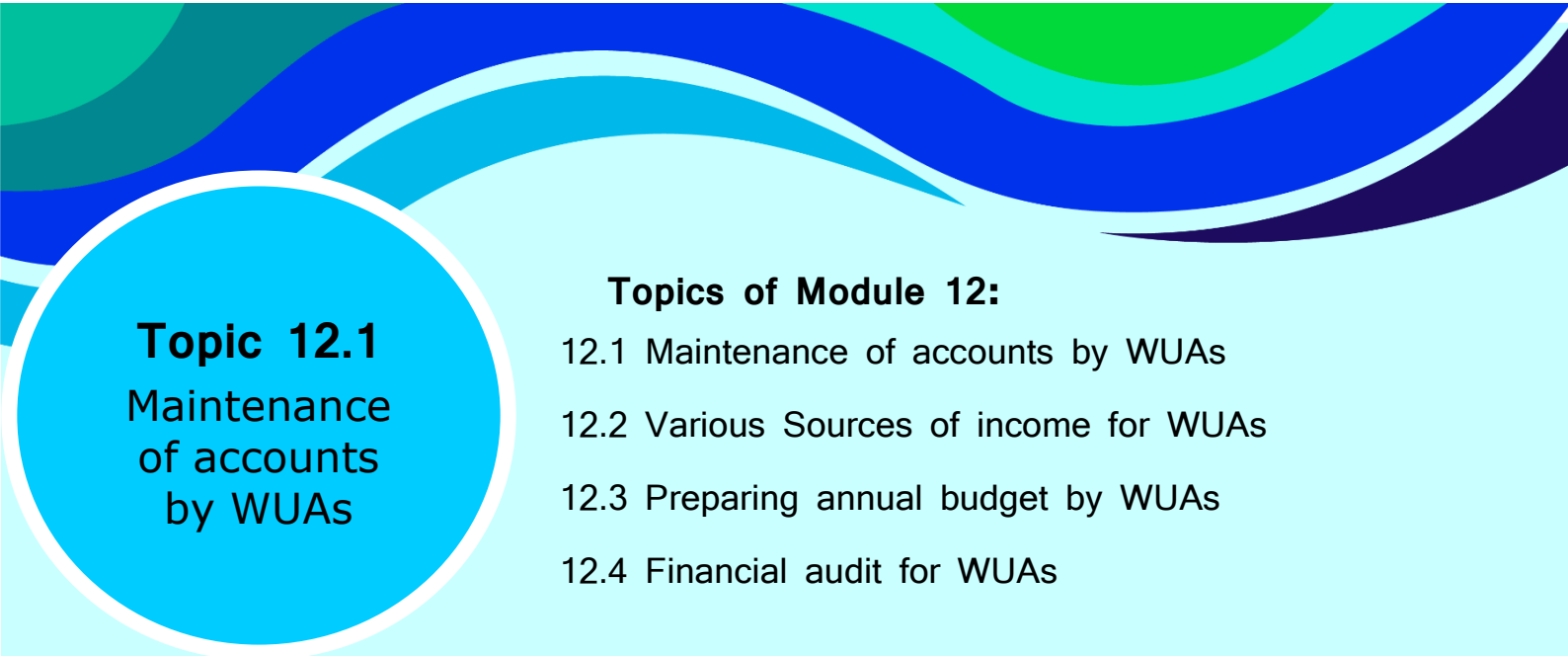


# **Certificate Course on Participatory Irrigation Management (PIM)**

## **Module 12- Financial Management of Water User Associations (WUAs)**

### **Topic 12.1 - Maintenance of accounts by WUAs**



#### **Topic 12.1** **Maintenance** **of accounts** **by WUAs**

#### **Topics of Module 12:**

- 12.1 Maintenance of accounts by WUAs
- 12.2 Various Sources of income for WUAs
- 12.3 Preparing annual budget by WUAs
- 12.4 Financial audit for WUAs

### **Maintenance of Accounts by Water Users Association**

Money is essential for proper functioning of any organisation and without money no work can be accomplished. Financial status of Water Users Association (WUA) should be strong and it can be strengthened by collecting financial resources from various sources so that WUA can accomplish its activities easily.

Proper accounting of money is very much essential to complete any work properly. Objectives of maintaining of records are to maintain total

transparency, to utilise as evidence in case of any dispute and to compare total expenditure against the income to evaluate financial progress with physical progress.

Water Users Association should keep their funds in a Nationalised Bank or a Co-operative Bank or a Post Office. These funds shall be applied towards meeting of the expenses incurred by the Managing Committee of the concerned WUA and for no other purpose.

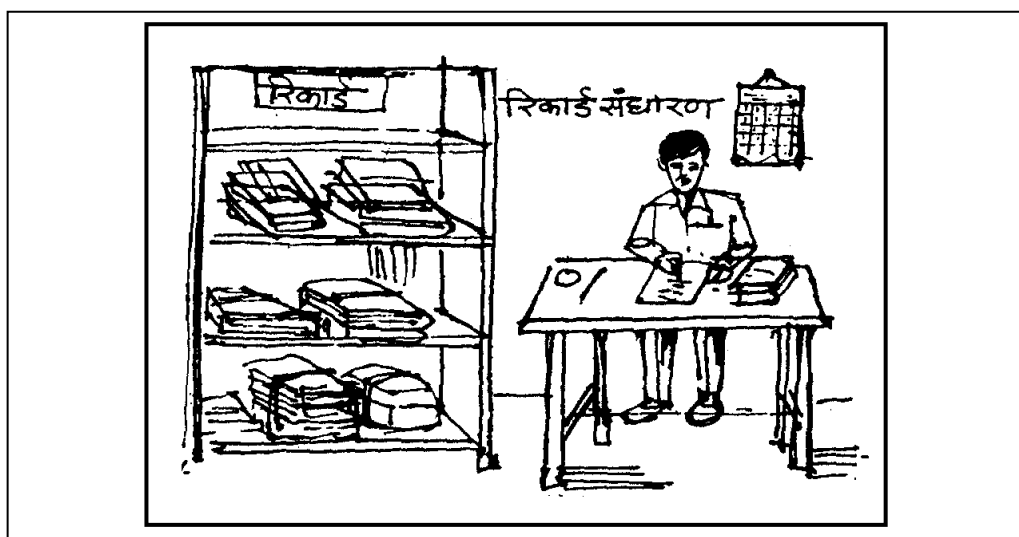
This account should be opened in its name and shall be **operated jointly by the President/Chairman/Secretary and one of the managing committee members (may be Treasurer)** as nominated by the Managing Committee.

Formalities required for opening of bank account may be collected from concern bank. Generally, it will require two photographs and minutes of meeting by which another member of managing committee have been nominated to operate the account with president.

After receiving money, its proper accounting should be maintained to fulfil its objectives. There is a saying:

***First write – than give; In case of any mistake – get it from the paper***

Records/registers should be maintained to keep accounts properly. Maintaing of records is essential to maintain total transparency, to utilise as evidence in case of any dispute and to compare total expenditure against the income to evaluate financial progress with physical progress.



As per Act and Rules of State every Water Users Association should keep at its office accounts, records and documents. In addition to these following documents may also be kept by WUA for maintenance of accounts:

- Cash Book,
- Ledger Book,
- Voucher,
- Receipt book,
- Register for details of receipts books,
- Yearly income & expenditure details Register,
- Cheque, draft, money order receipt & despatch details Register,
- Cheque book details Register,
- Challan Register,
- Receipt-Expenditure Register
- Labour attendance & payment Register,
- Salary details Register.

Brief description of the registers to be maintained by Water Users Association is as follows:

### **1. Cash Book**

It has two parts, one for income and another for expenditure. All income should be entered on left side which is meant for income side and all expenditure should be entered on right side which is meant for expenditure side. If money has been received through a cheque/DD than it should be entered on income side in Bank column alongwith details of cheque including cheque number, date, from where received, etc. In case it has been directly deposited in Bank than it should be written on income side in Bank column. In case payment has been made cash it should be written on right side. All entries should be entered alongwith Voucher number. Date of entry alongwith page number in Cash Book should also be entered on each Voucher. Total should be done every day in Cash Book.

Format for the Cash Book may be as follows:

<b>Water Users Association-----Village-----</b> <b>Name of Irrigation Project ----- Block -----District-----</b>							
<b>CASH BOOK</b>							
<b>Receipt Side (Left page)</b>							
Receipt Date	Voucher No. and Reference	Received From	Cash	Bank		Total	Details of Receipt
				Check Number	Amount		
6.6.20	1	Mr. Ram Lal	1000	-	-	1000	Irrigation charges
6.6.20	2	Mr. Shyam Lal	-	72535/5.6.20	2000	2000	Irrigation charges
6.6.20	3	Execituve Engineer, Irrigation Division I	-	5753/5.6.20	10000	10000	Kharanja Construction
		<b>Total</b>	<b>1000</b>		<b>12000</b>	<b>13000</b>	
		Previous Balance	3000		20000	23000	
		<b>Total</b>	<b>4000</b>		<b>32000</b>	<b>36000</b>	
<b>Expenditure Side (Right page)</b>							
Paym ent Date	Voucher No. and Reference	To whom payment done	Cash	Bank		Total	Details of payment
				Check Number	Amount		
6.6.20	1	Execituve Engineer, Irrigation Division I	1500	-	-	1500	Irrigation charges
6.6.20	2	Mr. Kishan	-	3221/6.6.20	4000	4000	Kharanja Construction
6.6.20	3	Mr. Modu Lal	2000	-	-	2000	Kharanja Construction
		<b>Total</b>	<b>3500</b>		<b>4000</b>	<b>7500</b>	
		Previous Balance	500		28000	28500	
		<b>Total</b>	<b>4000</b>		<b>32000</b>	<b>36000</b>	

## 2. Ledger

Any income to the Water Users Association should be entered in Ledger by opening an account for the purpose. Similarly, all payments should also be entered in Ledger in related account like stationary, cement, brick, stone, labour, irrigation charges etc. Entry in Ledger should be made date wise from Cash book.

Format for the Ledger may be as follows:

<b>Water Users Association-----Village-----</b>		
<b>Name of Irrigation Project ----- Block -----District-----</b>		
<b>LIST OF ACCOUNTS</b>		
<b>S.No.</b>	<b>Details of Ledger</b>	<b>Ledger page number</b>
1	Shri Ram Lal	5
2	Shri Shyam Lal	6
3	Executive Engineer, Irrigation Division I ....	7
4	Shri Mohan Lal	11

<b>Water Users Association-----Village-----</b>							
<b>Name of Irrigation Project ----- Block -----District-----</b>							
<b>LEDGER</b>							
<b>Irrigation Charges</b>							
<b>Date</b>	<b>Voucher Number</b>	<b>Details of Receipt and Expenditure</b>	<b>Cash Book Page No.</b>	<b>Receipt</b>	<b>Expenditure</b>	<b>Balance</b>	<b>Signature</b>
				<b>Brought forward</b>		<b>23000</b>	
<b>06-06-20</b>	<b>1 (Receipt)</b>	<b>Shri Ram Lal</b>	<b>4</b>	<b>1000</b>	<b>-</b>	<b>24000</b>	
<b>06-06-20</b>	<b>1 (Expenditure)</b>	<b>Executive Engineer, Irrigation Division -----</b>	<b>4</b>	<b>-</b>	<b>1500</b>	<b>22500</b>	
<b>06-06-20</b>	<b>2 (Receipt)</b>	<b>Shri Shyam Lal</b>	<b>4</b>	<b>2000</b>	<b>-</b>	<b>24500</b>	

### 3. Voucher

All payments should be done after taking bill/invoice for the work. In case person doesn't have bill/invoice and in case of patty works/items payment can be made by getting signature of the person on the Voucher. All Vouchers should be filed monthwise in a file.

Format for the Voucher may be as follows:

<b>Water Users Association-----Village-----</b>	
<b>Name of Irrigation Project ----- Block -----District-----</b>	
<b>VOUCHER</b>	
<b>Details of Payment</b>	<b>Amount (Rs.)</b>
Paid to Mr. Modu Lal village .....as labour part for construction work.	Rs. 2000/-
Received Rs. 2000/- (Rs two thousand only) for labour part for construction work as above.	
<b>Signature of Receiver with name</b>	
Entered at page no. 4 of Cash Book.	
<b>Signature of Treasurer</b>	

### 4. Recceipt Book

Receipt should be maintained in two copies. Receipt should be given in case of all money received. Amount should be written in numbers as well as in words. Second/carbon copy should be kept with the Water Users Association.

Format for the Receipt may be as follows:

<b>Water Users Association-----Village-----</b>		
<b>Name of Irrigation Project ----- Block -----District-----</b>		
<b>RECEIPT BOOK</b>		
<b>Book Number:</b>	<b>2</b>	<b>Receipt No.: 77</b>
		<b>Date: 06-06-20</b>
Received with thanks Rs. 1000/ (Rs. One thousand only) cash from Mr. Ram Lal against irrigation charges.		
<b>Signature of Tresurer</b>		

Entered at page number 4 of Cash Book

Signature of Treasurer

## 5. Recceipt Book Register

Details of receipt book including book number, number of receipts in book, etc. should be entered in this register. This register should also include name of person whom receipt book has been issued and amount received etc. Format for receipt book register may be as follows:

<b>Water Users Association-----Village-----</b>					<b>Name of Irrigation Project ----- Block -----District-----</b>	
<b>DETAILS OF RECEIPT BOOKS</b>						
S. No.	Receipt Book Number	Receipt Number		Total Number of Receipts	Name of Issuer	Signature
		From	To			
1	1	1	50	50	President	
2	2	51	100	50	President	
3	3	101	150	50	President	

## 6. Annual Report of Income and Expenditure Register

Every Water Users Association should prepare details of income and expenditure for complete year at the end of each financial year. It should include head wise receipts and expenditures. Format for Annual Report of Receipts and Expenditure may be as follows:

<b>Water Users Association-----Village-----</b>					<b>Name of Irrigation Project ----- Block -----District-----</b>	
<b>INCOME – EXPENDITURE REGISTER</b>						
Income (Rs.)			Expenditure (Rs.)			
Head	Amount (Rs.)		Head	Amount (Rs.)		
Irrigation Charges	1,00,000		-	-		
			Weed Removal	1,00,000		

Kharanja Construction	2,00,000	Kharanja Construction	1,75,000
Donation Received	50,000	-	-
Penalty	10,000	Stationary	25,000
		Travel Expenses	15,000
		Meeting etc.	10,000
		Electricity, water etc.	5,000
<b>Total</b>	<b>3,60,000</b>	<b>Total</b>	<b>3,30,000</b>
		<b>Balance Amount</b>	<b>30,000</b>

## 7. Cheque/Draft/Money Order Received and Sent Register

Details of Cheque/DD/Money Order like cheque/DD number, date of issue, from whom issued, purpose of issue, receipt date, etc. should be entered in this register. Similarly, incase of payment to be made by cheque/DD than details like date of issue, amount, to whom issued, etc. should also be entered first in this register and than only it should be delivered/given/ sent.

Details of cheque/DD should also be entered in Cash Book and details of Cash Book should be entered in this register.

## 8. Cheque Book Register

Details of cheque books like cheque book number, number of cheques, number of cheques etc. should be entered in this register. Details of cheque issued like to whom cheque issued, amount of cheque, name of person issuing the cheque etc. should also be entered in this register. Format for Cheque Book Register may be as follows:

<b>Water Users Association-----Village-----</b> <b>Name of Irrigation Project ----- Block -----District-----</b>				
<b>CHEQUE BOOK REGISTER</b>				
S.No.	Cheque Number (from)	Cheque Number (To)	Total number of cheques	Signature
1	0708026	0708050	25	
2	0803051	0803075	25	



## **9. Challan Register**

Money received should be deposited in Bank through a Challan. Details of funds received like from where received, purpose for which received etc. should be entered in this register. Challan should be prepared in four copies. Head number should also be entered in Challan. Its one copy must be given to Bank, another to Competent Authority and one copy should be filed in Voucher file. Format for the Challan may be obtained from the Department.

## **10. Receipt Expenditure Register**

Details of money received, work for which payments done along with details of person who received the money should be entered in this register. Summary of income and expenditure at any time can be obtained from this register.

## **11. Daily Attendance and Payment Register for Labourers**

Some times labourers are engaged on daily basis. Name of labourers along with father/husband's name, age, village, attendance, payable amount, rate, name of work, place and duration should be entered in this register.

## **12. Salary Details Register**

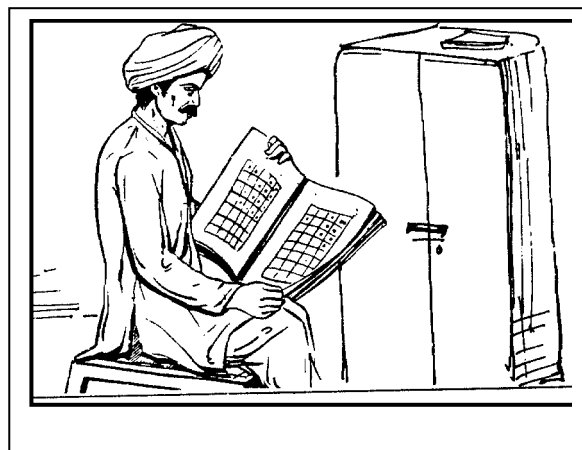
Details of payment made to the salaried persons should be entered in this register.

## **Precautions in Maintenance of Accounts**

Following precautions should be taken during maintenance of accounts by a Water Users Association (WUA):

- Any person with normal intelligence who utilizes his own money, should utilize WUAs funds in similar way.
- Members of WUAs should have complete knowledge of accounts of WUA and proper attention should be given to accounts.
- Members of WUAs should utilize resources of WUA properly with mutual faith and honesty keeping fair environment. Misutilization and improper expenditure should be stopped.

- Maintenance of accounts of WUA should be done with complete responsibility and care.
- Each WUA should open its account in any Nationalized Bank or Cooperative Bank or in Post Office. This account should be operated jointly by President/Secretary of WUA along with another member nominated by the committee.
- All expenses should be approved every month by the managing committee.
- Each WUA should maintain its expenditure including all receipts, vouchers etc. through Cash Book.
- Receipt should be given for all money received by the WUA and its copy should be kept with WUA. Any money should not be received without a receipt.
- Any receipt of money should be entered in Cash Book on the same day.
- Money received by the WUA should be deposited in the Bank at the earliest. Money should not be kept in office in excess of prescribed limit. Generally, it should not be more than Rs. 2000/.
- As far as possible all transactions should be done through cheque only.
- All efforts should be made to receive subsidy/funds from the State Government.
- Details of funds like donation, fee, charges, penalty, etc. received from its participatory members should always be kept available.
- Security should be received from Treasurer/store keeper and this work should be allotted to a responsible person.
- Locker with double key should be used to keep cash. Its one key should be available with President and another key with Treasurer. Another set of keys, properly sealed, should be kept with competent authority. Both key of Double lock should not be kept with a single person.
- All registers, Receipt Book, Cash Book etc should be marked with page numbers and following certificate should be written on first page:



*Certified that this ..... has page number 1 to page number .....*

*Signature of President*

- “Cancelled after making payment” seal should be marked with signature on each bill after payment.
- Cash Book should be checked at the end of each month or at any time in the month by another person other than Cashier.
- President should do physical verification of the cash at the end of each month or at any time in the month and following certificate should be entered:

*Physical verification of cash was done and Rs..... (Rs. in words ..... ) was found in cash.*

*Signature of President*

- No over writing should be done in Cash Book. If required entry should be strike-through and should be signed. Amount should be entered in words also.
- Cash Book and Vouchers are part of the society and should be kept safe.
- No transaction of money should be done without competent approval.
- Payment of more than Rs. 2000/ should be done through cheque only.
- As far as possible payment should be done through crossed cheque only.