

**GOVERNMENT OF NAGALAND
DEPARTMENT OF RURAL DEVELOPMENT**

NOTIFICATION

Dated Kohima, the 21st November 1989

NO.RD/VDB RULES/89-90:- In exercise of the powers conferred by the sub-section I of Section 50 of the Nagaland Village and Area Council Act,1978, the Government of Nagaland hereby revise the following VDB Model Rules of 1980 regarding the composition and functioning etc. of the Village Development Board constituted under Clause 12 of Section 12 of the aforesaid Act:-

(1) Short title and commencement:

These Rules may be called Village Development Model Rules 1980 (Revised).

(2) It shall be extended to the whole of Nagaland.

Duties of the VDB:

2. The Village Development Board, subject to such directives which the Village Council may issue from time to time, shall exercise the powers, functions and duties of the Village Councils enumerated in Clauses 4,6,7,8,9 of Section 13 of the Act, subject to the prior approval of the Chairman of the Village Council.

3. The Village Development Board shall also, subject to such directives as the Village Council may issue from time to time, formulate schemes, programmes of action for the development and progress of the Village as a whole or groups of individuals in the Village, or for individuals in the Village, either using the village community or other funds.

Composition:

4. (a) *All permanent residents of a Village* shall be Members of the Village Development Board and all such members shall form *The General Body Of The VDB's*. This general body of the VDB's shall hold atleast two general body meetings, of the VDB's during one financial year. During this general body meetings, the concern Village Development Board Secretary who shall be designated as Secretary of the Management Committee of the VDB, shall lay before the general body all details regarding the VDB Schemes implemented under various programmes, money drawn, loans issued against fixed deposits security, interest or fixed deposit drawn, manner of utilization of interest amount and any other issues concerning the VDB's on which the general body may like to seek clarification.
4. (b) There shall be a Management Committee of the VDB's which shall be entrusted with the management of the Village Development Boards and the funds of the VDB's, the members of the Management Committee of the VDB shall be chosen by the Village Council concerned. The tenure of the members of the Management Committee of the VDB shall be 3 (Three) years unless decided otherwise by the Village Council by resolution. The members of the Management Committee of the VDB may include members of the Village Council those persons who are not members of the Village Council or those who are ineligible to be chosen as, or for being members of the Village Council by virtue of the age or by virtue of tradition and custom. The minimum members of the Management Committee of the VDB's shall not be less than 5(Five) members and the maximum numbers of members shall not exceed 25(Twenty-five) members. The number of Women Members to be included in the Management Committee of the VDB should not be less than one-fourth $\frac{1}{4}$ of the total number of members of the Management Committee of the VDB's.
- 4 (c). Any resolution passed by the Management Committee of the VDB either for loan application, drawl of funds etc. shall be attended by quorum of not less than 51% of the total number of the

Management Committee, otherwise such resolutions passed shall not be valid and shall be liable to rejection by the Chariman of the VDB.

5. A member of the Management Committee of the VDB including the Secretary may be replaced by the resolution of the Village council, for reasons to be recorded in the resolution subject to the approval of the Chariman of the VDB, i.e., the concerned Deputy Commissioner or the Additional Deputy Commissioner.
6. The Deputy Commissioner/Additional Deputy Commissioner shall be the ex-officio Chariman of the VDB in their respect districts and independent sub-divisions.
7. The Member of the Management Committee shall select one among themselves as Secretary who shall be a person who is literate having a minimum education qualification of matriculation and above. He shall be paid a remuneration ranging from Rs.1000-Rs.3000 only per month as may be decided by the VDB concern commensurate with their funds/resources preferably from interest accrued from the concerned VDB fixed deposit. No Village council Chairman or Head GB or Village Administration Head etc. shall be permitted to hold the post of the VDB Management Chairman.

Procedures for operating bank Account:

8. The VDB shall operate its funds under Grand in Aid Matching Cash Grant, Jawahar Rozgar Yojona and other programmes through suitable accounts shall be operated jointly by the Chariman and Secretary of the Management Committee of the VDB.
9. No Cheque shall be honoured unless it is accompanied by a copy of the Management Committee's resolution authorizing such withdrawals signed by all members present in the particular meeting, which must be attended by not less than 51% of the total membership of the Management Committee and there after approved by the concerned Chairman of the VDB.

Fixed Deposits:

10. No VDB shall be allowed to withdraw its Fixed Deposits since the Fixed Deposits form the main basis for the existence of the VDB.

VDBs which withdraw their Fixed Deposits will cease to exist and hence for the will NOT be eligible for any funds under Grant-in-Aid, Matching Cash Grant, Jawahar Rozgar Yojona and other developmental funds from the rural Development Department.

In respect of VDBs whose term Deposits have expired, the concerned Chairman (DC's/ADCs) shall direct these VDBs to renew their fixed Deposits Terms for another five years.

11. The same procedure as in 9 above shall also apply if the Management committee desires to spend out of any cash which may be in the hands of the Secretary.

Meeting:

12. The Management committee shall meet on the same date every month. The Management committee may decide the date and shall inform the Chairman of the Management Committee and the Chairman of the Village Council about such date.

The Members of the Management Committee shall give widest publicity about the date to their Khel people. Such meeting shall be open to public including members of the general body. Any change in the date shall be effective only after obtaining the consent of the Village Council and the Management committee Chairman.

13. In addition to the monthly meetings, the Management Committee may meet more frequently if any Member of the Management Committee gives notices to the Secretary. However, the resolutions of the Management committee in such meetings shall not be implemented until these resolutions are debated in the monthly public meeting.
14. Every decision or recommendation of the Village Development Board shall be in the form of resolution passed in a regular monthly meeting by all the members present in such a meeting.
15. The monthly meetings shall be attended by the following categories of persons:- (a) Village Development Board Management Committee. (b) Loanees (those persons who have obtained from the VDB or against the VDB's guarantee/recommendations). (c) Any other persons who have been asked by the Management Committee to attend. The monthly meeting shall be presided over by a member of the Management Committee/VDB Members for the occasion.
16. The meeting shall be in 3 parts. Firstly, the Secretary of the Management Committee will write the past month's account on a Black Board and invites questions with reference to the accounts and he shall answer the questions. Secondly, each loanee may be questioned by the Management committee Members and public. Thirdly, other issues in connection with Development will be debated. The Secretary of the Management committee will record the issues and decisions. Any person attending the meeting may ask questions. All questions which are not answered to the satisfaction of the questioner shall also be recorded by the Secretary of the Management Committee.

Intending Beneficiaries:

17. Persons desiring to obtain loans, or desiring to be included in any development schemes formulated by the VDB, shall express such desire in monthly meeting.
18. The Management Committee shall not disburse any loan unless the loanee furnishes in writing a promise to the Management committee to abide by declarations in his application and to attend the monthly public meeting until he discharges his liability to the satisfaction of the Management committee and promises to accept any penalty imposed on him by the Village Council in default of any condition of his loan, provided that the penalty shall be utilized for discharging the liability. Atleast one copy of such an agreement shall be kept in the VDB Chairman's Office.
19. Any person permanently residing in the Village may apply for a loan, but such an application shall contain atleast the following particulars:-
 - (a) The period in which the applicant proposed to repay the loan with interest.
 - (b) The amount of loan.
 - (c) The purpose for which such loan is sought.
20. Whenever the Management Committee passes a resolution authorizing the Secretary of the VDB Management committee to withdraw any amount from the Bank Accounts, 3 copies of such resolution signed by the VDB Management Committee Members present in the meeting shall be prepared by the VDB Management Committee and he shall personally meet the Chariman with these 3 copies.

When the Chariman receives these 3 copies, he shall examine them. If the Chariman finds nothing wrong, he shall record his approval on all the 3 copies.

Thereafter one copy will be attached to the Cheque. The second copy will remain in the Chairman's office and the third copy will be brought back to the Village by the Secretary of the Management committee to be read out in the next month's meeting.

Secondly, if the Chariman has some doubts, but not serious, he shall record his remark on the copy of the resolution to be kept on his office and record his approval on the other 2 copies. In such an event, the Chariman shall send the copies of his remarks to the members of the VDB Management Committee and the Chariman of the Village Council for their information.

Thirdly, if the Chairman has serious doubts the propriety of the resolution he may return the resolution with his remarks for reconsideration or fix a date for an open public meeting in the village and put the matter before the public or the General Body of the VDB for arriving at a decision.

21. At the end of each monthly public meeting the Secretary of the Management Committee shall write a letter to the Chairman of the VDB showing:-

- (a) Names of Village Development Board Members absent.
- (b) Names of Loanees absent.

22. The Secretary of the Management Committee shall maintain the following records which may be inspected by any member of the village in monthly public meeting:-

- (a) Register showing a record of meetings held. It will show the time and date and place and names of members and Loanees present and absent. It will show questions not answered by the Secretary of the Management Committee or loanees to the satisfaction of the questioner.
- (b) A file of Money expenditure resolution.
- (c) A cash register showing transaction of savings and current accounts and cash drawls made under Grant-in-Aid, JRY and other developmental programmes of the VDB.
- (d) A separate register for Schemes selected under Grant-in-Aid JRY etc and details of money as well as disbursements under the above mentioned programmes.
- (e) Secretary of the Management committee shall check his record against the records kept in the Chairman's office every 3 months.
- (f) Secretary of the Management Committee shall keep a file for vouchers providing money transactions (payments & receipts).
- (g) Secretary of the Management committee shall keep a file letters to and from the Chariman.
- (h) Secretary shall keep a file for other letters.

23. Letters of Village Development Board addressed to every authority the village shall be in 3 copies. 1 copy will be sent to the Chariman of the VDB for information. 1 copy will be kept in Management Committee's record and 1 copy will be sent to the addressee.

Audit and Accounts:

24. The Village Council may cause the VDB's to be audited at such times as it may decide. The deputy Commissioner will render necessary assistance in auditing the accounts.

25. The Management Committee of the VDB shall place before the Village Council Annual Account before 30th April every year covering the period from 1st April of the previous year to 31st March of the current year. In addition, the Management Committee shall also place before the general body of the VDB annual accounts of all amounts received under Grant-in-Aid, JRY matching cash grant and other developmental programmes as well as drawls of money made by the Secretary of the Management Committee, the matter of utilization of the amounts drawn, the position of repayment of loans taken by individuals or community as a whole etc., atleast twice a year. The Secretary of the Management Committee shall record any major decisions taken by the general body of the VDB during the course of the annual meeting which must be authenticated by the concerned Village Council Chairman. A copy of this may be sent to the Chairman of the VDB for information and necessary action.

Disputes and Interpretation:

26. All disputes, except those in which the lending institution is a party, arising out of the VDB Management Committee working and decisions shall be settled first by the Village Council.

27. On any disputes as to the interpretation of these rules, the Deputy Commissioner's/Additional Deputy Commissioner's decision thereon shall, be final subject to the approval of the Government.

Sd/-

LALHUMA

**Commissioner & Secretary to the Govt. of Nagaland,
Rural Development Department.**