

डा. सज्जन सिंह यादव
संयुक्त सचिव (लोक वित्त-राज्य)
Dr. SAJJAN SINGH YADAV
Joint Secretary (Public Finance-State)



भारत सरकार
वित्त मंत्रालय
व्यय विभाग
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
नई दिल्ली / New Delhi - 110001

DO No.F.1(13)PFMS/FCD/2020

Dated 21st May, 2021

Dear Sir,

May I draw your attention to the revised procedure for release of funds to States for the Centrally Sponsored Schemes (CSS) issued by the Department on 23.02.2021 and the subsequent DO letter dated 12.04.2021 of the Secretary (Expenditure) for undertaking preparatory activities on priority to implement the new procedure from the stipulated date. A format was also circulated vide OM dated 03.05.2021 (copy enclosed) to furnish the updated status of the preparatory activities in respect of each CSS. However, the status report on preparatory activities is still awaited.

2. Since, the new procedure is to be implemented w.e.f. 01.07.2021, may I request you to get the preparatory activities completed on priority in respect of your Department(s) under your administrative control and send the information in the attached format at the earliest.

With regards,

Yours sincerely,

Encl: As above.

(Dr. Sajjan S. Yadav)

Shri Gudey Srinivas,
AS & FA
M/o Consumer Affairs &
M/o Agriculture
Krishi Bhawan (Room No.264)
New Delhi

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

CGO Complex , New Delhi
Dated the 03rd May, 2021

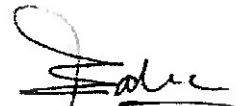
Office Memorandum

Subject: Preparatory activities to implement the revised procedure for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released

This is with reference to the OM of even no. dated 23.03.2021 vide which the Department of Expenditure had issued a revised procedure for release of funds to States for the Centrally Sponsored Schemes (CSS) and subsequent DO letter dated 12.04.2021 from the Secretary (Expenditure) to Secretaries of all Ministries/Departments of the Government of India requesting for undertaking preparatory activities on priority to implement the new procedure from the stipulated date.

2. The aim of the revised procedure is to ensure effective cash management and improve transparency in public expenditure management. The revised procedure will be effective from 1st July, 2021.
3. The Financial Advisors of all Ministries/Departments are requested to ensure that the required preparatory activities are initiated in the Ministries/Departments and the State Governments concerned. Further, they are requested that the updated status of the preparatory activities in respect of each CSS is shared with the Department of Expenditure in the attached format on 1st and 16th day of every month till 1st July, 2021. A soft copy of the information may also be emailed on subhash.meena@nic.in
4. This issues with the approval of the competent authority.

Encl: As above


(Mahesh Kumar)
Dy. Director (FCD)

To,
All Financial Advisors to the Government of India

Status of completion of preparatory activities to implement the new procedure for release of funds for CSS to the States w.e.f. 1st July, 2021

Name of Ministry /Department _____

Date of report _____

Sr. no.	Name of CSS	How many States designated SNA for the scheme	How many States have opened Single Nodal Account of SNA and mapped it in PFMS	How many States have opened zero balance subsidiary accounts of the IAs down the ladder	How many States deposited 100% of the amount balance in the account of IAs in the Single Nodal Account of SNA	How many have been registered on PFMS	How many States opened separate budget lines for central and State share of the CSS
1							
2							
3							
4							
5							

डॉ. टी. वी. सोमनाथन, आई.ए.एस.
सचिव (व्यय)
Dr. T. V. Somanathan, I.A.S.
Secretary (Expenditure)



भारत सरकार
वित्त मंत्रालय
व्यय विभाग
Government of India
Ministry of Finance
Department of Expenditure
नई दिल्ली, पिन कोड-110001
North Block, New Delhi-110001
Tel : 23092546
Fax : 23092546
E-mail : secyexp@nic.in
Website : www.finmin.nic.in
12th April, 2021



D.O. No. F. 1(13)PFMS/FCD/2020

Dear Secretary,

As you are aware, on 23rd March, 2021, the Department of Expenditure had issued a revised procedure for release of funds to States for the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released. I am enclosing a copy of the same for your perusal.

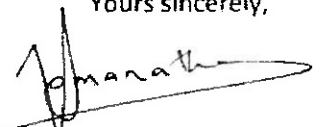
2. The aim of the revised procedure is to ensure effective cash management and improve transparency in public expenditure management. The revised procedure will be effective from 1st July, 2021. A number of preparatory activities need to be completed by the State Governments and Implementing Agencies (IAs) for smooth implementation of the revised procedure from the stipulated date. These *inter-alia* include:

- (i) A Single Nodal Agency (SNA) is designated for each CSS by every State Government.
- (ii) Each SNA is registered in the Public Financial Management System (PFMS) and the bank account of each SNA is opened and mapped in PFMS
- (iii) Funds available in the bank account of all the IAs below the SNA are transferred to the bank account of the SNA concerned with clear bifurcation of the Central and the State share.
- (iv) Zero balance bank accounts of the IAs down the ladder are opened.
- (v) All the IAs are registered in PFMS and their zero balance bank accounts are mapped in PFMS.
- (vi) Separate budget lines for Central and State shares are opened by every State Government in the State budget for every CSS having a State share and necessary provision of funds is made in the State budget for both the components.
- (vii) If a CSS is being implemented through a separate Central or State IT system, the same is integrated with PFMS.
- (viii) State GIFMIS is enabled to capture scheme component-wise expenditure alongwith PFMS scheme codes and Unique Code of the agencies incurring the expenditure.

3. I, therefore, request you to kindly review completion of all the preparatory activities regularly with the officers of the Programme Divisions of your Department and officers of the Department concerned of the State Governments to ensure that they are completed by 30th June 2021 and the new procedure is smoothly implemented w.e.f. 1st July, 2021.

With regards,

Yours sincerely,


(T.V. Somanathan)

All Secretaries to the Government of India (as per list enclosed)

Encl: as above.