

Revenue and Expenditure

76. Constitution of Corporation Fund. –

(1) Save as otherwise provided in this Act -

- (a) all funds which immediately before the constitution of a City vested in any local authority of the City or any part thereof;
- (b) all moneys received by or on behalf of the Corporation under the provisions of this Act or of any law for the time being in force, or under any contract;
- (c) all proceeds of the disposal of property by, or on behalf of the Corporation;
- (d) all rents accruing from any property of the Corporation
- (e) all moneys raised by any tax, rate or cess levied for the purposes of this Act;
- (f) all fees collected and all fines levied under this Act or under any rule, regulation or bye-law made there under; all moneys received by or on behalf of the Corporation from the Government or any individual or association of individuals by way of grant or gift of deposit;
- (h) all interests and Profits arising from any investment of, or from any transaction in connection with, any money belonging to the Corporation, including loans advanced under this Act;
- (i) all moneys received by or on behalf of the Corporation from any other source whatsoever;

(2) The Corporation Fund shall be held by the Corporation in trust for the purposes of this Act subject to the provisions herein contained.

77. Corporation Fund to be kept in State Bank of India or in Treasury or in a Nationalised Bank. –

All moneys payable to the credit of the Corporation Fund shall be received by the Commissioner and shall be forthwith paid into the State Bank of India, in a Treasury of the Government, in a Nationalised Bank or in any other Bank approved by the Government in this behalf.

78. Operation of accounts with Banks. –

Save as otherwise provided in this Act, no payment shall be made by any Bank referred to in section 77 out of the Corporation Fund except on a cheque signed by both -

- (a) the officer-in-charge of accounts; and
- (b) the Commissioner or an officer subordinate to him authorised by him in this behalf.

79. Payments not to be made unless covered by a budget-grant:

No payment of any sum out of the Corporation Fund shall be made unless the expenditure of the same is covered by a current budget-grant and a sufficient balance of such budget-grant is still available notwithstanding any reduction or transfer thereof which may have been made under the provisions of this Act:

Provided that this section shall not apply to payments made in the following classes of cases, namely :-

- (a) refund of taxes and other moneys which are authorised under this Act:

- (b) repayment of moneys belonging to contractors or other persons and held in deposit and of moneys collected or credited to the Corporation Fund by mistake,
- (c) sum payable in any of the following circumstances :-
 - (i) under orders of the Government on failure of the Corporation to take any action as required by the Government; or
 - (ii) Under any other enactment for the time being in force; or
 - (iii) under the decree or order of a civil or criminal court passed against the Corporation; or
 - (iv) under a compromise of any claim, suit or other legal proceedings: or
 - (v) on account of cost incurred in taking immediate action by the Corporation or the Commissioner to avert a sudden threat of danger to_ the property of the Corporation or to human life;
- (d) temporary payment for works urgently required by the Government in the public interest:
- (e) sums payable as compensation under this Act or under any rules, regulations or bye-laws made there under;
- (f) expenses incurred by the Corporation on special measures taken on the outbreak of dangerous diseases:
- (g) amount payable to Government by way of audit fee.

80. Duty of persons signing cheques. –

Before any person signs a cheque in accordance with section 78 or signs any bill for payment of any amount from the Treasury, he shall satisfy himself that the sum which is specified, for payment in the bill or for which the cheque is drawn, as the case may be, is either :-

- (a) required for a purpose or work specifically sanctioned by the proper authority and covered by a current budget-grant; or
- (b) required for any payment referred to, or specified in, section 79.

81. Procedure when money not covered by a budget-grant is expended. –

Whenever any sum is expended under clause (c), (e) or (f) of the proviso to section 79, the Commissioner shall forthwith communicate the circumstances to the Corporation to take such action under the provisions of this Act as shall, in the circumstances, appear possible and expedient for covering the amount of the additional expenditure.

82. Application of Corporation Fund. –

- (1) The moneys from time to time credited to Corporation Fund shall be applied in payment of all sums, charges and costs necessary for carrying out the provisions of this Act. and of the rules, regulations and bye-laws made there under, or of which payment is duly directed, sanctioned or required by or under any of the provisions of this Act.
- (2) Such moneys shall likewise be applied in payment of all sums payable Out of the Corporation Fund under any other enactment for the time being in force.
- (3) Notwithstanding anything contained in this Act such moneys may also be applied for all such matters

be applied in payment of all sums, charges and costs on all acts and things which are likely- to promote the safety, health, welfare, or convenience of

(4) Each Corporation shall contribute from its Fund such sum as may be required by the Government towards meeting the cost of the Local Government Directorate or its sub-offices as the Government may establish, for the purpose of advising, assisting and supervising the work of Corporation and other local bodies:

Provided that such sum shall not exceed an amount equal to one per cent of the income for the financial year preceding the year, in which the Corporation is called upon to make the contribution.

83. Payments from Corporation Fund for works urgently required for public service. –

On the written requisition of the Secretary, Local Government Department, Punjab, the Commissioner may at any time undertake the execution of any work certified by such Secretary to be urgently required in public interest, and for this purpose may temporarily make payments from the Corporation Fund so far as the same can be met without unduly interfering with the regular work of the municipal government.

84. Investment of surplus money. –

(1) Surplus moneys standing at the Credit of Corporation fund which cannot immediately or at an early date be applied for the purposes specified in section 82 shall be invested in the

(2) The loss, if any, arising from such investment, shall be debited to the Corporation Fund.

85. Constitution of special funds. –

(1) The Corporation shall constitute such special fund or funds as may be prescribed by regulations and such other funds necessary for the purposes of this Act as many be so prescribed.

(2) The Constitution and disposal of such funds shall be effected in the manner laid down by regulations.

86. Budget estimates:

(1) The Corporation shall, not later than the first week of February of every year, adopt for the ensuing year a budget estimate which shall be an estimate of the income and expenditure of the Corporation to be received and incurred on account of the municipal Government of the City.

(2) The budget estimate adopted under sub-section (1) shall be Submitted to the Government not later than the last week of February preceding the year to which the budget estimate relates.

(3) The budget estimate received by the Government under sub-section (2) shall be returned to the Corporation before the 31st day of March after approval without any modification or with such modifications as the Government may deem fit.

(4) The budget estimate shall be prepared in such manner and shall provide for all such matters as may be prescribed.

87. Power of Corporation to alter budget estimates:

(1) On the recommendation of the Commissioner, the Corporation may from time to time during the year

- (i) increase the amount of any budget-grant under any head,
- (ii) make an additional budget-grant for the purpose of meeting any special or unforeseen requirement arising during the said year,
- (iii) transfer the amount or portion of the amount of the budget-grant under any head to the account of the budget-grant under any other head, or
- (iv) reduce the amount of the budget-grant under any head:

Provided that due regard shall be had to all the requirements of the Act and in making any increase or any additional budget-grant, the estimated cash balance at the close of the year shall not be reduced below the sum of one lakh rupees or such higher sum as the Corporation may determine in respect of each budget estimate.

(2) Every increase in a budget-grant and every additional, budget-grant made in any year under sub-section (1) shall be made with the prior approval of the Government and after such approval shall be deemed to be included in the budget estimate finally adopted for that year.

(3) The Commissioner may from time to time during the year -

- (a) Reduce the amount of a budget-grant, or
 - (b) sanction the transfer of any amount within a budget .grant:
- Provided that every reduction flit exceeds five hundred rupees shah be reported forthwith by the Commissioner to the Corporation and the Commissioner shall give effect to any Order that may be passed by the Corporation in relation thereto.

(4) The Commissioner may, from time to time during the year, sanction the transfer of any amount not exceeding five thousand rupees within a minor head if such transfer does not involve a recurring liability.

88. Power of Corporation to re-adjust income and expenditure during the year. –

(1) If at any time during the year it appears to the Corporation .that, notwithstanding any reduction of budget-grant that has been made under section 87, the income of the Corporation Fund during the same year will not suffice to meet the expenditure sanctioned in the budget estimate of that year and to leave at the close of the year the cash balance specified in or determined under the proviso to sub-section (1) of section 87, then it shall be incumbent on the Corporation to sanction forthwith any measures which it may consider necessary for adjusting that year's income to the expenditure.

(2) For the purposes of sub-section .(1), the Corporation may either diminish the sanctioned expenditure of the year so far as it may be possible so to do with regard to all the requirements of this Act, or have recourse to supplementary taxation under section 133 or to an increase of the rates of cesses, fees. fares and other charges leviable under this Act, or to adopt all or any of those methods.

89. Provisions as to unexpended budget-grant. –

If the whole or any part of any budget-grant included in the budget estimates for a year remains unexpended at the close of that year, and that amount thereof has not been taken into account in the opening balance entered in the budget estimates of any of the next two following years, the Commissioner may sanction the expenditure of such budget-grant or the unexpended portion thereof during the next two following years for the completion of the purpose or object for which the budget-grant was originally made and not for any other purpose or object.