

No-2-4/2020-IFD
Government of India
Ministry of Environment, Forests & Climate Change
(Integrated Finance Division)

Dated the 3rd October, 2022

OFFICE MEMORANDUM

Subject: Revised procedure for flow of funds under the Centrally Sponsored Schemes – updates in PFMS

The undersigned is directed to refer to DoE's OM No. 1/(33)/PFMS/2022 dated 28th September, 2022 on the above mentioned subject, wherein DoE has referred to its earlier OM No 1(13)/PFMS/FCD/2020 dated 23rd March, 2021 regarding the revised procedure for flow of funds under the Centrally Sponsored Schemes.

2. It has been indicated that references from various Departments/Ministries have been received in DoE regarding the issues arising due to validation check in PFMS, incorrect data in PFMS reports etc in implementing the revised procedure.

3. In this regard, DoE has informed that following updates have been introduced in PFMS to address the various issues raised by Departments/Ministries and the State Governments:

- (i) Departments/Ministries are facing the issue of validation check due to a mismatch between the 'minor head' used by Ministries/Departments in releasing funds to the State treasury and the 'minor head' used by the States to transfer funds from treasury to the SNA account. To address the issue, a utility has been developed in PFMS to map the State's heads of account with the Central heads of account, thereby avoiding invoking of minor head related validation check. Departments/Ministries are requested to take up the matter with States to fill in the requisite mapping information in the utility. It is requested to **complete this exercise by 15th October, 2022**.
- (ii) In few CSS, Departments/Ministries have adopted different Central-State sharing ratios across components. As the SNA reports capture data SLS wise, the 'State share' data in the reports reflect the average of State share of all components in that SLS. This anomaly has also resulted in invocation of validation check while release of funds under some components. To address this issue the sanction module has been revised to mandatorily capture SLS wise breakup of all CSS sanctions. Departments/Ministries are requested to take up the matter with the States to have component wise State linked schemes, SNAs and heads of accounts. Alternatively, the Department may standardise the fund sharing ratio for all components of a scheme.
- (iii) To modify the incorrect sharing ratio, if any, a facility to edit Centre-State share ratio of SLS has been provided in PFMS. The State Scheme Manager can now make necessary corrections in the Centre-State Share ratio and forward the same to Program Division of the concerned Ministry/Department for approval.

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4. DoE has requested that the above functionalities may be utilized to ensure correct flow of information to PFMS and eliminate constraints, if any, in the release of funds. Request for training sessions, if required, for these functionalities may be sent to PFMS division, O/o CGA.

5. All Divisional Heads in the Ministry are, therefore, requested to ensure that the above mentioned instructions in respect of Centrally Sponsored Schemes (CSS) are complied with.


(Jerome Minz)
Director (IFD)

To

- (i) All Divisional Heads by name (including NAEB, NRCD and NTCA)
- (ii) All Attached/Sub-ordinate offices of the Ministry.
- (iii) All Autonomous Bodies/Statutory Bodies under the Ministry.

Copy for information to:

- (i) Sr. PPS/ PPS to Secretary(EF&CC)/DGF&SS
- (ii) Sr.PPS/PPS to AS(RS)/AS(NPG)/AS(TK)/ AS&FA /Addl.DG(FC/WL/PT)/Sr.EA
- (iii) PS to CCA/Dy.CA
- (iv) Director (FF)/Sr. AO (Budget)/Officers in IFD

North Block,
New Delhi, 28th September, 2022

OFFICE MEMORANDUM

Subject: Revised procedure for flow of funds under Centrally Sponsored Schemes – updates in PFMS – reg.

The undersigned is directed to refer to this Department's OM No 1(13)/PFMS/FCD/2020 dated 23rd March, 2021 regarding the revised procedure for flow of funds under Centrally Sponsored Schemes. References from various Departments/Ministries have been received in this Department regarding the issues arising due to validation check in PFMS, incorrect data in PFMS reports etc. in implementing the revised procedure.

2. In this regard it is informed that following updates have been introduced in PFMS to address the various issues raised by Departments/Ministries and the State Governments –

- i. Departments/Ministries are facing the issue of validation check due to a mismatch between the 'minor head' used by Ministries/Departments in releasing funds to the State treasury and the 'minor head' used by the States to transfer funds from treasury to the SNA account. To address the issue, a utility has been developed in PFMS to map the State's heads of account with the Central heads of account, thereby avoiding invoking of minor head related validation check. Departments/Ministries are requested to take up the matter with States to fill in the requisite mapping information in the utility. It is requested to complete this exercise by 15th October, 2022.
- ii. In few CSS, Departments/Ministries have adopted different Central-State sharing ratios across components. As the SNA reports capture data SLS wise, the 'State share' data in the reports reflect the average of State share of all components in that SLS. This anomaly has also resulted in invocation of validation check while release of funds under some components. To address this issue the sanction module has been revised to mandatorily capture SLS wise breakup of all CSS sanctions. Departments/Ministries are requested to take up the matter with the States to have component wise State linked schemes, SNAs and heads of accounts. Alternatively, the Department may standardize the fund sharing ratio for all components of a scheme.
- iii. To modify the incorrect sharing ratio, if any, a facility to edit Centre-State share ratio of SLS has been provided in PFMS. The State Scheme Manager can now make necessary corrections in the Centre-State Share ratio and forward the same to Program Division of the concerned Ministry/Department for approval.

3. It is requested that the above functionalities may be utilized to ensure correct flow of information to PFMS and eliminate constraints, if any, in the release of funds. Request for

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training sessions, if required, for these functionalities may be sent to PFMS division, O/o CGA.

4. This issue with the approval of the Competent Authority.

Prateek k Singh
28/9/22
(Prateek Kumar Singh)
Director
Tel. No. 23094961

To

1. Secretaries of all Ministries/Departments of the Government of India.
2. Chief Secretaries of all States/Union Territories.
3. Principal Secretary Finance of all States/Union Territories.
4. Principal Secretaries/Secretaries of all State Government Departments.
5. All Financial Advisors of Ministries/Departments of the Government of India.
6. All Pr. CCAs/ CCAs/ CAs(IC) of Ministries/Departments.

Copy for information to:

1. Sr.PS to Addl. CGA (PFMS Div.)
2. Jt.CGAs (Rollout/TRBR/DBT)
3. All PFMS State Directorates.
4. Sr.AOs/AO/AAO, PFMS (Roll-out).
5. Sr. AO(Technology) with request to upload on PFMS Website.