

No. 80/F3/FD/2023
Government of Puducherry
Finance Department

Puducherry, dt.05/07/2023

OFFICE MEMORANDUM

Sub: Transfer of Centrally Sponsored Scheme (CSS) Funds from Treasury to the Single Nodal Account (SNA) as per Government of India Instructions and Sanctioning of Expenditure - Revised Procedure and Re-delegation of Financial Powers.

- Ref:** (1) O. M. No. F. No. 1(13)PFMS/FCD/2020, dated 23.03.2021, of the PFMS Division, Department of Expenditure, Ministry of Finance, Government of India
- (2) G. O. Ms. No. 35/FD(W&M)/2022, dated 13.07.2022, dated 13.07.2022, of the Finance Department, Puducherry
- (3) O. M. No. F. No. 1(13)PFMS/2020, dated 16.02.2023, of the Department of Expenditure, Ministry of Finance, Government of India
- (4) Order No. 2-2/FD(W&M)/2023, dated 16.03.2023 of the Finance Department, Puducherry
- (5) O. M. No. F. No. 1(13)PFMS/FCD/2021, dated 30.06.2021, of the Department of Expenditure, Ministry of Finance, Government of India
- (6) I. D. Note / O. M. No. 902/FD/F3/2021-22, dated 10.02.2022, of the Finance Department, Puducherry

Pursuant to the Department of Expenditure, Ministry of Finance, Government of India (DOE), notifying the revised procedure for release of funds under the Centrally Sponsored Schemes (CSS) and monitoring the utilization of the funds released through Single Nodal Accounts (SNA) integrated with the Public Financial Management System (PFMS) platform, vide the reference first cited, the Finance Department, Government of Puducherry (FD) has issued detailed instructions on the procedure to be followed for the release of CSS funds from the State Treasury to the respective SNA, vide the reference second cited.

2. Subsequently, DOE has issued a modification in the aforesaid guidelines vide the reference third cited, instructing *inter alia* that the State/UT Governments shall transfer the Central Share as well as the commensurate State Share to the SNA Account within 30 days of receipt of Central Share, failing which interest will be charged w.e.f 01.04.2023 on the number of days of delay beyond 30 days in transfer of Central Share to the SNA Account at the rate of 7% per annum. In order to ensure compliance with the same, FD has issued additional instructions in this regard vide the reference fourth cited.

3. However, in the light of the recent set of instructions from the DOE on this subject, and with a further view to enable the Administrative Departments to seamlessly access and utilize the CSS funds to deliver better public services and to

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obtain as many instalments of CSS funds from the GOI as possible, the streamlining and simplification of the procedure for release of CSS funds from the Treasury to the SNA and sanctioning of expenditure from the SNA have been under the consideration of the Government.

4. Accordingly, with the approval of the competent authority, and in supersession of all the orders hitherto issued in this regard, the following instructions are issued for strict compliance by all CSS Implementing Departments, Single Nodal Agencies, and Implementing Agencies:

4.1. Transfer of CSS Funds from Treasury to SNA

4.1. (a) As soon as an installment of Central Share under a CSS is released by the concerned Ministry/Department of GOI and the funds are received in the Treasury, the Directorate of Accounts & Treasuries, Puducherry (DAT) shall immediately intimate the concerned DDO of the CSS implementing Department, and the DDO/Department shall prepare and present the bill against the respective Budget head for the immediate transfer of the Central Share from the Treasury to the SNA by passing of bill against the fund available in the Budget of the Department, at any cost not later than 20 days from the date of receipt of the Central Share.

4.1. (b) In the exceptional case when the fund is not available in the relevant Budget Head of the Department, the transfer shall be permitted through BEAMS by the Budget Officer with the approval of the competent authority by treating the expenditure as having been effected under the Note to Appendix 10 of GFR.

4.2. Obtaining of Expenditure Sanction

4.2. (a) Simultaneous to the step 4.1. (a) or 4.1. (b) above, immediately upon the receipt of the communication from the DAT confirming the release of the installment of Central Share under a CSS by the GOI, the concerned CSS implementing Department shall initiate the proposal on file for obtaining both:

(i) Ex-post facto expenditure sanction for the transfer of the Central Share from the Treasury to the SNA.

(ii) Expenditure sanction for the transfer of the proportionate State Share under the CSS from the Treasury to the SNA.

4.2. (b) It is reiterated that the proposal for obtaining ex-post facto expenditure sanction for the transfer of the Central Share as well as expenditure sanction for the transfer of the proportionate State Share shall be initiated in the same file for quick disposal, and it shall be the responsibility of the CSS implementing Department to ensure that the due sanction is obtained and the proportionate State Share under the CSS is transferred from the Treasury to the SNA within 30 days from the date of receipt of the Central Share from GOI, in line with the DOE instructions in this regard.

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4.2. (c) In order to ensure faster and seamless issue of expenditure sanctions for the transfer of Central and State Shares, and considering the fact that both the Central Share and State Share components under a CSS for the UT as a whole for the particular Financial Year would already have the approval of the concerned Ministry/Department of GOI as per only which the funds are released, the financial powers for sanctioning the transfer of CSS funds are re-delegated as follows:

- (i) Expenditure sanction (irrespective of whether regular or ex-post facto) for transfer of Central Share of CSS funds from Treasury to SNA shall be issued under the powers of the Administrative Secretary, without any monetary ceiling. Concurrence of FD shall not be required in this case.
- (ii) Expenditure sanction for transfer of the proportionate State Share from the Treasury to the SNA shall be issued under the powers of the Administrative Secretary up to the limit of ₹4.0 Crores (each occasion), without the concurrence of FD.
- (iii) Expenditure sanction for transfer of the proportionate State Share above the limit of ₹4.0 Crores from the Treasury to the SNA shall be issued with the concurrence of FD, as per the reference 6th cited which vests the Finance Secretary with powers to sanction transfer of CSS funds (Central or State Share) from Treasury to SNA without any monetary ceiling.
- (iv) In the special cases of CSS wherein the State Share has to be released upfront for obtaining the proportionate Central Share from the Ministry/Department, GOI, as per the CSS Guidelines, OR wherein the CSS implementing Department seeks release of State Share in anticipation of the release of the Central Share by GOI with the necessary justification, the proposal shall be submitted to FD for concurrence.

4.2. (d) Accordingly, the single consolidated proposal for obtaining both ex-post facto expenditure sanction for the transfer of the Central Share and the expenditure sanction for the transfer of the proportionate State Share, to be initiated by the CSS implementing Department as per para 4.2. (b) above, shall be sanctioned under the powers of the Administrative Secretary without FD concurrence if the proportionate State Share is within ₹4.0 Crores, and otherwise, if the proportionate State Share exceeds ₹4.0 Crores, the proposal shall be submitted to FD for concurrence.

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4.2. (e) In case of the transfer to SNA allowed under the Note to Appendix-10 of GFR, 2017, as per para 4.1. (b) above, the concerned Department shall provide adequate funds under the respective Head in the BE/ RE of that FY. The Budget Officer shall also cross-check this fact. The release via this route shall be regularized by the Department through the ex-post facto sanction as explained in para 4.2. (a) - (c) above.

4.2. (f) If any Central Share under a CSS is received late in a FY, at a stage when the RE is already approved by the Government and where even after permissible re-appropriation of funds, there are not enough funds in the respective Budget head, the DAT shall transfer the fund to the respective SNA account on 1st of April of next FY. However, it is emphasized that it is wholly the responsibility of the CSS implementing Department to ensure adequate Budget provision under the respective Head(s) in the BE/RE/VoA by anticipating the release of Central Share by the GOI as per the pre-approved allocation under the CSS for the FY. The CSS implementing Department shall be held accountable for any interest cost incurred to the UT owing to delay in transfer of Central Share to the SNA, and such interest burden shall be borne upon the Budget of the concerned Department only.

4.3. Sanctioning of Expenditure from the SNA

4.3. (a) As regards the incurring/sanctioning of expenditure from the SNA, in order to enable the CSS implementing Departments to book the expenditure in a speedy manner and furnish UC to the concerned Ministry/Department, GOI, for obtaining further instalments of Central Share, and also considering the fact that the scheme components under a CSS would already be approved by the Ministry/Department, GOI, and expenditure can be incurred only for such approved components, the financial powers for sanctioning the expenditure of CSS funds from the SNA (inclusive of Central Share and State Share) are re-delegated as follows:

- (i) Administrative Secretaries shall be competent to sanction expenditure up to the limit of ₹4.0 Crores (each occasion) from the SNA without the concurrence of FD. This is however subject to the conditions that expenditure shall be incurred only on such components under the CSS as are already approved by the concerned Ministry/Department, GOI, and further that provisions of GFR, DFPR, DOE Manuals for Procurement, CVC Guidelines, CPWD Manual, Scheme Guidelines and other relevant codal formalities of GOI/GOP shall be scrupulously followed / adhered to in incurring/sanctioning the expenditure.

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- (ii) Proposals for sanctioning expenditure from the SNA above the limit of ₹4.0 Crores shall be submitted to FD for concurrence.
- (iii) Procurement of works, goods, services (consulting or non-consulting), and vehicles shall be considered as expenditure under the Scheme, if these are components under the CSS as pre-approved by the Ministry/Department, GOI. Accordingly, the delegation of financial powers for according administrative approval and sanctioning expenditure towards such procurements under a CSS shall be as per the sub-para 4.3.(a)(i) and 4.3.(a)(ii) above, and not as per the Annexures - I and II in G. O. Ms. No. 47/F3/2014, dated 09.12.2014, of the Finance Department, Puducherry.

4.4. Remittance of Interest Accrued in the SNA to the Consolidated Funds

4.4. (a) The interest earned from the CSS funds received in the SNA to be calculated for the preceding FY in the 1st week of April each FY, and to be apportioned between the Central and UT Governments as per the approved funding pattern of the CSS, shall be remitted to the respective Consolidated Funds as per the reference 5th cited, by obtaining necessary expenditure sanction under the financial powers of the Administrative Secretary without concurrence of FD, irrespective of any monetary limit.

5. All CSS Implementing Departments, Single Nodal Agencies and Implementing Agencies shall carefully note these instructions, and take all necessary efforts in compliance of the same to ensure maximum utilization of CSS funds towards achieving the economic growth, infrastructure development and better public services delivery in the UT of Puducherry.

//By Order of the Hon'ble Lt. Governor//


05.07.2023

(Arjun Ramakrishnan)
Under Secretary (Finance)

All Secretaries to Government
All Secretariat Departments
All Heads of Departments
Director, DAT, Puducherry
Budget Officer, Finance Department