

F. No. 1/(08)/PFMS/2022
Government of India
Ministry of Finance
Department of Expenditure

North Block,
New Delhi, 20th October, 2023

OFFICE MEMORANDUM

Subject: Revised procedure for flow of funds under Centrally Sponsored Schemes –flow of funds to UTs without legislature - reg.

The undersigned is directed to refer to para 24 of DoE's guidelines dated 23rd March, 2021 which provides that UTs without legislature are not required to open SNA accounts. Instead, Departments/Ministries should issue Letter of Authorization (LoA) to UTs without legislature to enable such UTs to work directly in PFMS and release payments to vendors/beneficiaries just in time. It has been brought to the notice of this Department that due to large number of Implementing Agencies (IAs), some Ministries/Departments are facing practical difficulties in issuing LoA for each IA.

2. The matter has been examined in this Department and it has been decided that para 24 of the aforesaid DoE's OM should be read as follows –

“The aforesaid guidelines will also be followed for flow of CSS funds to UTs without legislature. However, instead of releasing funds to UTs without legislature, Ministries/Departments will issue LoA of not more than 25% of the annual amount earmarked for the scheme for the UT in one instalment. Using the authorization, the UT will transfer funds to the SNA account. Implementing agencies down the ladder will use the SNA account through zero balance accounts with clearly defined drawing limits. LoA for next instalment of funds will be issued by Ministries/Departments after utilization of 75% of funds released earlier. Other stipulations mentioned in this OM shall be strictly adhered to.”

3. This issues with the approval of competent authority.

Prateek Kumar Singh
20/10/23

(Prateek Kumar Singh)

Director

Tel. No. 23094961

To

1. Secretaries of all Departments/Ministries, Government of India
2. Financial Advisers of all Departments/Ministries of Government of India
3. Pr CCAs/CCAs of all Departments/Ministries of Government of India
4. Addl. CGA (PFMS), O/o CGA, INA, New Delhi