facilities, amenities t its citizen. They want good drinking water clean roads, good educational facilities, proper street lightning etc. Thus, local self-governing bodies provides basic requirement for people by taking a small contribution from them in the form of tax. Naturally government officials and elected representative are answerable to the citizens if they anything wrong citizen should have the right to ask them citizen do not get direct access to the local self-governing bodies' record for most of the time financial mismanagement is not revealed. The

main object of the study to see whether our self-governing bodies are working well if yes whether we can increase their efficiency and if not, what should be done to ensure their satisfactory working. We people started living in group they might have thought to apply some technique for their own well-being. They used to plan control and command. Motivational factors come next so as to apply all these techniques then felt a need of some rules and regulations which were to be followed by everyone. This has given rise to emergence of some bodies i.e., a group of person who tried to apply such rules and regulations. Now a day we have a well aware and systematic body known as Local Self-Governing Bodies. Basically, divided into:

- 1) Rural Self-Governing Bodies
- 2) Urban Self-Governing Bodies

Need of the Study arises at of the future importance of such bodies it is as below:

- 1) To provide basic services to the society it includes
  - i) Sanitation
  - ii) Education
  - iii) Transportation
  - iv) Water Supply
  - v) Health
- 2) To make provision for upliftment of poor and need by ways of
  - i) Different schemes
  - ii) Financial Schemes
  - iii) Provide employment opportunities

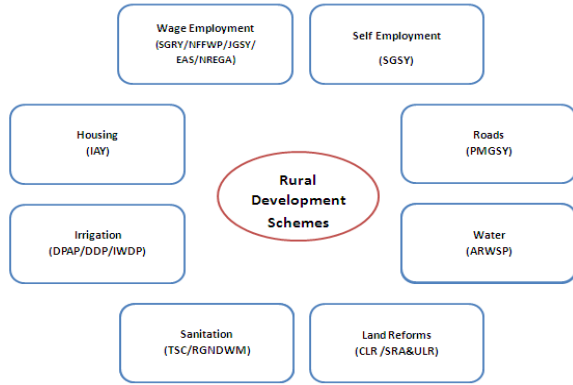


Fig.1

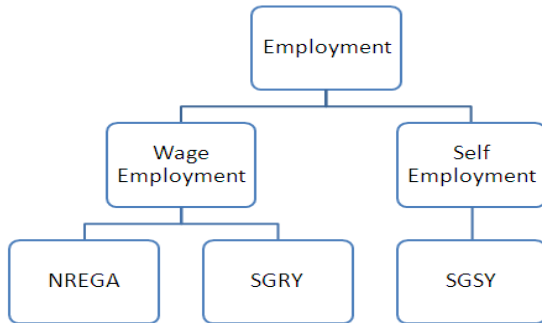


Fig.2

## II. MOBILIZATION AND MAINTENANCE OF FINANCIAL RESOURCES AT GRAM PANCHAYAT LEVEL

Each and every Gram Panchayat shall have Gram Funds (Gram Nidhi) and the same shall be utilized for carrying out its duties and obligations. The following constitute the Gram Fund:

- All grants from the Government or other Local Authorities
- The balances, if any, standing at the credit of the Gram Panchayat
- The balances and proceeds of all funds which, in the opinion of the Block Development and Panchayat Officer, were or are being collected for common, secular purposes of the village or the villages comprised in the sabha area
- All donations
- All taxes, duties, cess, fines and fees imposed
- The sale proceeds of all dust, dirt, dung or refuse collected by the servants of the Gram Panchayats and dead bodies of animals not claimed by any person in accordance with any custom or usage and the trees and other produce of the land vested in the Gram Panchayat;

- Income derived from the fisheries which are under the management of Gram Panchayats.
- Income derived from common lands vested in the Gram Panchayat under any law for the time being in force.

## III. MOBILIZATION AND MAINTENANCE OF FINANCIAL RESOURCES AT PANCHAYAT SAMITIS LEVEL

There shall be formed for every Panchayat Samiti a fund to be called the "Samiti Fund" and the same shall be placed to the credit thereof.

- Proceeds of taxes, cess and fees imposed by the Panchayat Samiti.
- All funds allotted to the Panchayat Samiti and income arising from all sources of income placed at its disposal.
- All rents and profits accruing from property vested in or managed by the Panchayat Samiti.
- All sums contributed to the fund by the Central Government or any State Government or by any Local Authority including Gram Panchayat or any private persons.
- All sums received by the Panchayat Samiti in the discharge of functions exercised by it.
- All sums paid by the Government to the Panchayat Samitis to meet expenses for the performances of agency functions.
- All grants made by the Government for the implementation of Community Development Programme and Rural Development Programme.
- The proceeds of all sources of income which the Government may order to be placed at the disposal of Panchayat Samiti.

## IV. MOBILIZATION AND MAINTENANCE OF FINANCIAL RESOURCES AT ZILLA PARISHAD LEVEL

There shall be Zilla Parishad Fund which includes the following:

- The proceeds of any tax, cess, toll or fee imposed under this Act;
- The sale proceeds of all dust, dirt, dung, refuse or carcasses of animals, except in so far as any person is entitled to the whole or a portion thereof;
- 5% to 10% of the funds allotted to a district as grant-in-aid by the Government under plan

scheme to Development and Panchayats Department.

- All sums received by way of loans from the State Government or otherwise;
- All sums received by way of gift or contribution by the Zilla Parishad;
- The income or proceeds of any property vesting in the Zilla Parishad;
- The sum realized by way of rent or penalty otherwise than as the amount of any fine in a criminal case. All property vested in Zilla Parishad under this Act and all funds received by it in accordance with the provisions of this Act, and all sums accruing to it under the provisions of any law for the time being enforce, shall be applied subject to the provisions and for the purposes of this Act and all such sums and funds shall be kept in such custody as may be prescribed. Any surplus fund in the hands of a Zilla Parishad Ministry of Rural Development which may not be required for current charges may be invested in such manner as may be prescribed. In the case of any loan taken by a Zilla Parishad, the payment of the principal and the interest thereon shall be a first charge on its fund.

#### V. CONCLUSION

- The people would have a better understanding of what the Government of India proposes to do;
- Peoples participation in decision making and implementation would help in choosing target programs for the respective villages;
- Peoples participation would result in sustainability of the rural development programs
- This would improve the cost benefit analysis and bring about a radical social change and the system would become a mechanism for self-education

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