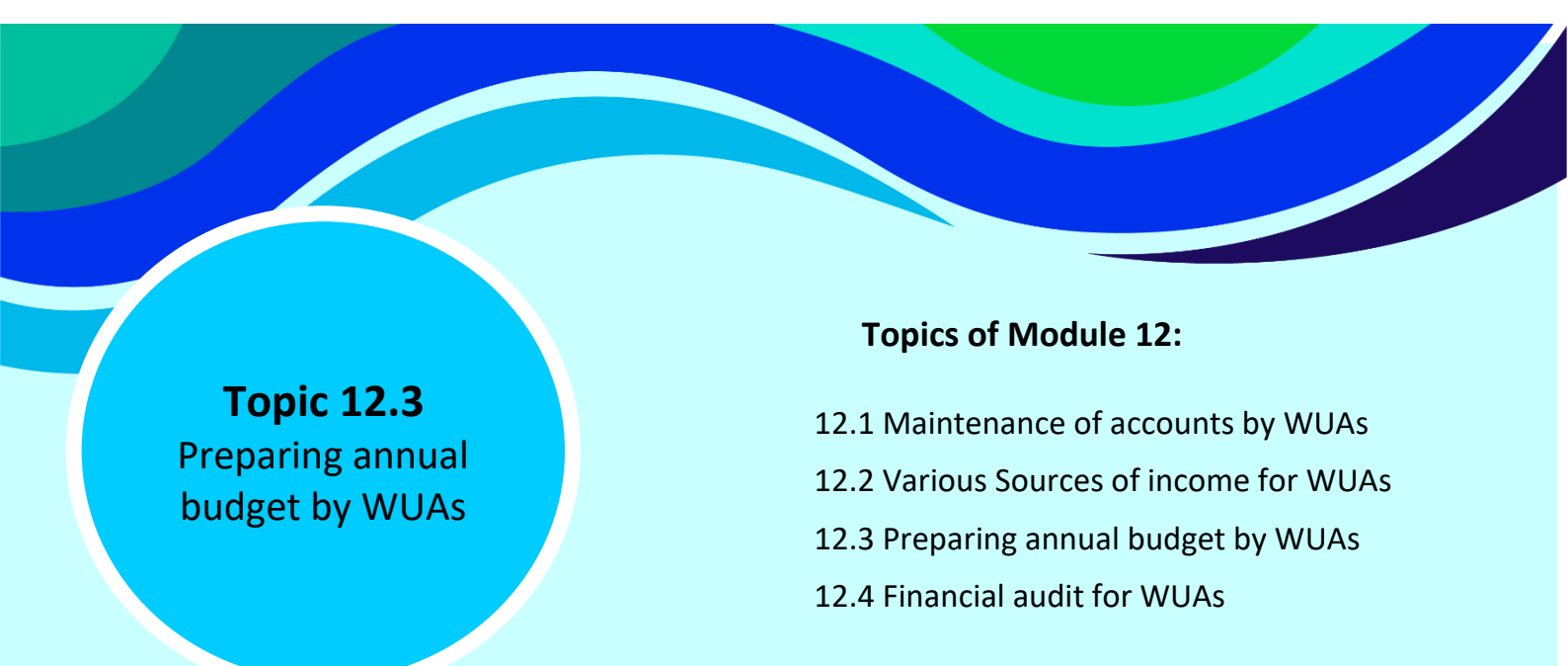


Certificate Course on Participatory Irrigation Management (PIM)

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

Topic 12.1 – Maintenance of accounts by WUAs



Topic 12.3 Preparing annual budget 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

The Managing Committee of the Water Users Association (WUA), in every financial year before Kharif Season should prepare a budget in respect of the next financial year, showing the estimated receipts and expenditure of the WUA and place before the General Body of the Water Users Association for its approval. Following points should be kept in mind while preparing the annual budget for the Water Users Association for the next financial year:

- Annual income and expenditure of previous three years should be analyzed to give basic idea of source of income as well as expenditure to be planned.
- Walk through survey of the irrigation system under jurisdiction of the Water Users Association should be conducted by the managing committee alongwith farmers and a list of works which are necessary for the proper management of the irrigation system should be prepared.
- A priority list may be prepared for the works which are to be executed on the top priority (which are necessary for the running of canal) and works which can be executed later on as second priority. Similarly, list of works which can be executed later on (as deferred maintenance) and list of works which are necessary for the renovation of canal should also be prepared.
- Now managing committee should discuss on the availability of funds during next financial year and possible sources of income and ways by which Water Users Association can make efforts to raise the income of the Water Users Association. Various sources of income for the Water Users Association which can be considered during preparation of annual budget may include following:
 - irrigation charges to be collected from farmers.
 - funds to be received from State Government as share of irrigation charges, subsidy/grant to Water Users Association.
 - Funds provided by Central and State Government for the development works like rehabilitation of irrigation system.
 - Funds received by Water Users Association from individual or organisation as donation, gift, prize, contribution, cooperation, subsidy etc.
 - Income generated to Water Users Association from resources, assets of the irrigation system like service charges levied for the use of Canal bank road, land, etc., funds received from auction of dry trees, leaves, fruits, wood etc available in the jurisdiction of the Water Users Association.
 - Penalty received from offender members.
 - Income from Bank interest received for Fixed Deposit and Saving Account.

- To achieve its objectives, extra charges from farmers can be collected by Water Users.
- Based on the expected income for the next financial year, list of items can be prepared for which expenditure can be made. This may include expenditure on:
 - Salary/honorarium to staff/water master, security/chowkidar, Auditor, Accountant to maintain accounts, etc.
 - Expenditure for Tea, water etc. for Seminar, Workshop, General body/executive committee meeting, training etc.
 - Expenditure on Electricity, water, office rent/cleaning, stationary, furniture, news paper etc.
 - Expenditure on normal maintenance, weeds and silt removal, filling of cuts, bank stabilization, oiling of gates, painting of gauge plates, repair of pukka works.
 - Expenditure on emergency maintenance, piping/seepage from canals, breaking of canal banks, etc.
 - Mandatory maintenance, crest construction on canal, repair of fall and cross regulator, outlet renovation etc.
 - Miscellaneous expenditure as per requirement and as per rules.
- The annual budget prepared must be place before the General Body of the Water Users Association for its approval.

Format of the Annual Budget may be as follows:

Format for Annual Budget

Name of the Water Users Association -----

S.No.	Income from various resources	Estimated Amount (Rs.)
	Grand Total of Income	
S.No.	Expenditure on various works	Estimated Amount (Rs.)
	Grand Total of Expenditure	
	Balance for the year	

An example of the Annual Budget of a Water Users Association is annexed for the understanding of the reader.

Annual Budget (Example)

S.No.	Income from various resources	Estimated Amount (Rs.)
1	Subsidy received from State Government as its share of irrigation charges	25,000
2	Income from resources related to irrigation system within jurisdiction of the Water Users Association	1,500
3	Income from auction of grass, leaves, fruit, produce & wood of dry trees within jurisdiction of the Water Users Association	2,000
4	Income received by auctioning annual contract for production of water-based crops like Singhada, Fishery, Lotus, etc.	4,000
5	Irrigation Charges, Donation/contribution received from members.	2,000
6	Penalty received from offender members.	1,000
7	Income from Bank interest received for Fixed Deposit and Saving Account.	500
	Grand Total	36,000
S.No.	Expenditure on various works	Estimated Amount (Rs.)
1	Expenditure on normal maintenance, weeds and silt removal, filling of cuts, bank stabilization, oiling of gates, painting of gauge plates, repair of pukka works.	8,000
2	Expenditure on emergency maintenance, piping/seepage from canals, breaking of canal banks, etc.	1,500
3	Mandatory maintenance, crest construction on canal, repair of fall and cross regulator, outlet renovation etc.	13,000
4	Payment to water master and for preparation of accounts	6,000
5	Expenditure for Tea, water etc. for Seminar, Workshop, General body meeting, training etc.	500
6	Expenditure on stationary, furniture, office rent, water, electricity, news paper etc.	3,000
7	Miscellaneous expenditure as per requirement and as per rules	2,000
	Grand Total	34,000
	Balance	36,000-34,000=2,000