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Most Immediate

No. 33-5/2015-NDM-I
Government of India
Ministry of Home Affairs
(Disaster Management Division)

'C' Wing, 3rd Floor, NDCC- II,
Jai Singh Road, New Delhi-110001,
Dated the 30th July 2015

OFFICE MEMORANDUM

Subject: - Guidelines on Constitution and Administration of the State Disaster Response Fund and National Disaster Response Fund based on the recommendations of the Fourteenth Finance Commission 2015-20.

Sir/ Madam,

The Fourteenth Finance Commission (FFC) has made provision of funds for the State Disaster Response Fund in its recommendations which has been accepted by the Government of India. Keeping in view of the provision of the Disaster Management Act, 2005 and the recommendations of Fourteenth Finance Commission, Government of India has framed guidelines for administration of National Disaster Response Fund (NDRF) at the National level and for State Disaster Response Fund at the State level, which are enclosed herewith for necessary action.

2. A copy of each of the guidelines for SDRF and NDRF respectively are enclosed for further necessary action at your end. These guidelines can also be downloaded from website of Disaster Management Division of Ministry of Home Affairs i.e. www.ndmindia.nic.in.



(Goutam Ghosh)
Director (DM-I)
Telefax: 23438123

Encl: As above.

Distribution:-

1. Ministry of Finance, Department of Expenditure, North Block, New Delhi.
2. Ministry of Agriculture [Joint Secretary (DM)], Krishi Bhawan, New Delhi.
3. National Disaster Management Authority, New Delhi.
4. Chief Secretaries of (All States).
5. Relief Commissioners/ Secretaries, Department of Disaster Management of (All States).
6. Accountants General of all State Governments.
7. Controller General of Accounts (CGA), New Delhi.
8. Comptroller & Auditor General (CAG), New Delhi.

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Ministry of Home Affairs
(Disaster Management Division)

Guidelines on Constitution and Administration of the State Disaster Response Fund (SDRF)

Introduction

1. The State Disaster Response Fund (SDRF) is a fund constituted under section 48(1) (a) of the Disaster Management Act, 2005 (53 of 2005) (hereinafter DM Act, 2005). These guidelines are being issued under section 62 of the DM Act, 2005.

Period of Operation

2. These guidelines will be operative from financial year 2015-16 and will continue till further orders.

Calamities covered under the SDRF

3. (i) The SDRF shall be used only for meeting the expenditure for providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack and frost & cold wave.

(ii) A State Government may use up to 10 per cent of the funds available under the SDRF for providing immediate relief to the victims of natural disasters that they consider to be 'disasters' within the local context in the State and which are not included in the notified list of disasters of the Ministry of Home Affairs subject to the condition that the State Government has listed the State specific natural disasters and notified clear and transparent norms and guidelines for such disasters with the approval of the State Authority i.e. the State Executive Authority (SEC). Any amount spent by the state for such disasters over and above the ceiling would be borne out of its resources and would be subject to the same accounting norms.

Most Immediate

No. 33-6/2016 NDM-I
Government of India
Ministry of Home Affairs
(Disaster Management Division)

'C' Wing, 3rd Floor, NDCC-II,
Jai Singh Road, New Delhi – 110001,
Dated the 3rd April 2017

To

The Chief Secretaries
(All States/ UTs)

Subject:- Guideline on Constitution and Administration of the State Disaster Response Fund and National Disaster Response Fund – regarding.

Sir/ Madam,

I am directed to refer this Ministry's letter of even number dated 30th July 2015 on the above mentioned subject.

2. It has now been decided to partly modify the aforesaid SDRF guideline in respect of para No 3 by inserting new sub-para (iii) i.e. "The State Government is required to implement mandatorily the guidelines of 'Drought Manual 2016' prepared and circulated by the Ministry of Agriculture & Farmers Welfare, while determining/ declaring drought in their State, accordingly. The determining/ declaration of drought would mandatorily require (a) notification on drought, (b) details of assessment of drought as per manual (table 3.10) and (c) village-wise field verification data (para 3.2.6) etc.. The finding of field verification exercise will be the final basis for judging the intensity of drought as per page 43-44 of Drought Manual, 2016. Further, the State Governments are required to consider the overall socio-economic scenario as reflected through distress migration, fodder shortage, food and drinking water scarcities, abnormal price rise in food commodities and fodder, malnutrition among vulnerable sections for providing relief. All stages of drought say, starting from rain failure/ deficiency to crop condition/ market arrival etc. should be monitored through identified indicators online by capturing data at block level in the system".

3. In view of the above, the State Governments are requested to kindly comply with the mandatory instruction/ parameter mentioned in the 'drought manual-2016 to determine/ declaration of drought in the State.


(Sanjeev Kumar Jindal)
Joint Secretary (DM)

Copy to:-

- i) The Relief Commissioner/ Secretary (Disaster Management) (All States/ UTs).
- ii) The Resident Commissioners (All States/ UTs), New Delhi.

Copy also to:-

JS (PF-I) Expenditure/ JS –DM (DAC & FW)/ Master Folder.

Constitution of State Disaster Response Fund

4. The State Disaster Response Fund will be constituted with the nomenclature "State Disaster Response Fund" in the Public Account under the Reserve Fund bearing Interest in the Major Head:8121-General and other Reserve Fund in the accounts of the State Governments concerned and would be invested as per provisions of paras 18-25 of these guidelines. The closing balance as on 31.03.2015 in the State Disaster Relief Fund (SDRF) shall be transferred to the SDRF as opening balance for 2015-16. The State Government shall pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest will be credited on a half-yearly basis. State Governments are required to issue certificate that the relevant notifications establishing SDRF as per section 48(1) (a) of the DM Act, 2005 is in force.

Contributions to the Fund

5. The aggregate size of the State Disaster Response Fund of each State for each of the financial years 2015-16 to 2019-20, would be as recommended by the 14th Finance Commission. Of the total size of SDRF indicated, Government of India will contribute 75% for general category States and 90% for special category States of the total yearly allocation in the form of a non-plan grant. The balance 25% in case of general category States and 10% in case of special category States will be contributed by the State Government concerned.

6. The share of the Government of India to the SDRF shall be paid as Grant-in-aid and accounted for in the Government of India accounts under the major head "3601-Grants-in-aid to State Governments-01 Non-plan grants- 109 Grants towards contribution to State Disaster Response Fund". The State Governments shall take these as receipts in their budget and account under the Major Head "1601-Grants-in-aid from Central Government-01 Non-plan Grant-109 Grants towards contribution to State Disaster Response Fund".

7. In order to enable transfer of the total amount of contribution to the SDRF (including the States' share of contribution), the State Governments would make suitable Budget provision on the expenditure side of their budget under the head "2245-Relief on Account of Natural Calamities-05 State Disaster Response Fund- 101 Transfers to Reserve Fund and Deposit Accounts- State Disaster Response Fund". Immediately upon receipt of Government of India's share as per para 6 above, the States would transfer the amount, along with their share, if not already transferred, to the Public Account Head within 15 days of its receipt. Any delay will require the State Government to release the amount, with interest, at Bank rate of RBI, for the number of days of delay. The State Government is required to endorse the copy of the release order to the Ministry of Finance and Ministry of Home Affairs.

Booking of Expenditure on Immediate Relief

8. The actual expenditure on relief works will be booked only under respective Sub/ minor head within Major Head: 2245. (i.e. 01 for drought; 02 for flood, 03 for cyclones, 4 for earthquake, 05 for hailstorm, 06 for landslides, 07 for cloud burst, 08 for fire, 09 for tsunami, 10 for avalanche, 11 for pest attack and 12 for cold wave/frost and 13 for other State specific disasters, 13.1 for specific disaster, 13.2 for specific disaster, 13.3 for specific disaster, 13.4 for specific disaster, 13.5 for specific disaster... etc; 16 for "State Disaster Response Fund" and 80 for General). The expenditure to be charged to the SDRF will be shown as a negative entry under 2245-05-901 – deduct amount met from SDRF for relief expenditure". As proper accounting brings in transparency for booking of expenditure, office of the Controller General of Accounts/Accountant Generals in the respective States may create Sub Head/ Minor Head in respect of each of the notified calamities / items under Major Head 2245. The expenditure to be charged from the SDRF will be shown as a negative entry under 2245-05-901-deduct amount met from SDRF for relief expenditure.

9. Direct expenditure should not be made from the Public Account. Even if for some administrative reasons, expenditure on immediate relief has been met under heads of account other than MH:2245, these should be finally booked under MH: 2245 through inter-account transfers.

Release of Central Contribution to the Fund

10. The share of the Central Government in SDRF shall be remitted to the State Governments in two instalments in June and December in each financial year. Likewise, the State Governments shall also transfer their contribution to the SDRF in two instalments in June and December of the same year, provided that if Ministry of Home Affairs, upon being satisfied that exigencies of a particular calamity so warrant, may recommend an earlier release of the Central share upto 25% of the funds due to the State in the following year. This release will be adjusted against the instalments of the subsequent year.

11. The share of the Government of India to the SDRF due in a year shall be released to the State Governments subject to fulfillment of the following conditions:-

- (i) The first instalment of central contribution to SDRF for 2015-16 will be released on receipt of self certification by State Government that the arrangement of accounting procedure as mentioned in paras 4 to 9 above and other conditions as mentioned below in paras 11(ii) to (vii) will continue during the award period of Fourteenth Finance Commission. Any

deviations from these accounting practices would result in withholding of further releases until the required accounting procedure is adopted or restored.

(ii) A 'State Disaster Response Fund' has been duly constituted by the State Government as specified in DM Act, 2005, following the accounting procedure and manner described in paras 4 to 9 above. State Governments are required to issue certificate that the relevant notifications establishing SDRF as per section 48(1) (a) of the DM Act, 2005 is in force.

(iii) State has to constitute the State Executive Committee (SEC) as mentioned in para 12 below. State Governments are required to issue a certificate that the relevant notifications constituting SEC is in force.

(iv) The State Government shall furnish a certificate to the Ministry of Home Affairs and to Ministry of Finance in the months of April and October every year indicating that the amount received earlier has been credited to the SDRF along with the State's share of contribution, accompanied by a statement giving the up-to-date expenditure and the balance amount available in the SDRF. This statement is to be provided in the format at Attachment-II, Once the Finance Accounts of the previous year are available, expenditure reported for that particular year should match with expenditure figure in Major Head:2245 and balance in SDRF in MH:8121. In case of any discrepancy, the figures in MH: 2245 and in MH: 8121, as reflected in the Finance Accounts, will be considered.

(v) The central contribution due in December of a year shall be released after the receipt, in the Ministry of Home Affairs and in the Ministry of Finance, by September of that year, of an 'Annual Reports on Natural Calamities', prepared by the State Government on any natural calamities, mentioned in para 3 above, faced in the previous year, by September of every year. This Annual Report shall, inter-alia, furnish details of expenditure incurred by the State Government on each of calamities, for each type of expenditure allowed as per the items and norms of expenditure of SDRF/ National Disaster Response Fund (NDRF) so fixed by MHA with the concurrence of Ministry of Finance. Format will be prescribed in due course.

(vi) Whenever the SDRF of a State is replenished with additional grant-in-aid from NDRF, the State Government would treat this grant in the same manner as the funds in SDRF as far as transfer and accounting are concerned. However, in such cases, a specific utilization certificate will be required within three months of the close of the financial year in which

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such a grant is released. Format for the utilization certificate will be prescribed in due course.

(vii) The release of installments shall be made by Ministry of Finance after receiving due recommendations from the Ministry of Home Affairs (DM Division).

State Executive Committee

12. Every State will constitute a State Executive Committee (SEC) as per section 20 of the Disaster Management, Act, 2005. The Chief Secretary to the State Government shall be the ex-officio Chairperson of the SEC.

Functions of the State Executive Committee regarding affairs of SDRF

13. State Government shall entrust the SEC, inter-alia, with following responsibilities:-

(i) The SEC will decide on all matters connected with the financing of the relief expenditure of immediate nature from SDRF. Period for providing gratuitous relief will be as per assessment of the SEC and the Central Team (in case of NDRF). The default period of assistance should be as per prescribed time limit. However, if the SEC so feels and depending on the ground situation, the period of relief assistance can be extended beyond the prescribed time limit subject to the condition that expenditure on this account should not exceed 25% of SDRF allocation for the year.

(ii) The SEC will arrange to obtain the contributions from the concerned Governments, administer the SDRF and invest the accretions to the SDRF in accordance with the norms approved by the Government of India from time to time. The norms of investment are indicated in paras 18-25 below.

(iii) The SEC shall ensure that a) the money drawn from the SDRF is actually utilised for the purposes for which the SDRF has been set up, b) expenditures are only on items of expenditure and as per the norms as in para 15 below, c) timely remittance of State share into SDRF account, d) amount is not retained under non-receipt bearing public account, e) fund is not diverted to inadmissible expenditure, f) excess utilization of fund due to mixing up of State resources/ budget fund with SDRF resulting the identity of SDRF is lost and g) accounting procedures in para 4 to 9 above are followed.

(iv) The accretions to the SDRF together the income earned on the investments of the SDRF will be used by the SEC to meet items of expenditure covered under the approved norms as in para 15 below.

Expenditure of SEC

14. All administrative expenses of the SEC and miscellaneous expenses shall be borne by the State Government from its normal budgetary provisions and not from the SDRF or NDRF.

Assessment of assistance under Items and Norms of Expenditure.

15. The norms for the amounts to be incurred on each approved item of expenditure will be fixed by the Ministry of Home Affairs with the concurrence of Ministry of Finance, as amended from time to time. In case any State Government exceeds the amount prescribed, the excess expenditure should be borne on the budget of the State Government and not be charged to SDRF or NDRF.

16. The SEC will assess the requirements of assistance from the SDRF for financing relief expenditure. The provision for expenditure on relief will be made in the budget of the State Government as mentioned in para 7 above. The extent of relief expenditure to be financed from the SDRF as authorized by the SEC shall be withdrawn from the SDRF after liquidation of the investment holdings in the manner described in paras 26-27 below.

17. Expenditure for providing immediate relief to the victims of State-specific natural disasters within the local context in the State, which are not included in the Government of India (GoI) notified list of disasters, issued by MHA, as per approved norms, may be met from SDRF within the limit of 10 percent of the fund available in SDRF. However, this flexibility would be applicable only after the State has listed the natural disasters for inclusion and notified clear and transparent norms and guidelines for disaster relief for such disasters with the approval of the State Authority, i.e. the SEC. Any amount spent by the State for such natural disasters over and above the ceiling would be borne out of its own resources and would be subject to the same accounting norms.

18. The provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF or NDRF. Such expenditure is needed to be built into the normal budgetary heads/ State Plan funds etc.

18.1 Five per cent (5%) of the annual allocation of SDRF may be kept for Capacity Building Activities by the States. These activities are as under :

- a) Setting up/strengthening of Emergency Operation Centres (EOCs) in the State.
- b) Training/Capacity Building of stakeholders and functionaries in the State.
- c) Supporting disaster management centres of State ATIs and other institutions.

- d) Preparation of Disaster Management Plans based on Hazards, Risk and Vulnerability Analysis.
- e) Strengthening of SDMAAs and DDMAAs.

Patterns of Investment from the Fund

19. On receipt of the amounts of contributions from the Government of India and/or the State Government, the SEC would take action for investment of the funds as per the norms prescribed in para 20 of the Guidelines.

20. The accretions to the SDRF together with the income earned on the investment of the SDRF shall, till contrary instructions are issued by Government of India, be invested in one or more of the following instruments.

(a) Central Government dated Securities;

(b) Auctioned Treasury Bills; and

(c) Interest earning deposits and certificates of deposits with Scheduled Commercial Banks.

The investment of the funds shall be carried out by the branch of the Reserve Bank of India (having Banking Department) at the headquarters of the State, or a Bank designated by RBI. In cases of Jammu & Kashmir and Sikkim, these functions may be carried out by that State's bankers.

Account of Investment Transactions

21. The SEC will, from time to time, issue instructions to the concerned local bankers indicated in para 20 above to invest specified amount(s) from the SDRF in the securities specified in clauses (a) to (c) under para 20. Banks will immediately arrange to make the necessary investment locally or through their branches /correspondent banks/RBI at Mumbai or other metropolitan centres. The banks would scroll to the Government the debit on account of the investment and other incidental charges like brokerage, commission etc. in the usual course. However, in order to ensure that the investment transactions of the SDRF do not get mixed up with other transactions these may be indicated distinctly in separate scrolls.

22. On receipt of the scrolls the investment transactions would be accounted for under the head "8121-General and Other Reserve Fund-'State Disaster Response Fund'. The incidental charges like brokerage, commission etc. shall be accounted for as a charge on the SDRF.

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23. The bank will arrange to collect interest on these securities/bonds and credit the same to the account of the Government on the due date. These receipts shall form a part of the receipts of the SDRF and would be accounted for as such. Further, these would require to be invested by the SEC as in the case of the contributions by the Government i.e. in accordance with the investment norms prescribed in para 20 above. On maturity of the securities, the proceeds will be collected and credited to the account of the Government or reinvested on the basis of instructions received from the SEC. As in the case of the debit scrolls the banks shall use separate scrolls for the receipts.

24. On receipt of instructions from the SEC, the concerned bank will arrange to sell the securities at the ruling price through its branches/correspondent banks/RBI at Mumbai or any other metropolitan Centre and credit the amount realised, less incidental charges, to the account of the Government.

25. The receipts on account of maturity or sale of the securities would be credited to the "State Disaster Response Fund". The incidental charges on sale may be charged to the SDRF.

26. The auctioned Treasury Bills may be purchased by the bank either at the Treasury Bill auctions on the basis of a non-competitive bid or in the market.

Encashment of Securities

27. To meet liability on account of the claims sanctioned for relief, the SEC will first dispose of its holdings of auctioned Treasury Bills to the extent required, the oldest lot of bills being sold first and so on. If the amount obtained by the sale of auctioned Treasury Bills is not sufficient to meet the liability towards relief sanctioned, the SEC may encash the deposits with the local branches of the scheduled commercial banks. The Central Government dated securities may be sold only if the amount realised by the sale of treasury bills and encashment of the deposits is not adequate.

28. The concerned State Government will pay to the RBI/banks a commission at the rate determined by RBI in consultation with the concerned State Government. These charges shall also be borne by the SDRF as in the case of the charges indicated in para 22. The loss or gain on the sale of securities shall also be taken to the account of the SDRF.

Monitoring by the Ministry of Home Affairs

29. The Ministry of Home Affairs is the nodal Ministry for overseeing the operation of SDRF, and shall monitor compliance with the prescribed processes. MHA may issue directions/instructions under of DM Act.

Unspent Balance in the SDRF

30. The unspent balance in the SDRF account as at the end of the financial year 2014-15 shall be the opening balance of SDRF account of the financial year 2015-16. Government of India will communicate the modalities for handling any balances available at the end of 2019-20 in SDRF of the States. Otherwise, unless provided, the closing balance would be available for relief expenditure under SDRF in the ensuing period of 2020-25.

Accounts and Audit

31. The accounts of the SDRF (approved calamity-wise) and the investment shall be maintained by the Accountant General in charge of accounts of the State in the normal course. Disclosure about the position of the opening balance, receipts, expenditure and closing balance in respect of SDRF will be made in the Finance Accounts, as a separate appendix/line. The SEC will, however, maintain subsidiary accounts (calamity wise) in such manner and details as may be considered necessary by the State Government in consultation with the Accountant General.

32. Comptroller and Auditor General of India would cause audit/ perform audit of SDRF conducted every year in conformity with approved items & norms in terms of the purposes of the SDRF Guidelines. The State Government shall furnish a copy of the audit report of the Comptroller and Auditor General of India in respect of SDRF to the Ministry of Finance and Ministry of Home Affairs.

Saving

33. The Ministry of Home Affairs with the concurrence of Ministry of Finance, shall alter/modify instructions as may be considered necessary from time to time. Further, in case of any difficulty in the operation of any provision of these instructions, the Central Government, if satisfied, may modify the provisions or by amending the DM Act.

ATTACHMENT-II

PROFORMA

(Rs. in lakhs)

(A) Statement of earlier released amounts to the Calamity Relief Fund (CRF)/ State Disaster Response Fund (SDRF).

1. Opening balance as on 01.04.20.....
2. Centre share including advance release credited to CRF/SDRF:
3. Corresponding share of state:
4. Corresponding share of state credited to CRF/SDRF:
5. Amount received under NDRF/NCCF:
6. Expenditure as on 30th September:.....
7. Expenditure as on 31st March 20.....
8. Amount transferred to investment account:
9. Amount received from investment account:
10. Closing balance (1+2+4+5+9) - (7+8): 31st March/30th September

- B) 1. Opening balance: 1st April/1st October
1.1 Total investment made out of SDRF as on 31st March 201.....

2. Receipt during the current financial year
- (i) Centre's share:..... (date of receipt from Govt. of India)
 - (ii) State's share:.....
 - (iii) Assistance under NCCF/NDRF :
 - (iv) Date of transfer of Centre's and State's share to the SDRF account:
 - (v) Interest paid to the SDRF account in case of delay of transfer of funds beyond 15 days:
 - (vi) Interest earned (including investment :
 - made out of SDRF/CRF)
 - (vii) Others :
 - (viii) Arrears of Centre's/State's share, if any :
 - to be credited to CRF/SDRF
 - (ix) Total (i) to (viii) :
 - (x) of which amount credited to SDRF :

3. Total amount available in the SDRF {1+2(x)} :

4. Total Expenditure incurred inconformity with items & norms of SDRF during the year out of the Fund:

- i) As on 31st March, 201.... :
- ii) As on 30th September, 201.... :

5. Balance available in the Fund (3-4) :31st March/30th September

(C) Submission of Annual Report on Natural Calamities.

- (i) Whether "Annual Report on Natural Calamities" for the previous year has been sent to Ministry of home Affairs (Yes/No):
- (ii) If yes, date on which sent:

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Ministry of Home Affairs
(Disaster Management Division)

**Operational Guidelines for Constitution and Administration of the
National Disaster Response Fund (NDRF)**

Introduction

1.1 These guidelines shall be called 'National Disaster Response Fund' (NDRF) Guidelines. NDRF is a fund constituted under section 46 of the Disaster Management Act, 2005. These Guidelines are issued under section 46(2) of the Disaster Management Act, 2005 (hereinafter DM Act, 2005), to supplement funds from the State Disaster Response Fund (SDRF) of a State, to facilitate immediate relief in case of calamities of a severe nature.

Period of operation

2.1 The guidelines shall come into force with effect from the financial year 2015-16 after notification of NDRF and will continue till further orders.

Calamities covered under NDRF

3.1 Natural calamities of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack and **cold wave & frost** considered to be of severe nature by Government of India and requiring expenditure by a State Government in excess of the balances available in its own State Disaster Response Fund (SDRF), will qualify for immediate relief assistance from NDRF.

National Disaster Response Fund

4.1 The NDRF will be operated by the Government of India for the purpose of providing immediate relief to people affected by the above mentioned calamities which are assessed as being of 'severe nature', following the procedure described in para 7 of these guidelines. NDRF is classified in the Public Account in the sub-section (b) 'Reserve Funds not bearing Interest' of the Government of India under the major head 8235- 'General and other Reserve Funds' – 119- National Disaster Response Fund'.

Contribution to the NDRF

5.1 The closing balance of the NDRF at the end of financial year 2014-15 shall be the opening balance of the NDRF in the year 2015-16.

5.2 Funds will be credited into the NDRF in accordance with the provisions of the section 46(a) & (b) of Disaster Management Act, 2005.

5.3 The budget provision for transferring funds to the NDRF as mentioned in para 5.2 above shall be made in the Demand for grants no. - "Transfers to State and UT Governments" (under non-plan provision). Releases to State Governments will be made by the Ministry of Finance from this provision.

5.4 During the years 2015-20 transfers to the NDRF established in the Public Account of India will be made by operating the following heads of account: Major Head "2245-Relief on account of Natural Calamities - 80-General-797-Transfers to Reserve Funds and Deposit Account"-Transfer to National Disaster Response Fund.

Arrangements for Monitoring natural calamities

6.1 The Ministry of Home Affairs will make appropriate arrangements to monitor the occurrences of natural calamities relating to cyclones, earthquakes, fires, floods, tsunami, landslides, avalanches and cloud bursts. Department of Agriculture and Cooperation will make appropriate arrangements to monitor calamities associated with drought, hailstorms, pest attacks and cold wave/ frost.

Assessment of Relief Assistance from the NDRF

7.1 Upon a request made by a State not having adequate balance in its State Disaster Response Fund (SDRF), Ministry of Home Affairs or the Ministry of Agriculture, as the case may be, will ascertain that State government has submitted memorandum as per the guidelines/ formats circulated by GOI, showing sector/ item-wise damage with proper justification of requirement of funds, and assess whether a case for additional assistance from NDRF is made out under these guidelines and the approved items and norms of assistance under NDRF/SDRF. The following procedure will be adopted for making such assessment:

- (i) The memorandum of the State Government will be examined to assess the likely requirement of funds as per items and norms of expenditure under SDRF/NDRF. If the preliminary examination reveals that there are adequate funds in SDRF with the State for providing relief as per norms, the State would be advised accordingly.

- (ii) If the preliminary examination reveals that the State is in need of assistance, a Central Team will be deputed for making an on the spot assessment.
- (iii) The report of the Central Team shall be examined by the Subcommittee of the National Executive Committee (SC-NEC) constituted under section 8 of the DM Act, 2005. The NEC will assess the extent of assistance and expenditure which can be funded from the NDRF, as per the norms of NDRF/SDRF, and make recommendations.
- (iv) Based on the recommendations of SC-NEC, a High Level Committee (HLC) will approve the quantum of immediate relief to be released from NDRF.
- (v) The release of assistance from NDRF will be subject to adjustment of 50% of the balance in the SDRF as on 31st March of the preceding financial year.
- (vi) MHA may evolve a mechanism, and share with all stakeholders to have real time information about availability of funds with State Governments, who would be liable to feed and upload data on real time.

High Level Committee (HLC)

8.1 The High Level Committee will be constituted with Home Minister, Finance Minister, Agriculture Minister, and (Planning Minister/ VC- NITI Aayog) as members. HLC is serviced by the Disaster Management Division of Ministry of Home Affairs.

Ministry of Home Affairs to supervise

9.1 The Ministry of Home Affairs (MHA) shall oversee the utilisation of releases from NDRF for the purposes for which funds have been released and monitor compliance with the guidelines of NDRF. States will need to provide the required information to MHA as per annexures in this regard.

Inadmissible assistance from NDRF

10. Expenditure from NDRF is meant to assist a State to provide immediate relief in those cases of severe calamity, where the expenditure required is in excess of the balance in the State's SDRF. Expenditure on disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF or NDRF, and is to be met from the **normal budgetary heads/ plan funds**.

Releases to States

11.1 Upon the approval of HLC, Ministry of Finance will release assistance from NDRF to States.

11.2 Release of assistance to the State Governments from NDRF shall be made from the head "2245 – Relief on account of Natural Calamities – 80-General – 103 -Assistance to States from NDRF" with equivalent amount shown as recovery from the fund maintained in the Public Account under the head – "8235-General and Other Reserve Funds-119 National Disaster Response Fund". Accordingly, nomenclature of the minor-head 103 under Major Head: 2245 will change from "Assistance to States from National Calamity Contingency Fund" to "Assistance to States from National Disaster Response Fund". The amount recovered from NDRF shall be shown as below the line recovery in the Demand for grants no. 35.

11.3 On receipt of funds from the NDRF, the State Government shall treat them as receipts along with the receipts of Central/State shares of State Disaster Response Fund under the major head "1601" - Grants-in- aid from Central Government -01 Non-Plan Grants- 110 Grants from National Disaster Response Fund. The State Government would make suitable budget provision on the expenditure side of their budget under the relevant minor heads under the major head "2245- Relief on Account of Natural Calamities – 80 General-103 Assistance to States from National Disaster Response Fund". The State's SDRF account should distinctly show the receipt of assistance from NDRF apart from the remaining four sources of receipts into the fund; namely (i) Centre's share of State Disaster Response Fund (ii) State's share of Disaster response Fund (iii) Return on investments and (iv) redemption of investments.

11.4 The actual expenditure out of NDRF should be booked under respective minor heads within major head: 2245. Direct expenditure by State Governments from the Public Account should not be made. If for any administrative reason, expenditure on relief by State Governments has been met under a head of account other than MH: 2245, it should be finally booked under MH: 2245 through an inter-account transfer. Deviations from this accounting practice could lead to releases of assistance from NDRF to States being with-held until the above accounting procedure is adopted/ reverted to.

11.5 The Pay and Accounts Office, Ministry of Finance shall release payments to the State Governments. The detailed account of the Fund shall be maintained by the Controller General of Accounts through the Chief Controller of Accounts, Ministry of Finance.

Oversight by State Executive Committee

12.1 The State Executive Committee, constituted by the State Government under section 20 of the Disaster Management Act, 2005, shall be responsible for ensuring that the expenditure incurred out of the funds received under the NDRF is in accordance with the items and norms of expenditure of NDRF/SDRF.

Unspent balance in NDRF

13.1 Government of India will communicate the modalities for handling any balances available at the end of 2019-20 in NDRF.

Accounts and Audit

14.1 The detailed accounts of NDRF shall be maintained by the Controller General of Accounts through the Chief Controller of Accounts, Ministry of Finance.

14.2 The accounts of the NDRF shall be audited annually by Comptroller & Auditor General. The State Government shall furnish a copy of the audit Report of CAG to Ministry of Finance and Ministry of Home Affairs.

Saving

15.1 The Ministry of Home Affairs with the concurrence of Ministry of Finance may amend these guidelines, in such manner as may be required to facilitate smooth operation of immediate relief efforts.

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