

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Resource Mobilization – Procedure to follow to utilize the user charges collected by the Departments - orders – Issued.

FINANCE PLANNING (FW: BG) DEPARTMENT

G. O. Ms. No. 170

Dated:23-04-2001

Read the following:-

G. O. Ms. No. 43, Fin (FW. W&M) Dept., Dt: 22-04-2000

ORDER:

As a part of wide-ranging fiscal reforms and to correct the fiscal imbalances, Government is fully committed to improve the resource mobilization on all fronts. Towards this end, all the revenue earning Departments have been oriented into modern, efficient and use friendly agencies to be capable of making scientific and accurate analysis of the revenue potential in their respective fields. At the same time, the enforcement capabilities are also being enhanced to ensure effective compliance of tax laws. Apart from streamlining tax administration on these lines, there is a tremendous scope for improving non-tax revenues especially, user charges and cost recovery in a range of public services.

2. In many, cases, Government can recover costs from the users because these services are individualized, and users can be identified and charged according to the extent of their usage. It is observed that while the costs of providing services has been increasing, the fees and user charges have remained virtually frozen in nominal terms for years. As a result, implicit subsidization has increased, draining the Government budgetary resources and getting ultimately financed by borrowing. User charges have to be index-linked and the process of periodic revision should become automatic. However, users can be persuaded to pay if the quality of services is cost efficient so that these users are not made to pay for the inefficiency of the public agencies.

3. Recognizing the need to make the systems more user friendly and cost efficient, Government has decided to permit the concerned Departments to mobilize their own resources and retain with them the amounts so collected to improve the services, Retention of user fees is also related to existing initiatives to allow more revenues to be retained and utilized directly by concerned public agencies.

4. It is necessary that all Departments clearly understand the distinction between tax and non tax revenue receipts and the concept of user charges levied for providing improved quality of public services. Tax revenue comprise of sales tax, excise duties, motor vehicle tax, registration and stamp duties, land revenue etc. Non Tax Revenues comprise of mineral royalties, sale of timber and other forest produce, sale of Government land, interest receipts and other revenues etc, received by Government which are not classified as tax revenues. While all user charges are treated as non tax revenues, all non tax revenues are not user charges. At present, user charges are being levied in the shape of license fee, examination fee, audit fee, corporation fees, fees for technical advice, And providing infrastructural facilities and other services, fines and penalties of all types etc. Annexure-I to this order specifies items which fall in the

category of “User Charges” out of Non Tax Revenues provided for in the budget estimates for 2002-02. In addition, the Departments are free to identify and levy user charges for items not covered in the budget estimates. While all Departments are free to enhance the rates and range of items covered under tax and non-tax revenues other than user charges, the receipts from these shall continue to be deposited into the Government Treasury as per current procedures and shall not be permitted to be retained by the Departments. However, user charges as identified in the Annexure to this order as well as any fresh items of user charges approved by specific Government Orders, issued with the concurrence of the Finance Department, shall be permitted to be deposited in separate deposit accounts and shall be permitted to be utilized by the concerned Departments or the administrative units as per the procedure prescribed in the following paragraphs.

5. Subject to the orders in para 4 above, all the Departments are, therefore, requested to work out in detail the services for which they would like to levy User Charges, rates of such levies and proposed improvement in the delivery of services. They should also work out the cost of modernization and computerization etc., required to enable them to provide more user-friendly and efficient services for which people would be required to pay more. Separate Government orders shall be issued by the respective Departments of Secretariat in consultation with Finance Department for each Department specifying the nature of User Charges to be levied, rates and the services which would be provided by the Departments and the items on which expenditure will be incurred out of user charges collected. Where user charges are already being collected by the Departments as per the Annexure-I, the existing rates may also need to be revised to be commensurate with the price index of those services in the open market to recover the actual costs incurred by the Departments. Departments are, therefore, also requested to reconsider the rates of non-Tax Revenues as well as user charges already being collected apart from exploring avenues to levy fresh user charges.

6. It is now essential that the amount of user charges collected by the Departments and retained by them are shown separately in the budget. To bring uniformity and easy identification, the following procedure for collection, depositing into Government account and utilization of user charges shall be followed.

- a) In case the user charge to be paid by each user is Rs. 100/- or more, the same shall be remitted directly into the Government Treasury through a challan under the head of account indicated below by the persons who are intended to pay such user charge. After paying the person who is intended to pay such user charge. After paying the amount in treasury the copy of challan shall be furnished to the Drawing and Disbursing Officer concerned for getting the services rendered. In case, of the user charges are less than Rs. 100/- per case, the amount can be collected by the concerned Drawing and Disbursing officer in cash against issue of proper receipt and then the daily collections shall be deposited into the Deposit account mentioned below.
- b) Each Drawing and disbursing Officer shall deposit the user charges collected by him through collected by him through al challan everyday under the head of account “8443 Civil Deposits – MH – 800 Other Deposits –SH(09) Deposits of collection of User charges of Agriculture & Co-Op. Department (to be opened separate sub-head for each Secretariat, Department. Agri. & Co-Op., Department is quoted as an example). The sub head for each Secretariat Department and detailed Heads for each

HOD under the respective Secretariat Department are given in the Annexure-II of this order. The challan shall be accompanied by a statement indicating the nature of collection and authority for such collection as prescribed in Annexure-III of this order. The deposit account shall be treated as category 'A' Deposits as per G. O. read above.

- c) After depositing the user charges into the above said head of account, the drawing from the above said deposit account by way of bill in APTC Form No. 64 "Repayment of Deposits" i.e., "8443- Civil Deposits – MH 800 Other Deposits –SH(09) Deposits of collection of user charges of Agriculture & Co-Operation Department (to be opened) Agriculture & Co-Operation Department is quoted as on example) on the strength of the challan and nature of expenditure. This shall be accompanied by the Certificate required from Deposit Account holders as per G. O. Ms. NO. 43, Finance & Planning (FW-W&M) Department, Dt: 22-4-2000 read above concerning the Management of Deposit Accounts.
- d) The Head of Departments are empowered to redistribute the surplus user charges of one Drawing and Disbursing Officer and allot to another Drawing and Disbursing Officer, where there is a shortfall. In such cases, the Heads of Departments shall inform the particulars of redistribution to both the Drawing and Disbursing Officers affected as well as both DTOs/STOs concerned.
- e) In the month of March, after the date for admission of bills is over, each treasury officer shall make adjustment entries to the extent of actual expenditure under the user charger and an equal amount of receipts under user charges to the following heads. For receipts a standard sub-head "SH(77) User Charges" under the Departmental receipts head of account like "0070 Other Administrative Services 60 Other Services – MH 800 Other Receipts –SH(77) User Charges" shall be used. Similarly, the expenditure incurred from user charges shall be transferred to the standard sub-head of account "SH(77) Expenditure incurred from User Charges" under Departmental expenditure head of account like "2070 Other Administrative Services – MH 800 Other Expenditure – SH (77) Expenditure incurred from user Charges" collected by the Department.
- f) Receipts in excess of expenditure under user charges shall continue to remain in the civil deposits account mentioned under (b) above and shall be available to the Drawing and disbursing Officer or the Heads of Departments for use in the following year. Each Drawing and Disbursing Officer/Head of Departments shall maintain proper and full accounts for the deposit account for the user charger as per the G. O. Cited above.
- g) It shall be the responsibility of each Head of the Department to ensure that supplementary estimates to the extent to adjustment of expenditure of user charges are submitted to the Finance Department before 5th March every year so that the same can be placed before the Legislative Assembly for their approval. Similarly, all Heads of Departments shall also furnish this information to the Accountant General for effecting necessary transfers in the accounts of the State Government.
- h) It shall be the responsibility of each Treasury Officer to ensure proper accounting and reconciliation of amounts deposited in the deposit account as well as withdrawals therefrom. Each Treasury Officer shall satisfy himself that the amounts being withdrawn by the Drawing and Disbursing

Officer concerned from the deposit account are for the approved purposes specified in the Government orders authorizing the levy of user charges. He shall also ensure that the Deposit administrator, i.e, the concerned Drawing and Disbursing officer/Heads of Departments comply with all the requirements as per GO read above.

- i) The Drawing and disbursing Officer who is authorized to collect user charges from the public shall issue of printed receipt duly numbered, to the person from whom the charges are collected. He shall also maintain daily Cash Book for the collections, deposits and withdrawals from the deposit account. The Drawing and Disbursing Officer shall also maintain separate register for total collection, deposits and withdrawals made from deposit account with details of purposes for which the amounts are drawn. The Cash Book and Registers shall be made available for the Audit.

7. All the Secretariat Departments and heads of the Departments are requested to complete this exercise within a month and specific orders shall be issued at the earliest.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.K. ARORA
PRINCIPAL SECRETARY TO GOVERNMENT

To

All the Departments of Secretariat.
All Heads of Departments.
The Accountant General, AP, Hyderabad.
The Director of Treasuries & Accounts, AP, Hyderabad.
The Pay & Accounts Officer, Hyderabad.
All District Treasury Officers.
All Sub-Treasury Officers through DTA.

Copy To:

The Principal Secretary to CM
PS to all Ministers.
PS to Chief Secretary to Government.
SF/SCs.

//FPRWARDED::BY ORDER//

Sd/-
SECTION OFFICER.

ANNEXURE – I

Major	Head	Minor	Head	Sub	Head
0051	Public Service Commission	102	State Public Service Commission	01	Examination Fees
0055	Police	103	Fees, Fines & Forefeitures		
		800	Other Receipts		All sub heads {Except S.H (01)}
0056	Jails	102	Sale of jail Manufactures		
		800	Other Receipts	80	Sale proceeds of deadstock, Waste paper etc.,
0070	Other Administrative Services	102	Receipts under Citizenship Act		
	60- Other Services	103	Receipts under explosives Act		
		105	Home Guards		
		106	Civil Defence		All sub Heads
		107	Passport & Visa Fees		
		108	Marriage Fees		
		109	Fire Protection & Control		All Sub Heads
		110	Fees for Govt. Audit		
		114	Receipts from Motor Garrages etc.		
		115	Receipts from Guest Houses, Govt. Hostels etc.		All Sub Heads
0202	Education, Sports, Art & Culture				
	01- Gen. Education	101	Elementary Education	01	Examination Fees
				02	Other Fees
				03	Contributional donations from individuals and institutions
				81	Other receipts
		102	Secondary Education	01	Examination fees

				02	Other Fees
				03	Text Book Receipts
				04	Receipts by sale of nationalized text books printed in A.P. Govt. Text book press
		103	University & Higher Education	01	Tuition & Other Fee from Govt. Junior Colleges
				02	Tuition & Other fee from Govt. Degree Colleges
				03	Contributions and income from Endowments
				04	Donations & Contributions
		105	Language Development	01	Tuition & Other Fee
				02	Other Receipts
		600	General	01	Jawahar Bal Bhawan
				02	Contributions
				03	Collection of Payments for services rendered
				81	Other Receipts
	02- Technical Education	101	Tuition & Other fees	01	Tuition & Other fees
	03- Sports & Youth Service	101	Physical Education, Sports & Youth Welfare	01	National Cadet Corps
				81	Other Receipts
	04- Art & Culture	101	Archives & Museums	01	Archives
				02	Museums
				91	Other Receipts
		800	Other receipts	01	Receipts of the Dept. of Archaeology
				81	Other Items

0210	Medical & Public Health				
	01- Urban Health Services	020	Receipts from patients for hospital and dispensary services		All sub heads
		501	Services & Service Fees		
	03- Medical Education Training and Research	101	Ayurveda		All Sub heads
		102	Homeopathy		All Sub heads
		103	Unani		All Sub heads
		104	Siddha		
		105	Allopathy		All Sub heads
		200	Other systems		All Sub heads
	04- Public Health	102	Sale of Sera & Vaccines etc.,		All Sub Heads
		104	Fees, Fines etc.		
		105	Receipts from public health laboratories		
		501	Services & Service Fees		
0215	Water Supply & Sanitation				
	01- Water Supply	103	Receipts from Urban Water supply schemes.		All Sub heads
		104	Fees, Fines etc.,		
	02 – Sewerage & Sanitation	800	Other Receipts		All sub heads
0220	Information & publicity				
	60- Others	105	Receipts from Community Radio & TS Sets	01	Recovery of cost and maintenance charges of community radio & TV sets
		113	Receipts from other publications		All sub heads {excepts S.H (01)}
		800	Other receipts		
0230	Labour & Employment	101	Receipts under Labour Laws		
		102	Fees for registration of Trade		

			Unions		
		106	Fees under Contract Labour (Regulation & Abolition) Rules		
0250	Other Social Services	102	Welfare of SCs, STs & other Backward Classes		All sub heads
0401	Crop Husbandry	103	Seeds		All sub heads
		800	Other receipts	02	Collection of payments for services rendered
				80	Sale proceeds of deadstock Waste paper etc.
0403	Animal Husbandry	800	Other receipts	02	Fees for Veterinary
				03	Contributions from local bodies
				04	Receipts from veterinary biological research institute
				05	Animal bio-products trading scheme
				06	Collection of charges for artificial insemination of cattle
				80	Sale proceeds of deadstock Waste paper etc.
0405	Fisheries	103	Sale of fish, fish seeds etc.		
				02	Receipts from sale of fish etc.
		501	Services and service fees		
				01	Receipts on account of processing facilities
				02	Receipts on account of reservation facilities
		800	Other receipts	02	Collection of payments for services rendered

0406	Forestry and wildlife				
	01- Forestry	800	Other receipts	05	Receipts on account of chartiable insitutions
				80	Sale proceeds of deadstock and waste paper and other articles
	02 – Environmental forestry and wildlife				
		111	Zological Park		All Sub Heads
		112	Public Gardens		
0425	Cooperation	800	Other Receipts	02	Examination Fees
				03	Liquidation Fees
				04	Arbitration Fees
0435	Other agricultural Programmes				
		102	Fees for quality control grading of agricultural products		
		104	Soil and water conservation		All sub heads
0506	Landreforms	800	Other receipts		
0702	Minor Irrigation				
	01- Surface Water	800	Other receipts		
	02 – Ground Water	800	Other receipts		All sub heads
0851	Village and Small industries	102	Small scale industries	01	Receipts from ceramic units
				02	Receipts from Sawmill cum seasoning plant, Nirmal
				04	Receipts from leather processing units
				05	Receipts from other units
		103	Handloom Industries	01	Licensing fees

		107	Sericulture Industries	01	Receipts from Govt. silk reeling units
				03	Receipts from Govt. Grainage
				04	Receipts from Tassar silk sector
0852	Industries				
	08- Consumer Industries	600	Others	01	Govt. power alcohol factory, Bodhan
1452	Tourism	103	Receipts from tourist transport		
		105	Rent & catering receipts		
		800	Other receipts		
1475	Other general economic services				
		102	Statistics	01	Receipts of Bureau of Economics & Statistics
		800	Other receipts	04	Collection of payments for services rendered
				06	Sale proceeds of Atlas of A.P.

ANNEXURE – II

STATEMENT SHOWING THE SUB-HEADS ALL LOCATED TO THE DEPARTMENTS FOR UTILISING THE USER CHARGES

Head of Account	Name of the Department	Final Receipt Expenditure Head of Account Ref. Para 6 (e)	
Ref. Para 6 (b) & (c)		Final receipt Head	Final Expr. Head
8443- Civil Deposits – M.H. 800 – Other Deposits			
S. H (09)	Deposits of Collection of User charges of Agriculture and Cooperation Department		
001	Agriculture Department	0401-800-77	2401-800-77
002	Horticulture Department	0401-119-77	2401-119-77
003	Registrar of Cooperative Societies	0425-800-77	2425-800-77
004	Sericulture Department	0851-107-77	2851-107-77
005	Marketing Department	0435-102-77	2435-001-77
S.H (10)	Deposits of Collection of User Charges of Animal Husbandry and Fisheries Department		
001	Animal Husbandry Department	0403-800-77	2403-800-77
002	Fisheries Department	0405-800-77	2405-800-77
S.H. (11)	Deposit of Collection of User Charges of Backward Classes Welfare Department		
001	Backward Classes Welfare	0250-800-77	2225-03-800-77
S.H (13)	Deposits of Collection of User Charges of Environment and Forest		
001	Forest Department	0406-01-800-77	2406-01-800-77
S.H (14)	Deposits of Collection of User Charges of Finance Department		
001	Local Fund Audit	0070-60-110-77	2054-098-77
S.H (15)	Deposits of Collection of User Charges of General Administration		

001	Information and Public Relations Department	0220-60-80-77	2220-60-001-77
002	Public Service Commission	0051-102-77	2051-102-77
003	Comptroller of Guest Houses	0070-60-115-77	2070-115-77
004	Commissioner, A.P. Bhavan, New Delhi	0070-60-115-78	2070-115-78
S.H. (16)	Deposits of Collection of User Charges of Health, Medical and Family Welfare Department		
001	Director Medical Education	0210-03-105-77	2210-05-105-77
002	Director of Health	0210-01-501-77	2210-01-110-77
003	Institute of Preventive Medicine	0210-04-800-77	2210-06-106-77
004	Indian Medicine and Homeopathy	0210-03-200-77	2210-05-103-77
005	Drugs Control	0210-04-501-77	2210-06-104-77
S.H (17)	Deposits of Collection of User Charges of Home Department		
001	Director General & Inspector General of Police	0055-800-77	2055-800-77
002	Director General & Inspector General of Prisons	0056-800-77	2056-800-77
003	Fire Services Department	0070-60-109-77	2070-108-77
004	Commissioner of City Police	0055-105-77	2070-107-77
005	Inspector General of Police, home Guards	0070-60-105-77	2070-107-77
006	Inspector General of Police, Intelligence	0070-60-107-77	2055-101-77
S.H (18)	Deposit of Collection of User Charges of Irrigation and Command Area Development Department		
001	Ground Water Department	0702-02-800-77	2702-02-005-77
002	Chief Engineer, Minor Irrigation	0702-01-800-77	2702-01-101-77
S.H (19)	Deposits of Collection of User Charges of Industries and Commerce Department		
001	Commissioner of Industries	0851-102-77	2851-102-77
002	Handlooms and Textiles	0851-103-77	2851-103-77
S.H (20)	Deposits of Collection of User Charges of		

	Labour and Employment Department		
001	Commissioner of Labour	0230-101-77	2230-01-001-77
S.H (21)	Deposits of Collection of User Charges of Municipal Administration Department		
001	Public Health	0215-01-103-77	2215-01-001-77
S.H (22)	Deposits of Collection of User Charges of Planning Department		
001	Economics and Statistics Department	1475-800-77	3454-02-800-77
S.H (23)	Deposits of Collection of User Charges of Revenue Department		
001	Commissioner, Settlements and Land Records	0506-800-77	3454-02-800-77
002	Registration and Stamps	0070-108-77	2030-03-001-77
S.H (24)	Deposits of Collection of User Charges of Social Welfare		
001	Social Welfare Department	0250-102-77	2225-01-800-77
002	Tribal Welfare Department	0250-800-78	2225-02-800-77
S.H (25)	Deposits of Collection of User Charges of Youth Advancement, Tourism and Culture Department		
001	Director of Tourism	1452-800-77	3452-80-001-77
002	Directorate of N.C.C.	0202-03-101-77	2204-001-77

ANNEXURE – III
STATEMENT SHOWING THE DETAILS OF COLLECTION OF USER CHARGES TO BE ATTACHED TO CHALLAN (Ref. para 6
(b)

Name of the Department:

Name of the DDO:

Sl.No.	Receipt No. & Date	Amount (Rs.)	Nature of Collection (eg. License Fee/Service Charges/ Audit Fee etc.)	Authority for Such Collection (G.O. No. & Date)