

C-13015(520-PtII)/MFCGA/PFMS/CSS(EAT)/2021-22/1610
Public Financial Management System
O/o Controller General of Accounts
M/o Finance. D/o Expenditure
Shivaji Stadium, New Delhi

Dated: 30th July, 2021

OFFICE MEMORANDUM

Subject: SOP on implementation of new procedure of release of funds under Centrally Sponsored Schemes (CSS) of Government of India.

In accordance with the new procedure for release of funds under Centrally Sponsored Schemes (CSS) as issued by Ministry of Finance, Deptt. Of Expenditure vide OM No. 1(13)PFMS/FCD/2020 dated 23.03.2021, Standard Operating Procedure (SOP) has been finalised for facilitation of State Departments, State Directorates of PFMS and other stakeholders.

SOP has been prepared for different models of adoption to implement the new procedure of payment under CSS is enclosed herewith. State Departments may refer to Standard Operating Procedure depending upon the model selected by them.

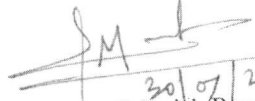
State Departments having any issues may send the same to-

- a) Shri C V Prasad, Jt. Controller General of Accounts (cv.prasad@gov.in)
- b) Shri Manish Raut, Asstt. Controller General of Accounts (manish.raut@gov.in)

A list of State Nodal Officers is also enclosed who may be contacted by the States for any issues in implementation of the new procedure.

This issues with the approval of Competent Authority.

Encls: As above.


30/07/21
(Manish Raut)

Asstt. Controller General of Accounts,
PFMS, O/o CGA.

To,

- 1) All State Finance Departments.
- 2) All Dy.CGAs/ACGAs of State Directorates.
- 3) Sr.AOs/AOs All State Directorates.
- 4) Sr.AO (Admin./ Technology) with request to upload on PFMS Website.

Copy for information to:

- 1) PS to Addl Comptroller General of Accounts, PFMS, New Delhi.
- 2) Jt. CGA Rollout/Technical/GIFMIS/Report/CDN/DBT/Banking Verticals.
- 3) Sh Abhay Kumar, Director, Min of Finance, Deptt. Of Expenditure, 5th floor, Block 11, CGO Complex, New Delhi.

Standard Operating Procedure (SOP) for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released.

Introduction

The General Financial Rules (GFR-2017) 232(V) prescribes the principle for release of Funds under CSS to State Governments and monitoring the utilization of funds through PFMS. With a view to have more effective cash management and to bring more efficiency in the Public Expenditure Management, Ministry of Finance, Government of India issued Office Memorandum F.No.1(13)PFMS/FCD/2020 dated 23-03-2021 detailing the procedure to be adopted for release of funds under CSS. This procedure is required to be followed by all State Governments and Union Territories and Ministries/ Departments of Government of India with effect from 01-07-2021.

1. Flow of Funds

Ministries/Departments of Government of India advise Reserve Bank of India (RBI) to credit the State Government and UTs (with legislature) Accounts held in RBI (except Sikkim) debiting Gol's account. On receipt of intimation from RBI, State Govts. shall transfer the funds along with State's own share into the bank account of Single Nodal Agency (SNA) as per the time limit prescribed in Para 16 of the OM. The fund stays in the SNA Account and does not percolate down to the agencies down below. SNAs, if necessary, are permitted to open Zero Balance Subsidiary Accounts (ZBSA) for down the ladder agencies (IA). GFR 232(v) further prescribes that funds will be released to States strictly on the basis of balance funds of the CSS (both Central and State's share) available in the State treasury and bank account of the SNA as per PFMS or scheme specific portals fully integrated with PFMS.

2. Preliminary Activities

1. The existing set up of various users viz. SPMU Controller, SPCU, State Finance Department user, State Scheme Manager (SSM), Agency Approver Level 2 shall continue. These users will be responsible for approving SNAs, configuring/on boarding State Linked Scheme (SLS) and create environment for IAs to use PFMS.
2. State Governments/ Union Territories shall notify a Single Nodal Agency (SNA) for implementing each State Linked Scheme (SLS) corresponding to Centrally Sponsored Scheme (CSS). If SLS is not available, same has to be created.
3. The SNA has to open a Bank Account (savings bank account) for each SLS corresponding to Centrally Sponsored Scheme. This is considering the fact that a single CSS could be