

No. M- 12014/8/2006-NREGA
Government of India
Ministry of Rural Development
Department of Rural Development
(NREGA Division)

Krishi Bhawan, New Delhi
22nd May, 2008

To

All States/Union Territories Secretaries of Rural Development
(In charge of NREGA)

Subject:- **Payment of wages to NREGA wage earners through Post Offices/ Banks**

Timely provision of employment and payment of wages to NREGA wage earners is critical for the successful implementation of the programme. To ensure this, transparency and accountability in the disbursement of wages is essential.

2. Ministry of Rural Development has mutually prepared a model MoU for payment of wages to NREGA wage earners through Post Offices. The Model MoU has already been forwarded to States/Union Territories Governments.

3. Wages may be disbursed through Post Offices or Banks depending upon the mapping of Post Offices/Banks outreach.

4. The Model MoU is to facilitate the process of operationalisation of disbursement of wages through Post Offices/Banks and may be modified as per the local requirements.

5. Clause 11.3 of the Model MoU states "No other agency may be engaged for disbursement of wages under this scheme where the disbursement entrusted to Post Office". It is clarified that the State/UT Government will decide based on mapping of Post Offices/Banks outreach, on accounts to be opened in Post Offices/Banks. Once in an area an agency is decided upon, whether Post Office/Bank that agency will maintain wage earner accounts. This clause does not mean that opening accounts in Post Offices restricts the State Government from opening accounts in Banks; as has been wrongly interpreted in some States.

The above may please be noted for information and necessary action.

Yours faithfully,

(J.S. Audhkhasi)
Under Secretary to the Government of India