

**THIS MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as MOU) made and executed at 18<sup>th</sup> of May 2009

**BETWEEN**

Department of Rural Development, Government of Karnataka(Name of State) through Principal Secretary, Rural Development, Government of Karnataka, (which expression shall include his representatives, agents, etc. unless repugnant to the context) **THE PARTY OF THE FIRST PART**, hereinafter referred to as **Party 1**.

**AND**

Karnataka Postal Circle, Department of Posts, Ministry of Communications and IT, New Delhi through Chief Postmaster General, Karnataka Circle, (which expression shall include his representatives, agents, etc. unless repugnant to the context) **THE PARTY OF THE SECOND PART**, hereinafter referred to as **Party 2**.

**WHEREAS** the parties above named intend to operationalise the savings accounts of the workers under National Rural Employment Guarantee Scheme (hereinafter referred to as NREGS) to enable timely and proper payment of due wages earned by NREGS workers through the Post Offices;

**AND WHEREAS** the parties hereto decide to reduce into writing the terms and conditions as are mutually agreed by them;

**NOW THIS MOU WITNESSES, and it is hereby mutually agreed by and between the parties as follows:**

**1. OBJECTIVE OF MOU**

The central objective of this MOU is to ensure financial inclusion of the NREGA workers by operation of their accounts in Post Offices for timely and proper payment of due wages earned by the workers, and delivery of other financial services to them. The payment of wages to the workers must be done within the statutory time limit of 15 days of the work done by the worker in a fair and transparent manner.

Party 1 by virtue of this Memorandum of Understanding (MOU) desires to entrust Party 2 the responsibility of disbursement of wages to workers under NREGS through Post Offices by opening their Savings Account. Party 1 will provide funds and necessary documents to enable the Post Offices to commence the activity. Both the parties have agreed upon the specific modalities for wage payment under the NREGS through Post Office Savings Bank. These include clear understanding on how the wage bill and amounts are received at the Post Office and credited into the individual Savings Bank Accounts of the workers and their withdrawal by them.

## **2 OBLIGATIONS OF PARTIES INVOLVED IN MOU:**

### **2.1 OBLIGATIONS OF PARTY 1:**

2.1.1. Party 1 hereby agrees to arrange for lists of NREGS workers in each village and habitation and arrange them Branch Post Office-wise and Sub Post Office-wise in consultation with local Postal Authorities for getting the individual/joint SB accounts opened in the Post Office. These documents preferably be given to Post Office by 11:00 AM on specified working days for ensuring timely action.

2.1.2 Party 1 hereby agrees to assist the Postal Divisional Nodal Officers in assessing the demand for withdrawal by workers in each Post Office in advance so that cash flow arrangements may be made by Postal Department without delay.

2.1.3 Party 1 agrees to do the identification of workers for opening of Savings Account.

2.1.4 Party 1 agrees for sanction of wages through Gram Panchayats to the beneficiaries and sends an MIS signed by the President/Secretary of Zilla Panchayats and send the same to the PO where the accounts of beneficiaries stand.

## **2.2. OBLIGATIONS OF PARTY 2:**

2.2.1. Party 2 hereby agrees upon to arrange for training of the staff at all levels for acquainting themselves with the operational procedure, time-lines and the need for dedicated approach to deliver the services under this MOU.

2.2.2. Party 2 hereby agrees to provide manpower and cash-flow arrangements for implementation of this Scheme and to adhere to the time-line as agreed upon and as per norms for opening of SB accounts, crediting of wage amounts, allowing of withdrawals, etc.

2.2.3 Party 2 hereby agrees to give party 1 the drawing account numbers of Cash Offices so that sufficient funds can be transferred in advance.

2.2.4 Party 2 hereby agrees to disburse the wage amount received through MIS as detailed:

By the time the MIS reaches the PO, the cash office would have already got the money in advance [at the drawing account of the PO]. The PO will start payment of wages to the beneficiaries on the identified dates and intimate their Cash Office/SO. In this procedure, the funds are transferred to the Cash Office in advance and hence waiting for the information from the cash office does not arise.

2.2.5. Party 2 also hereby agrees upon to provide effective mechanism at all levels for redressal of grievances and disposal of complaints relating to wage payments through Post Office Savings Bank.

2.2.6. Party 2 also hereby agrees upon to participate in the periodical coordination meetings to be arranged at Block, District and State levels for discussing various issues relating to smooth functioning of the System.

2.2.7 Party 2 hereby agrees to open the NREGS accounts under social security schemes with zero balance for the beneficiaries.

### **3. Coordination:**

3.1 At State Level, Principal Secretary / Secretary, Rural Development will convene coordination meetings with the officers of Postal Department on monthly basis or as and when required. Pr./Chief Post Master General/ Director Postal Services will attend the meetings.

3.2 The District Programme Coordinators (DPCs) of the districts, Programme Officers/Additional Programme Officers (POs/APOs) of the Blocks and the Nodal Officers identified in the Postal Divisions

are the key persons in the implementation of the MOU pertaining to wage-payments through Post Office Savings Bank. They are also responsible for coordination among officers at lower level and higher level on both sides to ensure smooth functioning of the system. DPC will convene a monthly meeting at district level for reviewing the implementation, identifying the problems and finding out the solutions. Sr./Superintendent of Post Offices will attend the meeting as representative of Party 2.

3.3 PO/APO will convene similar coordination meetings fortnightly at Block level. Assistant Superintendent of Post Offices/Inspector (Posts) along with concerned Sub Postmasters/Branch Postmasters will attend the meeting as representatives of Party 2.

#### **4. BREACH OF COVENANT AND ITS CONSEQUENCES:**

Party 2 shall be liable for failing to discharge its obligations fixed in this MOU provided that the failure is caused entirely by any of its own act or omission or that of its staff. Party 1 shall be responsible for discharging its obligations fixed in this MOU. Party 2 shall not be responsible if Party 1 does not meet the obligations under this MOU.

#### **5. ADDITIONAL BENEFITS FOR NREGA WORKERS:**

##### **Accidental Insurance Cover to workers:**

Accidental insurance cover will be provided to the individual workers duly linking it to the PO Savings Bank Account through M/s Oriental Insurance Company. After mutual consultations, detailed guidelines in this regard will be issued separately by the parties.

## **6. TERM AND TERMINATION OF MOU:**

6.1 The duration of the MOU will ordinarily be co-terminus with that of NREGS.

6.2 This MOU may be terminated by either Party upon providing a written notice of three months to the other Party of its intention to do so.

## **7. DISPUTES RESOLUTION SYSTEM:**

In case of any dispute arising out of this MOU, both parties shall resolve the issue amicably following government procedures. Payment of wages should not be adversely affected, expressly or implicitly, on account of any pending disputes between the parties.

## **8. FORCE MAJEURE:**

Except in the case of unforeseen and uncontrollable circumstances viz. calamities, floods, cyclones, earthquakes, or strikes, bundhs, hartals, rasta-rokos, curfews, accidents, etc., the norms and modalities agreed upon as above will be strictly adhered to. In case of any unforeseen contingencies or accidents as stated above, every effort will be made by both the parties to restore normalcy as quickly as possible.

## **9. TIME LINE:**

Time is of essence in this MOU. Both the parties hereby agree that the issues involved in this Scheme are time-sensitive and that the time frames agreed upon for different operations in the preceding paragraphs should be strictly adhered to.

**10. GENERAL:**

10.1 Payment of wages shall be made once in a week/fortnight. If required, payment would be staggered to deal with increased work-load without breach of the statutory time limit for payment of wages.

10.2 In the villages where the Post Office is located, Post Office Savings Bank Accounts shall be opened by workers in the Post Office. In a village / habitation where no post office is located, the workers will be given option to open the Savings Bank Account in the Post Office serving their village / habitation. The wages due to them will be deposited in the individual/joint Savings Bank Accounts to be withdrawn at their convenience.

**IN WITNESS WHEREOF**, the parties hereto have executed this MOU this \_\_\_\_\_ day, \_\_\_\_\_ month and \_\_\_\_ year

Sri. P. Ravikumar,  
Secretary, Rural Development&Panchayat Raj,  
For and on behalf of Government of Karnataka,  
Rural Development Department.

Sri K.K.Sharma  
Director, Postal Services (HQ)  
For and on behalf of  
Department of Posts,  
Karnataka Circle.

**WITNESS:**

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