

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

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

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



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

#### **Topic 12.2** Maintenance of accounts by WUAs

- 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

### **Various Sources of Income for Water Users Association**

Water Users Association (WUA), to achieve its objectives and to execute its functions, can recover irrigation charges as prescribed by the State Government. Collection of fees may be used to fulfil following objectives:

- To provide facility for the Water Users Association
- To fulfil necessary requirements of the Water Users Association
- To create assets for the Water Users Association
- For the development of irrigation system

With the help of proper receipts for all fee collected accounts should be maintained properly. Following are the various sources of income for the Water Users Association:

- **Share of Water Users Association in irrigation charges** as prescribed by the State Government. Different states have different rules for the share of irrigation charges to Water Users Association. For example, Rajasthan has provision to refund 50% of irrigation charges collected by Water Users Association to Farmers Organisations (85% to WUA, 10% to Distributory Committee and 5% to Project Committee). This amount is refunded back when WUA deposits collected irrigation charges in Government head. Some State Government provides subsidy for example, Rs. 50 per hectare.
- **Managerial Subsidy** provided by Central and State Government along with farmers contribution. This managerial subsidy of Rs. 1200 per hectare is provided under CADWM programme of GOI, in which GOI's share is Rs. 540 per hectare, State Government's share is also Rs. 540 per hectare and farmers share is Rs. 120 per hectare.
- Funds provided by Central and State Government for the development works like rehabilitation of irrigation system.
- Funds received by the Water Users Association from any individual or organisation as donation, gift, prize, contribution, cooperation, subsidy etc.
- Service charges received from any organisation other than Government for services provided by the Water Users Association.
- Income generated to Water Users Association from resources, assets of the irrigation system.
- Income generated by works execution on contract basis by WUA and from other beneficial commercial activities.
- Irrigation Charges, Donation/contribution received from members.
- Penalty received from offender members.
- Income from Bank interest received for Fixed Deposit and Saving Account.
- Income from Dairy, Poultry farm, fisheries development etc. opened within jurisdiction of Water Users Association.
- Service charges levied for the use of Canal bank road, land, etc. Usually canal roads are ideal except in irrigation season when vehicles have to be passed through the canal service roads. Some nominal charges can be

fixed for the use of canal service roads (**Figure 1**) by other vehicles like tractor, jeep etc. This proposal to levy service charges should be approved from the General Body of the Water Users Association.

*Figure 1: Canal Service Road*



- To achieve its objectives, as additional income, Water Users Association can collect charges in addition to irrigation charges (as prescribed by the State Government). This proposal for additional charges has to be approved by the General Body of Water Users Association. Funds received from auction of dry trees, leaves, fruits, wood, dry trees etc. available in the jurisdiction of the Water Users Association. Generally, tree grows naturally or plantation is done on the bank of canals to protect the environment. With due course, they develop very well (**Figure 2**) and their leaves, fruits, woods along with dry trees can be auctioned by the Water Users Association (in their jurisdiction only) and this additional income can be utilized for the management of irrigation system by the Water Users Association.

*Figure 2: Trees on canal banks*



- Funds received from any other source. Water Users Association should make full efforts to receive funds from various other sources like M.P., M.L.A. fund, Mahatma Gandhi Narega Scheme and various other schemes of GOI & State Government.

In this way Water Users Association can utilize resources generated as above for the successful completion of its activities. At the same time Water Users Association can also develop more activities to earn extra funds.