

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

North Block,
New Delhi, 15th July, 2022

OFFICE MEMORANDUM

Subject: Release of funds under the Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released – Procedure for remitting the interest earned from the funds released in the single nodal account of Single Nodal Agencies (SNAs).

The undersigned is directed to refer to Para 10 of this Department's OM No. 1(13)PFMS/FCD/2020 dated 23rd March, 2021 regarding remitting of interest earned from the funds released in the Single Nodal Agency (SNA) account into the respective consolidated funds on pro-rata basis in terms of rule 230 (8) of GFR, 2017. Further, this Department, vide OM No 1(13) PFMS/FCD/2021 dated 30th June, 2021, communicated the procedure for remitting the interest accrued.

2. In view of the references received from Ministries/Departments, the procedure for remitting the interest has been reviewed in consultation with O/o CGA and following instructions are communicated in supersession of DoE's OM No 1(13)PFMS/FCD/2021 dated 30th June, 2021 -
3. The SNA of each CSS in the State shall compute the total interest earned out of the funds received in its account (both from the Central Government and the State Government) in the preceding financial year in the 1st week of April. The interest earned shall be apportioned by the SNA between the Central Government and the State Governments per the approved funding pattern of the CSS and shall be deposited in the respective consolidated funds.
4. The interest accrued in the SNA account shall be classified and deposited under the Standard Minor Head '801-Interest or other earnings from Grantee on unspent balances' below the concerned functional Major/Sub-Major Head in the Section 'Receipt Heads (Revenue Account)' corresponding to the functional Major/Sub-Major Head(s) from where the grant was originally sanctioned. The nature of the receipt i.e. interest, shall be classified at Sub-Head Level. The name of the Scheme may be classified at the detailed head level.
5. The Standard Minor Head '801' and sub-heads thereunder for distinctly identifying nature of receipt i.e. interest, below the functional Major/Sub-Major Heads can be opened without issue of formal correction slip to the LMMHA for Union and States in terms of Para 2.5 of the General Directions to the LMMHA read with Para 1.2 thereof. The Principal Accounts Office of the concerned Ministry/Department of the Government of India may get these heads opened from DAMA Section of the O/o CGA through e-Lekha.

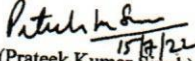
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6. An illustration to the procedure described in Para 4&5 is given below –
- i. Interest accrued on the fund releases for educational purposes shall be credited as under –
- Major Head - '0202-Education, Sports, Arts and Culture'
- Sub Major Head-'01 or 02' as the case may be
- Minor head - '801-Interest or Other earnings from Grantee on unspent balances'
- Sub-Head - 'XX - Interest'
- (Code for 'XX' shall be generated by the system viz. e-Lekha)
- ii. Interest accrued on the fund releases for Health purposes shall be credited as under –
- Major Head- '0210-Medical and Public Health'
- Sub-Major Head -'01, 02, 03, 04 or 80' as the case may be
- Minor head - '801-Interest or Other earnings from Grantee on unspent balances'
- Sub-Head - 'XX - Interest'
- (Code for 'XX' shall be generated by the system viz. e-Lekha)

7. The interest shall be deposited as per the extant procedure. However, from 1st September, 2022 onwards, the interest accrued in the SNA account shall be deposited by the SNAs online through the Non-Tax Receipt Portal (NTRP) using PFMS Login. PFMS Division, O/o CGA shall issue the Standard Operating Procedure (SOP) for the same.

8. This issues with the approval of the competent authority.


(Prateek Kumar Singh)
Director
Tel. No. 23094961

To

1. Secretaries of all Departments/Ministries, Government of India
2. Chief Secretaries of all States/UTs with Legislature
3. Financial Advisers of all Ministries of Government of India
4. Addl. CGA (PFMS), O/o CGA, INA, New Delhi