

No.M-13011/06-2013-RH
Government of India
Ministry of Rural Development
Department of Rural Development

Krishi Bhawan, New Delhi,
Dated : 26.09.2013.

Principal Secretary/Secretary (RD) of All State Govts/
UT Administration.

Subject: 4% Administrative expenses – upto 1% for IEC – regarding.

Sir,

Kind attention is invited to para 3.6 of the revised IAY Guidelines which relates to Administrative Expenses and eligible items of expenditure under administrative expenses.

2. In this regard, a decision has been taken by the Competent Authority that out of 4% of the funds released which are to be utilised as Administrative Expenses, upto 1% should be used for IEC activities. Under this the State should organise trainings for IAY beneficiaries before starting construction of house. The States should also enlist other activity areas such as training of local masons, training on maintenance practices technology demonstration, information on different design options for construction of houses etc.

3. Further it is also clarified that 4% of the funds released which are to be used as administrative expenses are shared in between Central and State in the same ratio as applicable to the main programme(75:25 – 90:10) and further division is between State and Districts in the ratio of 0.5% (State) and 3.5% (districts). The States can retain the 0.5% of the funds released as Administrative Expenses at the State level and release the balance to the districts.

4. The States may decide the formula and also the formula for distribution to the intermediate and Village Panchayat levels in accordance with workload assigned to them. The district allocation would include two parts, one part to meet fixed expenditure which would be same for all districts in a State and the other part proportional to the targets allotted to the districts. The eligible items of expenditure under administrative expenses are enlisted in para 3.6 of the IAY Guidelines 2013.

Yours faithfully,



(Arun Kumar Dhawan)
Deputy Secretary to the Govt. of India
Tele No. 23381272