

**GOVERNMENT OF PUDUCHERRY
CHIEF SECRETARIAT
FINANCE DEPARTMENT

G.O.Ms. No. 35/FD(W&M)/2022

Puducherry, dated 13.07.2022

ORDER

Sub: FD (W&M) – Procedure for release of Centrally Sponsored Schemes funds from State Treasury to the respective Single Nodal Agency Account

The Department of Expenditure (**DoE**), Ministry of Finance, vide OM dated 23.03.2021 has instructed the State Governments/ Union Territories (**UTs**) to open a Single Nodal Agency (**SNA**) Account in any Scheduled Commercial Banks for implementing the Centrally Sponsored Schemes (**CSS**). Further, this SNA account has to be seamlessly integrated on *online* basis with the Government of India (**GoI**)'s Public Financial Management System (**PFMS**) platform for releasing and monitoring the utilisation of funds under CSS. The concerned GoI Ministries/ Departments release the Central share of funds for a CSS to the UT Treasury Account held in the Reserve Bank of India, and this central share has to be transferred from Treasury Account to the respective SNA account within 21 days from the date of receipt of funds from the concerned Ministries/ Departments. Also, the corresponding State's share should be released no later than 40 days after the release of central funds into the State Treasury account.

2. It is noted that during the closing of FY2021-22, the Central share of CSS funds amounting to ₹140.96 crore remained lying in the State Treasury and were not transferred to the respective SNA account due to the following reasons:

- (i) Non-provision of sufficient funds under the Budget Head
- (ii) Non-issuance of Government Sanction order by the Department for drawal of CSS funds
- (iii) Non-presentation of bills by the CSS implementing Department (even though expenditure sanction was issued)

This is leading to a situation where Puducherry is falling short of utilisation of funds potentially available under CSS for it.

3. Meanwhile, the Ministry of Finance vide OM dated 20.05.2022 has directed that henceforth the Central share released to a State/ UT during a Financial year (**FY**) under a CSS but not released further from the State Treasury to the SNA account by the close of the FY i.e., by 31st March, shall need to be returned to the Consolidated Fund of India (**CFI**). For FY2021-22, as a one-time relaxation, DoE vide its OM dated 07.07.2022 has permitted the States/ UTs to transfer any pending central share of CSS, released prior to 31st March 2022, to the SNA account by 20th July 2022, failing which such central share has to be returned to the CFI by the States/ UTs, through an RBI advice.



4. Therefore, to ensure 100% usage of central funds already released by GoI and to get fresh installments under CSS without any delay, it has been decided to designate the Director of Accounts & Treasuries, as the focal person to manage the transfer of Central and State share to SNA. Hereafter, even pending a formal proposal from the concerned Department, the DAT is hereby authorised to call the DDOs, to prepare and present the bill against the respective Budget head. Consequently, the entire unspent amount currently lying in the State Treasury would be transferred by DAT to the respective SNA account immediately, by passing of bills against the fund available in the Budget of the Department. If the fund is not available in the relevant Budget Head, the transfer shall be permitted through BEAMS by the Budget Officer by treating the expenditure as having been effected under the Note to Appendix 10 of GFR provisions. Subsequently, the concerned Department has to obtain the necessary ex-post facto sanction¹ by submitting a detailed proposal to the Finance Department, Government of Puducherry, within a week such fund transfer to the SNA. The corresponding State share would also be transferred by DAT to the respective SNA account the moment the Department informs, or even otherwise by DAT at her level, when 80% of a Central share installment gets used by the Department. For this purpose, the DAT shall keep a continuous vigil on the CSS fund transfer to State Treasury by the GoI, and on expenditure booked by the Department against funds available in SNA. While transferring any fund to SNA, the DAT shall keep the Finance Department and concerned Department fully informed in each case of transfer.

5. Hence, any CSS fund henceforth received from GoI as the Central share of CSS shall be transferred to the SNA account by the DAT by advising the concerned DDOs to present the bill on or before the 20th day of receipt of such fund, and the *corresponding* State's share shall be transferred by her after utilization of 80% of *the concerned installment* of Central funds. However, if any central share is received late in a FY, at a stage when the RE is already approved by the Government and where even after permissible reappropriation 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 FY².

6. In case of an expenditure allowed under the Note to Appendix-10 GFR, the concerned Departments would need to provide adequate funds under the respective Head in the BE/ RE of that FY. The Budget Officer would also cross-check this fact. The release via this route shall be regularised by the Department by seeking ex-post facto sanction as explained in paras 4 and 5 above.

7. The Administrative Secretaries shall be responsible for regularisation, as highlighted in para 6, before the close of FY, and also for seeking ex-post facto approval from the Finance Department for any amount transferred to SNA. The Administrative Secretaries shall thus be responsible for the timely utilisation of such funds transferred to SNA and for the drawal of subsequent installments of Central funds from GoI in a timely manner. The Departments may take note of the fact that as per the new DoE guidelines the Central Ministries/ Departments shall not transfer more than 25% of the presumptive annual allocation of UT in

¹ Even if funds are not available in the Budget head, the ex-post facto approval shall be moved by the Department in anticipation of funds being made available in ensuing BE/ RE.

² The expenditure allowed under Appendix 10 GFR without formal legislative appropriation cannot be carried to next FY.

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one go, and there is only a common kitty under which the concerned Ministry/ Department releases Central share to all States/ UTs against a CSS. Hence, unless our UT is prompt with seeking and spending funds, the other States/ UTs may well utilise the funds available in the kitty leaving little for Puducherry.

// By order of the Hon'ble Lieutenant Governor //



(Prashant Goyal)

Development Commissioner cum Principal Secretary (Finance)

All the Secretaries to Government/Heads of Department/ Autonomous Bodies, Puducherry.

Copy for information:

1. The Secretary to Hon'ble Lieutenant Governor
2. The Private Secretary to the Chief Minister
3. The Private Secretary to the Chief Secretary