

FINANCE DEPARTMENT, GNCTD
GOVERNMENT OF NCT OF DELHI
 4th Level, A-Wing, Delhi Secretariat, New Delhi.

No.F.47/1/2020-AC/ISB/na/72-167

Dated: 11/01/2021

OFFICE MEMORANDUM

Sub:- **Banking arrangements of the State/District Level Implementing Agencies handling Central Sector/Centrally Sponsored Schemes of various Ministries of Government of India.**

Reference is invited to OM No.S-11012/3(1)/Bank/Ref.Case/2010/RBD/1688-1772 dated 10.11.2016 (copy enclosed) of Controller General of Accounts, Department of Expenditure, Ministry of Finance, Govt. of India wherein clarifications has been issued with regard to banking arrangements of the State/District Level Implementing Agencies handling Central Sector/Centrally Sponsored Schemes of various Ministries of Government of India.

2. As per the directions of Department of Expenditure, Ministry of Finance it is necessary for all Implementing agencies and Grantee Institutions to universally adopt Public Financial Management System (PFMS) platform while implementing schemes falling under CS/CSS. Accordingly, all the Departments of Government of NCT of Delhi are requested to take the following steps:

- i. All Central Sector/Centrally Sponsored Schemes should be mapped/ configured and brought on the PFMS platform.
- ii. All Implementing Agencies receiving and utilizing funds need to be mandatorily registered on PFMS.
- iii. Usage of PFMS modules should be made mandatory for all registered agencies for making payments, advances and transfers.
- iv. All Departmental Agencies incurring expenditure in respect of Central Sector/Centrally Sponsored Schemes should register and compulsorily use the PFMS Modules.
- v. All Grantee Institutions may be directed to adopt PFMS modules for making Payments/Transfers/Advance from Grants received from the Central govt. This will enable generation of on-line Utilization Certificates for claiming funds from Central government.

3. The PFMS-Core Banking Solution Interface facilitates online validation of beneficiaries and Agencies bank account details. Electronic payment files are generated through PFMS for three modes of payments, viz. Print Payment Advice (PPA), Digital Signature Certificate (DSC) and Corporate Internet Banking (CINB).

4. As per OM No.S-11012/3(1)/Bank/Ref.Case/2010/ RBD/1688-1772 dated 10.11.2016 of Controller General of Accounts, Department of Expenditure, Ministry of Finance, Govt. of India on banking arrangements (referred above), the following category of banks operating in India and regulated under Banking Regulation Act 1949, which have been notified as Scheduled Commercial Banks can handle accounts of Implementing Agencies/Autonomous Bodies/Societies:

- i. State Bank of India and its associates
- ii. Nationalized Banks (PSU Banks)
- iii. Regional Rural Banks
- iv. Other Scheduled Commercial Banks (Private Sector Banks)

5. Further, vide OM No.S-11012/3(1)/Bank/Ref.Case/2010/GBA/1351-1454 dated 21.08.2019 (copy enclosed) of Controller General of Accounts, Department of Expenditure, Ministry of Finance, Govt. of India, requested all Implementing Agencies to ensure that banking arrangement for the Central Sector Schemes as a norm, are handled by the Public Sector Banks and Regional Rural Banks rather than other Schedules Commercial Banks (Private Sector Banks).

6. In view of the above all the Implementing Departments are requested to align the banking arrangements in respect of Central Sector/Centrally Sponsored Schemes, accordingly.

7. This issues with the approval of Secretary (Finance), GNCTD.

 11/1/21

(PRINCE DHAWAN)
Special Secretary (Finance)

No.F.47/1/2020-AC/Jsfinal 72-167

Dated: 11/01/2021

To

All Principal Secretaries/Secretaries/HoDs,
Government of NCT of Delhi/New Delhi.

Copy to:

1. PPS to Secretary (Finance), GNCTD, Delhi Sectt., New Delhi.

**Office of Controller General of Accounts
Ministry of Finance
Department of Expenditure
Mahalekha Niyantak Bhawan
E Block, INA, New Delhi
Tele/Fax : 011-24649365
Email: sao-rbd@nic.in**

No. S-11012//3(1)/Bank/Ref. Case/2010/GBA/1351-1454 21st August 2019

Office Memorandum

Subject:- Banking arrangements of the State/District Level Implementing Agencies handling Central Sector Schemes of various Ministries/Departments of Government of India

Reference is invited to this office Memorandum No. S-11012/3(1)/Bank/Ref. Case/2010/RBD/1688-1772 dated 10th November 2016 (copy enclosed) on the subject cited above.

2. It has been observed that significant amount of government funds are lying with Implementing Agencies pending utilization. It is also noted that a significant quantum of these un-spent balances are lying in the Private Sector Banks. Further, in the light of continued capital infusion in Public Sector Banks (PSBs), a need has been felt to re-look at the banking arrangements of the Implementing Agencies getting grants/funds from the Central Government for various schemes.

3. Accordingly, Ministries/Departments are requested to ensure that for the Central Sector Schemes the banking arrangements of the Implementing Agencies, as a norm, are handled by the Public Sector Banks and Regional Rural Banks rather than other Scheduled Commercial Banks (Private Sector Banks).

4. All Ministries/Departments are also requested to have a re-look at the concerned scheme guidelines and accordingly align the banking arrangements of the Implementing Agencies/Autonomous Bodies/Societies.

This issues with the approval of Secretary (Expenditure), Ministry of Finance.


(Taranjit Singh)

Jt. Controller General of Accounts (ARPR)

Encl: As above.

To

1. Financial Advisors of all the Ministries/Departments of Central Government
2. Pr. CCA/CCA/CA with independent Charge of all Ministries/Departments

Copy for information and necessary action: -

1. Joint Secretary (PF-Central), Department of Expenditure, Ministry of Finance, North Block, New Delhi

Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Mahalekha Niyantrak Bhawan,
E-Block, GPO Complex,
INA, New Delhi-110023

Tel: 24665384, Fax: 24649365, e-mail : sao-rbd@nic.in

Dated : 10.11.2016

Office Memorandum

Subject: Banking arrangements of the State/District Level Implementing Agencies handling Central Sector/Centrally Sponsored Schemes of various Ministries of Government of India.

The Department of Expenditure, M/o Finance has issued directions to all the Ministries that for the purpose of improved financial management in implementation of government funded schemes & for facilitating Just-in-Time releases and monitoring the usage of funds including information on its ultimate utilization, it is necessary for all Implementing agencies and Grantee Institutions to universally adopt Public Financial Management System (PFMS) platform. It further asks all the Ministries/Departments to take the following steps:

- (i) All Central Schemes should be mapped/configured and brought on the PFMS platform.
- (ii) All Implementing Agencies (IAs) receiving and utilizing funds need to be mandatorily registered on PFMS.
- (iii) Usage of PFMS modules should be made mandatory for all registered agencies for making payments, advances and transfers.
- (iv) All Departmental Agencies incurring expenditure in respect of Central Sector Schemes should register and compulsorily use the PFMS Modules.
- (v) All Grantee Institutions may be directed to adopt PFMS modules for making Payments/Transfers/Advance from Grants received from the Central govt. This will enable generation of on-line Utilisation Certificates for claiming funds from Central government.
- (vi) Ministries may also take action for integrating their respective systems/applications with the PFMS.

2. It further states that as per the approved Action Plan, all Central Ministries / Department should complete the full roll-out in respect of the Ministry / Department and Attached/Subordinate Offices by 31st October 2016 and all Grantee Institutions should complete the roll out by 31st March 2017.

3. The PFMS-Core Banking Solution Interface facilitates online validation of beneficiaries, and Agencies bank account details. Electronic payment files are generated through PFMS for three modes of payments, viz. Print Payment Advice (PPA), Digital Signature Certificate (DSC) and Corporate Internet Banking (CINB). At present, PFMS -CBS interface is operational with Public Sector Banks (26), Regional Rural Banks (50), and Private Sector Banks (10). PFMS has interface with India Post and RBI too.

4. In this context it has been observed by this office that the scheme guidelines of many of the schemes were formulated before the expansion of banking sector and the changes that

140 took place afterwards have not been incorporated on issues related to banking arrangements of the Implementing Agencies at various levels.

5. Further, the Scheme guidelines of some of the Ministries/ Departments are still limiting their scheme implementing agencies to Nationalised/ PSU Banks only due to presence of limiting banking clauses in their old scheme guidelines. In addition to this, few schemes due to absence of clarity on banking clause, get inclined on preferring PSU Banks rather than any scheduled commercial bank.

6. In this regard, this office, vide O.M. no. S-11012/3(1)/Ref Case 2010/1119-1179 dated 30.06.2015 had issued clarification on the government agency business and banking arrangements of autonomous bodies, prefunded schemes etc. This office had already clarified vide its above referred letter in consultation with Dept. of Financial Services on eligibility of Scheduled Commercial Private Sector Banks for participation in Pre-Funded Schemes and accordingly all concerned Departments/Ministries were advised to make enabling provisions within the scheme implementation guidelines and issue necessary instructions to grantee institutions at the earliest on inclusion of scheduled commercial banks.

7. The following category of banks operating in India and regulated under Banking Regulation Act 1949, which have been notified as Scheduled Commercial Banks can handle accounts of Implementing Agencies/ Autonomous Bodies/Societies.

- (i) State Bank of India and its associates
- (ii) Nationalised Banks (PSU Banks)
- (iii) - Regional Rural banks
- (iv) Other Scheduled Commercial Banks (Private Sector Banks)

8. All the Ministries/Departments are therefore, requested to consider the above mentioned facts and clarifications and have a relook at the scheme guidelines relating to the banking arrangements of the Implementing Agencies/Autonomous Bodies/Societies and make necessary changes, if required, so that all the Scheduled Commercial Banks (except Foreign Banks) are able to participate fully in the implementation of their schemes with the universal roll out of the release of grants through PFMS.

This issues with the approval of Controller General of Accounts.

Shakuntla
10/11/16
(Dr. Shakuntla)

Jt. Controller General of Accounts

To,

1. Financial Advisors of all the Ministries/Departments of Central Government.
2. Pr.CCA/CCA/CA with independent charge of all Ministries/Departments.

Copy to:

1. Jt. Controller General of Accounts (PFMS), O/o CGA, Shivaji Stadium Annexe, New Delhi-110001.
2. Sr. Accounts Officer, ITD, O/o CGA with the request to upload this OM on the office website.