

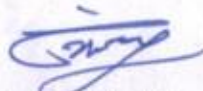
FINANCE DEPARTMENT
(PFMS-BUDGET DIVISION)
Government of National Capital Territory of Delhi
4th Level, B-Wing, Delhi Secretariat, I.P. Estate, New Delhi

F.No.47/3/2021-AC (Part File)/ 503-506 Dated: 14 / 02 / 2024

ENDORSEMENT

The copy of under mentioned Office Memorandum is forwarded herewith for information and necessary action to the following:

1. All Head of Department, Govt. of NCT of Delhi
2. Dy. Controller of Accounts (Accounts), Principal Accounts Office, Govt. of NCT of Delhi.
3. Guard File
- ✓ 4. System Analyst with the request to upload the same on Website of Finance Department.


(D.B.GUPTA)
DIRECTOR (BUDGET)

NAME OF MINISTRY/ DEPARTMENT	OM NO. & DATE	SUBJECT
PFMS Division, Department of Expenditure, Ministry of Finance, Government of India	F. No.1(27)/PFMS/2020 dated 16.01.2024	"Just-in-Time" release of Centrally Sponsored Schemes (CSS) funds through SNA SPARSH model - procedure for return of unspent balances lying in the SNA accounts and State Treasury - reg.

"Just-in-Time" release of Centrally Sponsored Schemes (CSS) funds through SNA SPARSH model - procedure for return of unspent balances lying in the SNA accounts and State Treasury - reg.

From : Madhumita Dogra <madhumita.dogra@gov.in>

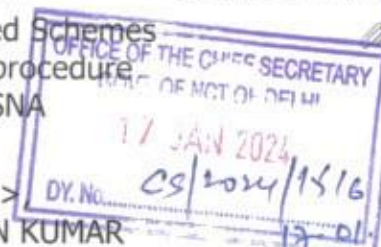
Wed, Jan 17, 2024 03:31 PM

Subject : "Just-in-Time" release of Centrally Sponsored Schemes (CSS) funds through SNA SPARSH model - procedure for return of unspent balances lying in the SNA accounts and State Treasury - reg. 21 attachment

To : Dr K. S. Jawahar Reddy, IAS <cs@ap.gov.in>, Dharmendra <cs-arunachal@nic.in>, PABAN KUMAR BORTHAKUR, IAS <cs-assam@nic.in>, Chief Secretary Bihar <cs-bihar@nic.in>, Chief Secretary Office <csoffice.cg@gov.in>, Puneet Kumar Goel IAS Chief Secretary <cs-goa@nic.in>, cs guj@gujarat.gov.in, cs haryana <cs.haryana@gov.in>, Prabodh Saxena <cs-hp@nic.in>, L.Khiangte, IAS <cs-jharkhand@nic.in>, cs@karnataka.gov.in, DR VENU V IAS <chiefsecy@kerala.gov.in>, Veera Rana <cs@mp.nic.in>, chiefsecy@maharashtra.gov.in, cs-manipur <cs-manipur@nic.in>, cso-meg <cso-meg@nic.in>, cs-mizoram <cs-mizoram@nic.in>, Jan e Alam, Chief Secretary Nagaland <csngl@nic.in>, Shri Pradeep Kumar Jena <csori@nic.in>, Chief Secretary Punjab <cs@punjab.gov.in>, csraj@rajasthan.gov.in, Vijay Bhushan Pathak <cs-skm@hub.nic.in>, cs@tn.gov.in, CS Telangana <cs@telangana.gov.in>, cs-tripura <cs-tripura@nic.in>, CHIEF SECRETARY GoUP <csup@nic.in>, chief secretary <cs-uttaranchal@nic.in>, B P Gopalika <cs-westbengal@nic.in>, Chief Secretary Andamans <cs-andaman@nic.in>, ADMR CHD <admr-chd@nic.in>, Administrator DNH DD <administrator-dd-dnh@nic.in>, Shri Naresh Kumar <csdelhi@nic.in>, Praful Patel <lk-admin@nic.in>, Mr Rajeev Verma IAS <cs.pon@nic.in>, admr adranagar <admr.adranagar@nic.in>, cs-jandk <cs-jandk@nic.in>, Advisor to LG <advisor-lg-ladakh@gov.in>

Cc : PRATEEK SINGH <prateeks.98@gov.in>, Sumit Verma <sumit.verma@nic.in>, SHASHANK AGRAWAL <shashank.ag23@gov.in>, Aniket Shandil <aniket.pshandil@gov.in>, Rohit Gupta <rohit.nitjsr126@gov.in>

Sir/Madam



Pr. Secy (Fin)

*NIHARIKA RAI
Secretary (Finance)*

*Dr. Ashish Chandra Verma, IAS
Pr. Secretary (Finance)*

*h
23/1/2024 SE
R. Manaka, IAS
Special Secretary - I, Finance*

*25/1/24
Sr. A.G. (PFMS)*

*24/1/24 SS A-1
Dixit*

47 ✓ Please find attached an OM No. 1/(27)/PFMS/2020 dated 16.01.2024 on the above mentioned subject.

Regards
Madhumita Dogra
ASO (PFMS)



— OM dated 16.01.2024 to all secys.pdf
1 MB

46/c

F. No. 1(27)/PFMS/2020
Government of India
Ministry of Finance
Department of Expenditure
PFMS Division

North Block
New Delhi, 16th January, 2024

OFFICE MEMORANDUM

Subject: "Just-in-Time" release of Centrally Sponsored Schemes (CSS) funds through SNA SPARSH model – procedure for return of unspent balances lying in the SNA accounts and State Treasury - reg.

Attention is invited Para 3(v) of DoE's OM No. 1(27)/PFMS/2020 dated 13th July, 2023 which states that –

"Upon on boarding of a scheme onto SNA- SPARSH platform, the State Government shall close all the SNA accounts pertaining to the scheme and return the Central share of unspent balance lying in the SNA accounts to the Consolidated Fund of India (CFI). Similarly the State share of unspent balance in the SNA accounts should be returned to the Consolidated Fund of the State. Further, the central share under the scheme lying in State treasury should also be returned to the CFI. Detailed procedure for calculation and return of the unspent amount will be issued separately."

2. In compliance with the aforesaid provision of DoE's guidelines dated 13th July, 2023, following Standard Operating Procedure (SoP) is issued for return of unspent scheme funds lying in the SNA account and the State treasury. This SoP is applicable to all the Centrally Sponsored Schemes (CSS) notified by the Department of Expenditure (DoE) under SNA-SPARSH model.
3. For each State Linked Scheme (SLS), the SNA concerned shall trifurcate the total funds released by the State treasury to the SNA account from 1st April, 2021 into Central share, State share and Top up.
4. The total funds available in the SNA account shall also be trifurcated into Central share, State share and Top up in the same proportion in which these funds were released to the SNA account. For example –

Central share of funds released to the SNA account since 1 st April, 2021	Say 'A1'
State share of funds released to the SNA account since 1 st April, 2021	Say 'B1'
TOP UP released to the SNA account since 1 st April, 2021	Say 'C1'
Total Funds Released to the SNA account since 1 st April, 2021 to till date	$D1 = A1 + B1 + C1$
SNA account balance as on date	Say 'S'
Central share of funds in the SNA account as on date	$X1 = S * A1 / D1$
State share of funds in the SNA account as on date	$Y1 = S * B1 / D1$
TOP UP share of funds in the SNA account as on date	$Z1 = S * C1 / D1$

5. The State Government shall assess the pending and due Central share (say X2), State share, and TOP UP yet to be released by the State treasury to the bank account of SNA.
6. SNA shall calculate the total Central share of funds (say X) to be remitted from the SNA account to the Consolidated Fund of India (CFI) by taking into account the Central share of funds in the SNA account as on date (X1) and the pending central share of scheme funds lying in the State treasury (X2), i.e., $X = X1 + X2$.
7. The Central share of funds 'X' as calculated above shall be further bifurcated into funds pertaining to 2023-24 and funds pertaining to financial years prior to 2023-24. In bifurcating the funds, State will apply the First in First Out (FIFO) principle, i.e. funds received in the SNA account are utilized as they are received. For example, if the amount 'X' is more than the central share released by the Department in 2023-24 (say F), then 'F' will be the central share of funds pertaining to 2023-24 and 'X-F' will be the central share of funds pertaining to previous financial years. Alternatively, if amount 'X' is less than 'F', then 'X' will be the Central share of funds pertaining to 2023-24 and that pertaining to previous years will be 'NIL'.
8. The calculations as per (3) - (7) above as prepared by the SNA shall be verified by the Finance Department of the State Government concerned and thereafter by Ministry/Department concerned of GoI.
9. After the calculations have been verified and accepted by the Ministry/Department and if the SNA account balance 'S' is sufficient to refund the total Central share of funds 'X', i.e., if $S > X$, the SNA shall –
 - i. Return the Central share of unspent balance pertaining to 2023-24 lying in the SNA account to the Consolidated Fund of India through the Bharatkosh Portal of PFMS. The purpose of refund shall be named 'Refund of unspent balance for the current financial year for schemes under SNA SPARSH' on Bharatkosh Portal of PFMS.
 - ii. Return the Central share of unspent balance pertaining to financial years prior to 2023-24 lying in the SNA account to the Consolidated Fund of India through the Bharatkosh Portal of PFMS. The purpose of refund shall be named 'Refund of unspent balance for previous financial years for schemes under SNA SPARSH' on Bharatkosh Portal of PFMS.
 - iii. Return the remaining amount, i.e. $S - X$, to the Consolidated Fund of the State.
10. If $S < X$, the State Government shall transfer funds to the tune of 'X-S' to the SNA account to enable SNA to refund the Central share of funds as per (9) above.
11. Program Division and PAO users can use Bharatkosh reports in PFMS to verify SLS wise amount remitted by SNA. Ministry/Department should ensure that the unspent balance lying in SNA bank account is remitted back to CFI through Bharatkosh only and as per the amount verified and accepted by the Ministry/Department.

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12. Accounting entries by PAOs:

- i. The refund of unspent balances for the current financial year shall be recorded as a reduction of expenditure below the major head '3601- Grants-in-aid to State Governments' or '3602-Grants-in-Aid to Union Territory Governments with Legislature' as the case may be.
- ii. The refund of unspent balances of previous years shall be adjusted under a separate minor head 'Deduct - Recovery of unspent balance of grant-in-aid from State/U.T. Governments' (Code '913') below the major head '3601- Grants-in-aid to State Governments' or '3602-Grants-in-Aid to Union Territory Governments with Legislature' as the case may be.

13. After the completion of aforesaid procedure, the State Government concerned shall close the SNA account, associated zero balance accounts and the associated holding account.

14. This issues with the approval of competent authority.

Prateek k Singh
16/11/24

(Prateek Kumar Singh)

Director (PFC-I)

011-23094961

E-mail: prateeks.98@gov.in

To,

1. All Secretaries to the Government of India
2. Chief Secretaries/Principal Secretary (Finance)/Finance Secretary of all States/UTs
3. All Financial Advisors to the Government of India
4. All Pr. CCAs/CCAs of all Ministries/Departments

Copy to:

1. Controller General of Accounts
2. Addl CGA, PFMS, O/o CGA

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F. No. 1(27)/PFMS/2020
Government of India
Ministry of Finance
Department of Expenditure
PFMS Division

North Block
New Delhi, 13th July, 2023

OFFICE MEMORANDUM

Subject: "Just-in-Time" release of Centrally Sponsored Schemes (CSS) funds through e-kuber platform of Reserve Bank of India (RBI).

The General Financial Rule 232(v) prescribes the release of funds to the State Governments and monitoring utilization of funds through PFMS. For better monitoring the availability and utilization of funds released to the States under the Centrally Sponsored Schemes (CSS) and to reduce float, the Department of Expenditure vide OM No. 1(13)PFMS/FCD/2020 dated 23rd March, 2021 has issued guidelines for revised procedure for flow of funds under CSS. The revised procedure, known as the "SNA model", came into effect from 1st July, 2021.

2. Further, in view of rule 230 (7) of GFR 2017 which prescribes that "The principles of 'just in time release' should be applied for releases in respect of all payments to the extent possible" and to bring about more efficiency in cash management at both Centre and States level, it has been decided to introduce an alternative fund flow mechanism named SNA – SPARSH (समयोचित प्रणाली एकीकृत शीघ्र हस्तांतरण – Real time System of Integrated Quick Transfers) for CSS funds through an integrated framework of PFMS, State IFMIS and e-kuber platform of Reserve Bank of India (RBI) in a progressive manner. The names of schemes and States to be covered by the alternative fund flow mechanism will be notified from time to time.

3. Following procedure will be followed by the State Governments concerned and the Ministries/Departments of the Government of India for the schemes notified for implementation in SNA –SPARSH model -

- i. Ministry/Department concerned of the Government of India shall open a drawing account with RBI under the existing User Defined Customer Hierarchy (UDCH) code of the Ministry/Department concerned.
- ii. The State Government will designate a Single Nodal Agency (SNA) for implementing each State Linked Scheme (SLS) corresponding to a CSS. Existing SNAs under the "SNA model" may also be designated as SNAs under SNA- SPARSH model.
- iii. The State Government shall open SLS wise drawing accounts of SNA in RBI. Before opening of drawing account of an SLS, State Government and Ministry/Department concerned of GoI shall ensure that the Centre-State fund sharing ratio is uniform under all components of that SLS. In case of Umbrella schemes having multiple sub

schemes/components with varying sharing patterns, State Governments in consultation with Ministry/Department concerned should open separate SLS for sub schemes/components with different sharing ratio.

- iv. After opening of aforesaid drawing accounts in RBI by the Ministries/Departments and the State Governments, the Ministries/Departments and the State Governments will approach the PFMS division, O/o CGA for on boarding the scheme onto SNA-SPARSH platform of PFMS by 'marking' of the CSS on PFMS. Simultaneously, the State Governments shall map the CSS with corresponding SLSs as per the existing protocol.
- v. Upon on boarding of a scheme onto SNA- SPARSH platform, the State Government shall close all the SNA accounts pertaining to the scheme and return the Central share of unspent balance lying in the SNA accounts to the Consolidated Fund of India (CFI). Similarly the State share of unspent balance in the SNA accounts should be returned to the Consolidated Fund of the State. Further, the central share under the scheme lying in State treasury should also be returned to the CFI. Detailed procedure for calculation and return of the unspent amount will be issued separately.
- vi. Once a CSS is on boarded onto SNA-SPARSH platform of PFMS, Ministry/Department concerned shall use only the SNA- SPARSH platform to release funds under the scheme as per the guidelines contained in this OM and further guidelines issued in the matter. The use of SNA platform to release funds as per DoE's guidelines dated 23rd March, 2021 shall be stopped immediately after on boarding of the CSS onto SNA- SPARSH platform.
- vii. In the beginning of a financial year, the Ministries/Departments will create a 'mother sanction' in PFMS for a State for a CSS. The 'mother sanction' will define State wise drawing limit of the Ministry/Department for that CSS. The mother sanction may be modified by the Ministry during the year with the concurrence of the IFD.
- viii. The SNA and the Implementing Agencies (IAs) down the ladder shall be registered in State Integrated Financial Management Information System (State IFMIS).
- ix. Whenever the SNA/IAs needs to make payment to vendors/beneficiaries, the SNA/IA will generate payment files in State IFMIS. The payment files generated by SNA/IAs will be consolidated by State treasury in State IFMIS periodically after thorough scrutiny.
- x. In the case of States where the IT system is not ready to onboard a large number of agencies with proper protocol, the agencies may submit manual claims to State treasury which in turn shall process these claims in the State IFMIS.
- xi. State Government will develop a State Cyber Treasury wherein all payment files with SLS tags from the SNA/IAs could be received for payment and the vouchers could be compiled for accounting purpose. The State Cyber Treasury shall make the provision

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of 'flags' to identify the SNA/IA which has raised the claim and the SLS to which the claim pertains to.

- xii. State Government/treasury will share the consolidated payment file with PFMS for advance release of Central share.
- xiii. After receiving the consolidated payment file on PFMS, the Ministry/Department concerned will generate a sanction equivalent to the central share specified for the SLS on PFMS and transfer the central share of funds from centre's drawing account to the State's drawing account. Thus, State's drawing account shall be pre-funded with central share. After release of central share of funds, the mother sanction for the centre's drawing account for the scheme for the State will be reduced by an equivalent amount.
- xiv. Payment files received from State Treasury in PFMS till the cut-off time of 3 PM during a working day will be processed and sanction for the central share will be generated on the same working day. Sanction for the central share for payment files received beyond the cut-off time of 3 PM may be generated on the next working day.
- xv. Upon receipt of Central share, the consolidated payment file in State IFMIS will be auto pushed from State IFMIS to RBI. RBI shall debit the State's drawing amount by the total amount of the payment file and release payments to vendors/beneficiaries as per the instructions contained in the payment file. RBI will share the Debit notification of this payment with both PFMS and State IFMIS.
- xvi. In some schemes, the State Governments are releasing 'top up' amount in addition to the Central share and State share. State IFMIS and PFMS shall maintain a master database of proportion of Central, State share and the top up amount in such schemes. Payment files of such schemes will mandatorily include the 'top up' amount separately in line with the proportions in the master database and the Central share will not be calculated on the 'top up amount'. In case of schemes having 'top up' by State Government, Ministries/Departments shall not generate the sanction for central share against the payment files which are not reflecting the top up amount separately.
- xvii. There shall be periodic reconciliation and settlement of funds including failed transactions between Centre and State. The consolidated payment file pushed by State IFMIS to PFMS will mandatorily have the flagging for reinitiated transactions against previously failed transactions (if applicable) to avoid duplicate payments.
- xviii. Funds will remain in respective consolidated funds and will be released to the beneficiaries/vendors just in time. The funds will not be diverted to any Personal Deposit (PD) account or any other account by the State Government.
- xix. UTs without legislature work directly in PFMS and there is no need for them to open account in RBI. Ministries concerned can allow UTs with legislature to operate the concerned budget head through Letter of Authorization. UTs without legislature will ensure that the funds are released to the vendors/beneficiaries 'just in time' and are

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not parked in a bank account. In case funds are to be released to any agency as per scheme guidelines, provision of Rule 230 (vii) of GFR 2017 will be strictly followed to avoid parking of funds, with agencies.

4. This issues with the approval of Finance Secretary & Secretary (Expenditure).

Prateek K Singh
13/7/23

(Prateek Kumar Singh)

Director (PFC-I)

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E-mail: prateeks.98@gov.in

To,

1. All Secretaries to the Government of India
2. All Financial Advisors to the Government of India
3. All Pr. CCAs/CCAs of all Ministries/Departments

Copy to:

1. PSO to Finance Secretary & Secretary (Expenditure)
2. PSO to Special Secretary (Pers)
3. PSO to AS(PF-S)
4. PPS to CGA
5. Sr. PPS to AS (PFC-II)
6. Sr. PPS to JS (PFC-I)

F. No. 1(13)PFMS/FCD/2020
Government of India
Ministry of Finance
Department of Expenditure
PFMS Division

Block No.11, 5th Floor,
CGO Complex, Lodhi Road,
New Delhi, dated 23.03.2021

OFFICE MEMORANDUM

Subject: Procedure for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released

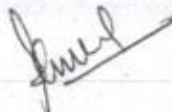
The General Financial Rule 232(v) prescribes the release of funds to the State Governments and monitoring utilization of funds through PFMS. For better monitoring of availability and utilization of funds released to the States under the Centrally Sponsored Schemes (CSS) and to reduce float, the Department of Expenditure vide letter of even number dated 16.12.2020 had shared a draft modified procedure for release of funds under CSS with all the State governments and Ministries/Departments of the Government of India to seek their comments. The comments received from the State governments and Ministries/Departments of the Government of India were considered and the procedure has been suitably modified.

With a view to have more effective cash management and bring more efficiency in the public expenditure management, it has been decided that the following procedure will be followed by all the State Governments and Ministries/Departments of the Government of India regarding release and monitoring utilization of funds under CSS with effect from 1st July, 2021:

1. Every State Government will designate a Single Nodal Agency (SNA) for implementing each CSS. The SNA will open a Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorized to conduct government business by the State Government.
2. In case of Umbrella schemes which have multiple sub-schemes, if needed, the State Governments may designate separate SNAs for sub-schemes of the Umbrella Scheme with separate Single Nodal Accounts.
3. Implementing Agencies (IAs) down the ladder should use the SNA's account with clearly defined drawing limits set for that account. However, depending on operational requirements, zero-balance subsidiary accounts for each scheme may also be opened for the IAs either in the same branch of the selected bank or in different branches.
4. All zero balance subsidiary accounts will have allocated drawing limits to be decided by the SNA concerned from time to time and will draw on real time basis from the Single Nodal Account of the scheme as and when payments are to be made to beneficiaries, vendors etc. The available drawing limit will get reduced by the extent of utilization.

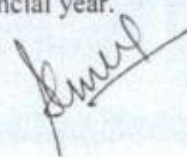
[Signature]

5. For seamless management of funds, the main account and all zero balance subsidiary accounts should preferably be maintained with the same bank. However, State Government may choose different banks for opening Single Nodal Accounts of different CSS.
6. Only banks having a robust IT Systems and extensive branch network should be chosen for opening the Single Nodal Account of each CSS. The bank chosen should have the facility to open the required number of subsidiary zero balance accounts and a robust MIS for handling accounting and reconciliation at each level. The bank should also provide a user friendly dashboard to officers at various levels to monitor utilization of funds by IAs.
7. The bank's software system should be able to monitor the drawing limits of the IAs who should be able to draw funds on real time basis from the SNA's account as and when payments are to be made. The selected bank should ensure proper training and capacity building of branch managers and other staff for smooth operation of these accounts.
8. The Ministries/Departments will release the central share for each CSS to the State Government's Account held in the Reserve Bank of India (RBI) for further release to the SNA's Account.
9. Funds will be released to the States strictly on the basis of balance funds of the CSS (Central and State share) available in the State treasury and bank account of the SNA as per PFMS or scheme-specific portals fully integrated with PFMS in consonance with rule 232(V) of the General Financial Rules, 2017.
10. The SNAs shall ensure that the interest earned from the funds released should be mandatorily remitted to the respective Consolidated Funds on pro-rata basis in terms of Rule 230(8) of GFR, 2017. Interest earned should be clearly and separately depicted in PFMS, scheme-specific portals integrated with PFMS and in MIS provided by the banks.
11. Except in case of schemes/sub-schemes having no State share, States will maintain separate budget lines for Central and State Share under each CSS in their Detailed Demand for Grants (DDG), and make necessary provision of the State share in the State's budget. While releasing funds to SNA, State's Integrated Financial Management Information System (IFMIS) should provide these budget heads and the same should be captured in PFMS through treasury integration.
12. In the beginning of a financial year, the Ministries/Departments will release not more than 25% of the amount earmarked for a State for a CSS for the financial year. Additional central share (not more than 25% at a time) will be released upon transfer of the stipulated State share to the Single Nodal Account and utilization of at least 75% of the funds released earlier (both Central and State share) and compliance of the conditions of previous sanction. However, this provision will not be applicable in case of schemes where a different quantum of release has been approved by the Cabinet.
13. After opening of Single Nodal Account of the scheme and before opening zero balance subsidiary account of IAs or assigning them drawing rights from SNA's account, the IAs at all levels shall return all unspent amounts lying in their accounts to the Single Nodal Account of the SNA. It will be the responsibility of the State government concerned to ensure that the entire unspent amount is returned by all the IAs to the Single Nodal Account of the SNA concerned. For this, the State Governments will work out the modalities and the timelines and will work out Central and state share in the amount so available with IAs.



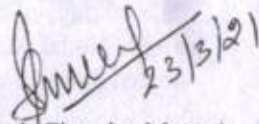
SNAs will keep a record of unspent balance lying in the account of IAs and the amount refunded by IAs.

14. Refund of balance amount by IAs and the amount available in the SNA's account should be taken into account by the Program Division of the Ministry/Department while releasing funds under the scheme. Concerned SNAs shall keep a record of the unspent amount lying in the account of IAs to be deposited in the Single Nodal Account while assigning drawing rights to IAs.
15. Ministries/ Departments will ensure that releases under all CSS are made strictly as per the actual requirement on the ground, without resulting in any material float with the implementing agencies at any level.
16. The State Government will transfer the Central share received in its account in the RBI to the concerned SNA's account within a period of 21 days of its receipt. The Central share shall not be diverted to the Personal Deposit (PD) account or any other account by the State Government. Corresponding State share should be released as early as possible and not later than 40 days of release of the Central share. The funds will be maintained by the SNA in the Single Nodal Account of each CSS. State Governments/SNAs/IAs shall not transfer scheme-related funds to any other bank account, except for actual payments under the Scheme.
17. State Governments will register the SNAs and all IAs on PFMS and use the unique PFMS ID assigned to the SNA and IAs for all payments to them. Bank accounts of the SNAs, IAs, vendors and other organizations receiving funds will also be mapped in PFMS.
18. Payments will be made from the zero balance subsidiary accounts up to the drawing limit assigned to such accounts from time to time. Transactions in each Subsidiary Account will be settled with the Single Nodal Account daily through the core banking solution (CBS) on the basis of payments made during the day.
19. SNAs and IAs will mandatorily use the EAT module of PFMS or integrate their systems with the PFMS to ensure that information on PFMS is updated by each IA at least once every day.
20. SNAs will keep all the funds received in the Single Nodal Account only and shall not divert the same to Fixed Deposits/Flexi-Account/Multi-Option Deposit Account/Corporate Liquid Term Deposit (CLTD) Account etc.
21. The State IFMIS should be able to capture scheme component-wise expenditure along with PFMS Scheme Code and Unique Code of the Agencies incurring the expenditure. State Governments will ensure daily uploading/sharing of data by the State IFMIS/Treasury applications on PFMS. PFMS will act as a facilitator for payment, tracking and monitoring of fund flow.
22. Release of funds by the Ministries/Departments to States towards the end of the financial year should be avoided to prevent accumulation of unspent balances with States. Ministries/Departments will arrange to complete the release well in time so that States have ample time to seek supplementary appropriations from their respective legislatures, if required, and account for all the releases in the same financial year.



23. In case of CSS having no State share and where as per the scheme guidelines, funds are released by the Central Ministry/Department directly to the districts/blocks/Gram Panchayats/Implementing agencies, the requirement of notifying a single Nodal Agency and opening of a Single Nodal Account at the State level may be waived by the Secretary of the Central Ministry/Department concerned in consultation with the Financial Adviser.
24. UTs without legislature work directly in PFMS. Therefore, there is no need for them to open a Single Nodal Account. They will ensure that the funds are released to the vendors/beneficiaries 'just in time'. In case funds are to be released to any agency as per scheme guidelines, provision of Rule 230 (vii) of GRF 2017 will be strictly followed to avoid parking of funds, with agencies.
25. Ministries/Departments shall undertake monthly review of the release of funds (both the Central and State Share) from the State treasury to the SNA, utilization of funds by SNAs and IAs and outputs/outcomes vis-à-vis the targets for each CSS.

This issues with the approval of Secretary (Expenditure) and shall supersede all earlier guidelines on this subject.


 (Subhash Chandra Meena)
 Director (FCD)
 011-24368543
 E-mail: subhash.meena@nic.in

To,

1. All Secretaries to the Government of India
2. All Financial Advisors to the Government of India
3. All Pr. CCAs/CCAs of all Ministries/Departments

Copy to:

1. PSO to Secretary (Expenditure)
2. PPS to CGA
3. Sr.PPS to Addl. Secretary (Expenditure)
4. PSO to Addl. Secretary (Pers)
5. Sr. PPS to JS (PFC-II)
6. Sr. PPS to JS(PF-S)