Implementation of Public Financial Management System (PFMS)
Extant Guidelines/Provisions

■ GFR - Rule 86: (1) PFMS, an integrated Financial Management System of Controller General of Accounts, GoI, shall be used for sanction preparation, bill processing, payment, receipt management, Direct Benefit Transfer, fund flow management and financial reporting.

(2) All the ministries sanctioning grant-in-aid shall register all implementing agencies till last level of implementation on PFMS to track fund flow and unspent balances.

(3) All the payment, to the extent possible, shall be released ‘just-in-time’ by the Ministries through PFMS.

■ GFR - Rule 232(v): The release of funds to State Governments and monitoring further utilization should be undertaken through PFMS.

■ SBM-G Ph.2 guidelines – para 16.1: The funds release/ advance/ transfer/ expenditure at all levels shall be mandatory through PFMS. For the purpose of release to the States, utilization of funds and unspent balance will be monitored through PFMS.
Objectives

➢ Efficient and effective tracking of fund flow to the last level of implementation

➢ Real time monitoring of funds utilization and unspent balances under the programme

➢ ‘Just-in-time’ releases

➢ Enhance transparency & accountability in utilization/channelization of scheme funds
Key features in PFMS

✓ Registration of all agencies receiving plan funds - at all tiers
✓ Creation of programme specific components under the dedicated scheme code
✓ Booking expenditure against specific component
✓ Direct payment to ultimate beneficiaries’ account
✓ Payment to the vendors/contractors
✓ Payment of remuneration/incentive to the functionaries
✓ Loan/advance/transfer of funds to the agencies/individuals and refund of loan/advance
✓ Entry of opening balance, bank interest, other receipts
✓ Monitoring reports of transaction details and unspent balance
SBM(G) Fund Flow Hierarchy

- Fund flow hierarchy shows all the tiers of implementation – May differ State to State
- There will be no bank account below the State level IAs
- All IAs below SSBM-G to be authorized to make payment from State Nodal Account
- The final payment, based on activity, can be made from any level as per the mechanism adopted by the State
All transactions will be thru PFMS using Linked State Scheme only

States will operate a Single Nodal Account (SNA) at State level [Presently, there will be 2 or 3 SNAs – (i)GBS (ii)EBR (iii)WB-Performance Grants]

All the below level agencies will use SNAs for all transactions

Existing accounts of all the agencies except SNAs will be deactivated

State can use its existing Accounts as SNAs

SSBM-G is to be registered on PFMS (if not already registered) and mapped with SNAs against Linked State Scheme Code.
➢ All the child agencies (Distt/Block/GP) are to be registered without account and mapped with SNAs through Linked State Scheme.

➢ If already registered, its existing account to be deactivated and mapped with SNAs.

➢ Deactivation of Bank Accounts (except SNAs) to be done as under:
  (i) Transfer unspent funds from State, District, Block, GP and village level accounts to respective SNAs after due approval and accounting before deactivating the accounts.
  (ii) State, District, Block, GP, and Village level Bank Accounts (except SNAs) to be closed for after necessary checks and approval.
  (iii) The SNAs for EBR and Performance grants will be closed after available funds in these accounts (including the Performance grants to be released in 2020-21) are utilized and submission of final audit report. Thereafter there will be only one SNA.
➢ All the child agencies will make payment from respective SNAs

➢ SSBM-G will allocate funds to all the child agencies

➢ All transactions by the IAs will be made using the Receipt, Expenditure Advance & Transfer (REAT) / DBT Modules of PFMS

➢ SSBM-G will reconcile data of child agencies on monthly basis

➢ Digital Signature Certificate (DSC) will be required for the payments approving authorities at different levels as may be decided by the State
Detailed SOP for PFMS implementation already provided.

For any technical assistance, State PFMS Dtes to be contacted.

Further queries, if any, may also be e-mailed to PFMS Consultants in DDWS.

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Scheme Components created in PFMS

[01] Construction of Individual Household Latrine (IHHL)
  [01.01] BPLs
  [01.02] Identified APLs
[02] Solid and Liquid Waste Management (SLWM) Activities
  [02.01] District Level SLWM Activities
    02.01.01] Plastic Waste Management
      02.01.01.01] Plastic Waste Management Units (PWMU)
    02.01.02] Faecal Sludge Management
      02.01.02.01] Trenching
      02.01.02.02] Faecal Sludge Management Plant
  02.01.03] GOBAR-Dhan Projects
    02.01.03.01] GOBAR-dhan model projects
  02.02] Village Level SLWM Activities
    02.02.01] Solid Waste Management
      02.02.01.01] Compost Pits
        02.02.01.02] Tri-cycles/other vehicles,
        02.02.01.03] Storage for Plastic Waste
    02.02.02] Greywater Management
      02.02.02.01] Soak pits
      02.02.02.02] Greywater Management systems (WSP etc.)
    03] Construction of Community Sanitary Complex (CSC)
    04] Information Education and Communication (IEC)
    05] Capacity Building
    06] Administrative Expenses
    07] Revolving Fund
    08] Flexi Funds

Any other components may be added/deleted/modified for each SNAs as per requirement.
Thank you