

CHARITABLE ENDOWMENTS *maintained By Director of local fund audit as the treasurer of Charitable endowments*

I. 1. Introduction

With a view to extend charity to the needy around us, Government of India formulated a set of rules, So as to enable the Public to institute Charitable Endowments. As per the provisions contained in the Charitable Endowments Act of 1890. **The Treasurer of Charitable Endowments, Kerala (The Director of Local fund Audit)** is empowered to govern such endowments instituted in Kerala, as an agency of Government of Kerala.

2. Any person can institute one or more endowments in his/her name or as memorial of some one else, as per his/her wish proposals for such endowments , the corpus of which should not be less than Rs.1000/- (Rupees One thousand only) (As per Rule 8 of CE Rules issued in G.O(P) 450/66/Fin dated: 10.10.1966) will be considered for acceptance by Government, Only if the intention of the donor is to extend help of a Charitable nature which includes relief of the poor, education, medical relief and advancement of any other object of general public utility but does not include a purpose which relates exclusively to religious teaching or worship.

3. The interest for a full year on the corpus of each fund will be made available during the succeeding year to the administrators of the funds on specific requisition with the required details, for utilization.

4. Accounts relating to each endowment fund is maintained separately by the Treasurer of Charitable Endowments and as per the provision in section 9 of the Charitable Endowments Act 1890 (Central Act 6 of 1890) a list of properties vested with the Treasurer of Charitable Endowments and an abstract of all accounts for each financial year, kept by him will be published in the Kerala Gazette before 30th September of the year following for the information of the public and the Administrators of the funds.

II. Procedure for Instituting an Endowment

1. The donor of the endowment who proposes to institute a Charitable Endowment in his/her name or as a memorial to someone else, has to submit a request to Government to accept the proposed endowment. A draft scheme for the administration of the proposed endowment has also to be submitted along with the request. The Language of can either be English or Malayalam, as the donor may desire.

2. The proposals for instituting an endowment has to be addressed to the following officials.

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| 1. | Endowment coming
Under Education Department | } | The Special Secretary
Higher Education (E) Department |
| 2. | Endowments
Local Bodies of the State | } | The Special Secretary, LA & SW
Department, Government Secretariat |
| 3. | Endowment Health Department | } | The Secretary to Government,
Health Department |

3. Government will examine the proposal and forward it to the Treasurer of Charitable Endowments for offering his remarks, after verification with the relevant provisions of the Accounts & Rules in force, from time to time.

4. On receipt of the recommendation of the Treasurer of Charitable Endowments, if Government feels that the proposed endowments is acceptable, the donor will be intimated accordingly and he/she will be directed to remit the corpus of the proposed corpus amount (D.D) should be prudent with the Draft Scheme endowment to the Treasurer of Charitable Endowments, by way of a Demand Draft drawn in his favour as payable at Thiruvananthapuram.

5. The corpus of the proposed endowment, So received from the donor will be deposited into the P.D. Account of the Treasurer of Charitable Endowments (which bears no interest) under intimation to Government. Government in return will notify

the intention of the donor to institute the said endowment, along with the draft scheme, put forth by him/her (with suitable modifications made if found necessary) and the same will be published in the Kerala Gazette. One month's time will be allowed for the public to raise any objection in accepting the proposed endowment, from the donor. After the lapse of said period, if no objection is brought to the notice of Government, Government will accept the endowment and orders will be issued to vest the fund with the Treasurer of Charitable Endowments. This will also be published in the gazette, for the information of the general public.

6. On receipt of such vesting orders from Government, the amount of corpus of the fund already remitted by the donor, till then kept in the P.D. Account of the Treasurer of Charitable Endowments, bearing no interest, will be withdrawn by the Treasurer of Charitable Endowments and the same will be invested in interest earning securities approved by Government. Thus, the amount invested by the donor will start earning interest only from due date and only after the lapse of one full year from that date, interest on the fund will accrue for utilisation.

III. Working of the Endowment Fund

1. After settling the Scheme for administration of the fund, the first payment of interest will be available for utilisation only after the lapse of one full year from the date of investment of the corpus in interest earning securities, approved by government. The Administrator appointed therein can have the annual interest on the fund from the Treasurer of Charitable Endowments, on the basis of a requisition for the release of the interest amount. The nature of utilisation of the amount so claimed has to be specified. In the case of educational endowments, where Scholarships awards or prizes are to be distributed the details of the awardees selected by the Administrator in accordance with the Scheme should also be supplied to the Treasurer of Charitable Endowments, for a primary checkup at his office, so as to ensure that the wishes of the donors are fulfilled by the Administrators. The interest amounts will be released to the Administrators by way of cheque/D.D(SBT Branch). The Administrators have to acknowledge receipt of

the interest amount and forward utilisation certificate as required under Rule 90(a) and note (b) to Rule 93 of Kerala Treasury Code, Vol.I. The acknowledgement receipt should be in printed form No.TR 5 in the case of Government Institutions. A certificate of receipt will be enough from non-Government Administrators.

No request for payment of interest on an endowment will be considered when acknowledgement receipt/certificate of a receipt/Utilisation Certificate in respect of the previous payment is due from the Administrators. In other words, the administrator should furnish the acknowledgement receipt and the certificate of utilisation for amount paid by the Treasurer for a year, before claiming the amount for the succeeding year.

IV. FREE SERVICE BY GOVERNMENT

All the services connected with the institution and the working of an endowment fund are rendered free of cost by Government. The D.D. bearing the value of the interest amounts are also obtained free of commission from the Bank, as per the Reserve Bank of India Scheme.

Income Tax Exemption given by Income Tax Department to Endowment Fund.

CERTIFICATE OF RECEIPT

Certified that a sum of Rs..... (Rupees.....
.....only) has been received from the Treasurer of Charitable Endowments, Kerala by way of Cheque/D.D.No..... dated..... towards interest on endowment fund, for the year.....

Place
Date

Sd/-
Designation