

**F.No. 3/(04)/PFMS/2022**  
**Government of India**  
**Ministry of Finance**  
**Department of Expenditure**  
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**Dated: 19<sup>th</sup> April 2022**

**OFFICE MEMORANDUM**

**Subject: Implementation of revised procedure for flow of funds under Central Sector Schemes – Preliminary activities.**

The undersigned is directed to refer to Department of Expenditure, Ministry of Finance OM No. 1(18)/PFMS/FCD/2021 dated 9<sup>th</sup> March, 2022 on the above mentioned subject. The OM prescribes detailed procedure to be followed by the Ministries/Departments for the flow of funds under two models for various Central Sector Schemes with effect from 01.04.2022.

2. To ensure smooth implementation of the revised procedure, Ministries/ Departments are required to complete all the preliminary activities at the earliest. Preliminary activities, inter-alia, include:

**A. Preliminary Activities for Model 1:**

- a. Identification of the Central Sector Schemes for implementation through the Model No - 1 as per para No-2 of OM dated 09.03.2022. The decision regarding classification of schemes into model 1 or model 2 shall be decided by the Program Division of the concerned Department/Ministry in consultation with the Financial Advisor. Any doubtful case may be referred to this Department for clarification.
- b. Identification and notification of an Autonomous Body as Central Nodal Agency (CNA) for each Central Sector Scheme.
- c. Listing of Sub-Agencies (SAs) involved in the implementation of the scheme for each CNA.
- d. Listing of the existing bank accounts of CNA and SAs in which the funds of the Central Sector Schemes were received. Closure of all such accounts and transfer of each account balance in them to the consolidated fund of India.
- e. CNAs/SAs if needed, may convert their existing accounts at commercial banks for payment of TDS, Income Tax and GST, Opening of Letter of Credit in favor of foreign suppliers, scholarships to foreign students not having account in India, and payment of salaries of the month of march to be paid in first week of April as per para (xix) of the OM dated 9th March, 2022. It is clarified that only one account may be retained per CNA/SA for

*P. S. S. S.*  
19/4/22

such purpose. Such account will be governed by conditions elaborated in DoE OM No 1(13)/PFMS/FCD/2020 dated 16<sup>th</sup> March 2022 regarding CSS. (Copy enclosed as **Annexure A**)

- f. Opening of Central Sector Scheme wise Assignment accounts for CNA and corresponding SAs down the ladder with RBI in e-Kuber. Specific accounts opening form and procedure for CNA and SAs are attached. (**Annexure B**).
- g. Registration/mapping of Assignment accounts of CNA and SAs down the ladder in the PFMS as per scheme hierarchy and TSA guidelines.
- h. Activation of assignment Accounts of CNA by Program Division and activation of assignment accounts of SAs down the ladder by CNA in PFMS.
- i. Opening appropriate Head of Account required as per the standard TSA guidelines issued by O/o CGA under Major Head 8454 in consultation with the Office of Pr.CCA/CCA of the Ministries and Department. A copy of the TSA guidelines is attached as **Annexure - C**.
- j. Procuring digital signatures for CNA and SAs down the ladder (as per MEITY Guidelines about DSC). These Digital Signatures for CNA and SAs down the ladder are required to be configured in PFMS (if not available and registered in PFMS already).
- k. The list of schemes along with scheme mapping should be sent to:

**Shri Vinay Muthukumar, ACGA.**

**email: [v.muthukumar@gov.in](mailto:v.muthukumar@gov.in)**

He may also be contacted for any further clarifications.

**B. Preliminary Activities for Model 2:**

- a. Identification of the Central Sector Schemes for the Model No - 2 as per para No-2 of DoE OM dated 09.03.2022.
- b. Notification of a Central Nodal Agency (CNA) and SAs down the ladder, if required, for implementing each Central Sector Scheme.
- c. Opening of a bank account by CNA in any Scheduled Commercial Bank having a robust IT system which is authorized to conduct Government business by the Ministry/ Department. Further, opening of zero balance subsidiary accounts by SAs in the same Commercial bank in which the CNA is having account.
- d. Deposit of the unspent balances lying in the existing bank accounts of SAs to the CNA account.
- e. Configuration of CNA in PFMS by the Program Division. Para (7) of the OM dated 9<sup>th</sup> March, 2022 may be kept in mind while configuring the scheme in PFMS by the Ministries/ Departments.

*P. S. S.*  
19/4/22

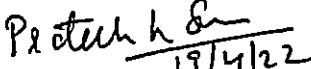
On successful configuration, all existing bank accounts of SAs will be made 'not in use' in PFMS and the same cannot be used for PFMS activities.

- f. Opening of a separate bank account (Holding account) in the same commercial bank in which the CNA is having account for tax/statutory deductions. SOP/operating conditions for this holding account will be as elaborated in DoE OM No 1(13)/PFMS/FCD/2020 dated 16<sup>th</sup> March 2022 regarding CSS.
- g. The list of schemes along with scheme mapping should be sent to:

**Sh. Yogesh Kumar Meena, Dy. CGA,**

**email: [yogesh.meena@nic.in](mailto:yogesh.meena@nic.in)**

He may also be contacted for any further clarifications.

  
19/4/22  
(Prateek Kumar Singh)  
Director  
Tel. No. 23094961

**To**

1. Secretaries of all Ministries/ Departments of Government of India
2. All the Financial Advisors o the Ministries/Departments
3. All Pr. CCAs/CCAs/CAs (IC) of Ministries/Departments
4. CGM in charge, Government Business, DGBA, RBI, Mumbai
5. Director (Budget), Ministry of Finance, DoEA, New Delhi
6. CGA's website.

**Copy for information to:**

- (i) PSO to Finance Secretary/ Secretary Expenditure
- (ii) PPS to CGA
- (iii) Addl. CGA(PFMS), O/o CGA
- (iv) Addl. CGA (A&FR), O/o the CGA
- (v) All the Jt. CGAs, O/o CGA

F. No 1(13)/PFMS/FC'D/2020  
Government of India  
Ministry of Finance  
Department of Expenditure  
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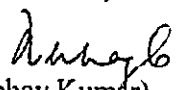
5<sup>th</sup> Floor, Block 11, CGO Complex  
New Delhi, the 16<sup>th</sup> March, 2022

OFFICE MEMORANDUM

**Subject: Procedure for release of funds under the Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released – reg payment of statutory deductions.**

The undersigned is directed to refer to this Department's letter of even number dated 23<sup>rd</sup> March, 2021 on the above mentioned subject. After taking into consideration the issues raised by various Ministries/Departments to facilitate payment and settlement of various deductions/taxes while processing payments through PFMS, it has been decided that the following procedure may be adopted regarding payment of statutory deductions:

- i. A separate Bank account [to be called 'Holding Account'] shall be opened by the Agencies for holding the tax/statutory deductions.
  - ii. This Holding Account would be permitted to make payments outside of PFMS, through cheques or internet banking to effect the statutory payments with the challan details being captured simultaneously.
  - iii. The Holding Account will serve the purpose of holding tax/duties/levies/fees/municipal charges etc. of State Government, municipalities etc. which the Agencies need to process.
2. The Holding Account will have the following conditions:
    - i. Account shall be opened preferably in the same bank as is the SNA/ZBA Account.
    - ii. Maximum time for which money can be held in this account shall be fourteen days, after which the money shall be credited back to the Agency Account.
  3. A copy of the Standard Operating Procedure (SOP) for payment of Statutory Deductions/Taxes through PFMS is enclosed.
  4. This issues with the approval of Finance Secretary and Secretary (Expenditure).

  
(Abhay Kumar)  
Director  
Tel. No. 24360647

To

All Secretaries to the Government of India

## Annexure

### SoP for tax/statutory deductions and payments on EAT Module of PFMS

1. Implementing Agencies shall open a separate bank account (Holding Account) preferably in the same bank where the main operational account (SNA/ZBA etc.) is held. This will be used for temporarily holding the taxes /statutory deductions etc.
2. The Holding Account will be a non-interest bearing account, where the transferred funds can be held for a maximum period of 14 days. This account can be used only for transfer of funds from PFMS (and not from any other source), and for processing the payment of deductions.
3. The Implementing Agency shall register the Holding Account details for the relevant scheme on PFMS for account validation.
4. While processing payments to a vendor, Implementing Agency (IA) shall specify the following in the EAT module of PFMS:
  - a. gross amount of payment
  - b. relevant statutory/tax deductions
5. Implementing Agency shall first approve the net payment to vendor (i.e. the gross amount less the deductions) either through the DSC mode or the ePA/PPA mode.
6. After the vendor's payment is successful (as approved at Pt. 5 above), the Implementing Agency shall
  - a. in case of DSC payments, apply the DSC again for transferring the deductions to the Holding Account
  - b. in case of ePA/PPA payments, approve a separate ePA/PPA to transfer the deductions to the Holding Account
7. Implementing Agencies to use the Holding Account to make statutory payments outside PFMS through Internet Banking, or other mechanisms like cheques or challan payments. This will now be shown as 'Outstanding' in the 'Deduction Settlement' form on PFMS.
8. The Implementing Agencies shall use the 'Deduction Settlement' feature in PFMS to enter the tax / deduction / other challan details for all vendor payments which are reported as success by bank. This will clear the 'Outstanding' status of settlements.
9. Implementing Agencies need to make statutory deductions payment at the earliest, and not later than 14 days from the date of transfer of funds to Holding Account. After lapse of 14 days' period, the unutilized money shall be credited back to the Agency account.

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Step By Step Procedure for opening of Assignment Account in NDRO, RBI

Please find enclosed herewith the Procedure for Opening TSA accounts for 18 new Autonomous Bodies (ABs) prescribed by New Delhi Regional Office, RBI. The following procedure is to be followed for opening of accounts in NDRO, RBI.

- (i) All the ABs and Sub Autonomous Bodies under the Main Autonomous Body will submit an account opening application for opening of Assignment Account signed by Head/Incharge of the AB/Sub AB addressed to General Manager, New Delhi Regional Office, RBI alongwith specimen signatures of the authorised signatories (format enclosed) and enclosing all the KYC/Officially Valid documents (OVD) such as for establishing the existence or identity of the person opening the account to the Nodal Officer of the Autonomous Body. OVD means the passport, the driving license, PAN Card, Voters ID issued by Election Commission of India. Aadhaar Card or any other document as notified by the Central Govt. Official ID card can also be treated as OVD. It is mentioned that Hard Copies of all the documents are to be sent to the Nodal Officer.
- (ii) It is also mentioned that accounts will be opened upto two levels only i.e. the account of the Main AB and Sub ABs under the Main AB. No account below the level of Sub AB will be opened in NDRO, RBI.
- (iii) The Nodal Officer of the Autonomous Body will verify all the documents (Hard Copies) received from the AB/Sub ABs and ensure that all the prescribed documents are enclosed by the Main AB/Sub AB. The Nodal Officer will then sign and stamp all the documents and shall forward the documents to the concerned PAO of the Ministry/Department with a covering letter that all the documents are in order.
- (iv) On receipt of all the documents from the Nodal Officer, the PAO of the concerned Ministry/Department, will also ensure that all the documents required by the RBI for opening of accounts are in order and also sign and stamp all the documents provided by the Nodal Officer. The PAO of the concerned Ministry/Department will enclose a covering letter addressed to General Manager, New Delhi Regional Office, Reserve Bank of India enclosing all the documents and submit the same to the New Delhi Regional Office of the RBI. PAO of the concerned Ministry need to provide the name of the Ministry/Department alongwith the UDCH Code under which the TSA account is required to be opened/mapped in e-kuber.

Specimen of the Application Form  
(Application must be on the Letter Head of the AB/Sub AB)

(to be provided by the AB/Sub ABs to the Nodal Officer of the AB for onward submission to the concerned PAO of the Ministry/Department)

To  
The General Manager  
New Delhi Regional Office  
Reserve Bank of India, New Delhi

Sub - Opening of Assignment Account under the Treasury Single Account (TSA) System

Sir,

As per the direction of Ministry of Finance, Government of India Treasury Single Account (TSA) System has to be implemented in \_\_\_\_\_ (Name of the AB/Sub AB) which is an Autonomous Body/Sub AB incorporated in \_\_\_\_\_ (year). You are, therefore, requested to open an assignment account in New Delhi Regional Office, RBI for this organisation.

2. The details of the AB/Sub AB are as under:-

Name of the AB/Sub AB	Name of Head of the AB/Sub AB and Email id	Address of the AB/Sub AB	Email id of the AB/Sub AB	Contact Number

3. The purpose for opening of account in RBI is to bring the AB/Sub AB under the Treasury Single Account (TSA) System prescribed by the Ministry of Finance, Govt. of India.

4. There will be two authorised signatories who will operate this assignment account using their Digital Signatures through PEMS. The names of the authorised signatories are as under:-

Name and Designation of the First Authorised Signatory	Name and Designation of the Second Authorised Signatory

5. The specimen signatures alongwith the proof of identity, email id, mobile no. and KYC who will operate the assignment account in the RBI, duly attested by the Head of the AB/Sub AB are enclosed herewith.

Yours faithfully,

( )  
Head/Incharge of the AB/Sub AB

Forwarded to the Nodal Officer of the AB for necessary action.

**Specimen Signatures of the Authorised Signatories who will operate the Assignment Accounts**

**For First Authorised Signatory:-**

Name and Designation of the First Authorised Signatory	Mobile No. of the First Authorised Signatory	Email id of the First Authority Signatory	Name of the KYC/OVD document attached of the first authorised signatory

Specimen Signatures of the First Authorised Signatory	Attestation by the Head of Office of the AB/Sub AB
1. _____	
2. _____	
3. _____	

**For Second Authorised Signatory:**

Name and Designation of the Second Authorised Signatory	Mobile No. of the Second Authorised Signatory	Email id of the Second Authority Signatory	Name of the KYC/OVD document attached of the Second authorised signatory

Specimen Signatures of the Second Authorised Signatory	Attestation by the Head of the AB/Sub AB
1. _____	
2. _____	
3. _____	

Signature and Stamp of Nodal Officer of the AB

Signature and Stamp of concerned PAO:-



F.No. 26(118)/ EMC Cell/ 2016  
Government of India  
Ministry of Finance  
Department of Expenditure  
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Lok Nayak Bhawan,  
Khan Market, New Delhi.

Dated the 24 February, 2022

OFFICE MEMORANDUM

**Subject:** Revised instructions on bringing Autonomous Bodies (ABs) under the Treasury Single Account (TSA) System.

Reference is invited to this Department's OM of even number dated 27<sup>th</sup> July, 2017 and 24<sup>th</sup> August, 2017 (copies enclosed) regarding implementation of the Treasury Single Account (TSA) System in Autonomous Bodies (ABs).

2. The Expenditure Management Commission (EMC) in its report has recommended that in order to minimize the cost of Government borrowings and to enhance efficiency in fund flows to Autonomous Bodies, Government should gradually bring all Autonomous Bodies (ABs) under the Treasury Single Account (TSA). The Government decided to implement this recommendation. Pilots were conducted with the Indian Council of Medical Research (ICMR) and Indian Institute of Technology (IIT), Delhi on implementation of Treasury Single Account (TSA) System.

3. Implementation of TSA has now been extended to 149 Autonomous Bodies (ABs). However during the implementation, certain difficulties were noticed requiring suitable revision in the provisions. Therefore, to further streamline the implementation of TSA system, the following instructions are issued in supersession of the instructions issued vide OM dated 27<sup>th</sup> July, 2017 and all other instructions issued in the matter:

(i) These guidelines shall be applicable to Autonomous Bodies (ABs)/Implementing Agencies (IAs) including Statutory Bodies and Central Public Sector Enterprises (CPSEs). In case of CPSEs, applicability will be limited to the grants and scheme funds received by them from the Government of India.

(ii) The Monthly Expenditure Plan (MEP) of Autonomous Bodies (ABs)/Implementing Agencies (IAs), as accepted by the Programme Division (PD) and Integrated Finance Division (IFD), the pace of implementation of the schemes in the ABs/IAs and the balance grant/fund available with the AB/IA for the said scheme shall form the basis of just-in-time releases to ABs/IAs.

Consequent upon receipt of the sanction order for release of funds to the ABs/IAs along with the bill from the Drawing and Disbursing Officer (DDO), the concerned Pay & Accounts

R. S. Chandra

Officer (PAO) shall advise RBI, after exercising all necessary checks, to honour the payment instructions issued by the concerned AB/IA up to the "Assigned Limit" in the advice.

(iii) The PAO shall debit the concerned head of account for the appropriation but not transfer the cash directly to the ABs/IAs. It shall be retained in an interim account in respect of the AB/IA listed under the parent Ministry/Department in the Public Account. Balances remaining unutilized at the close of the year will lapse to the Government and hence written back in Government Account. Ministries administering the AB/IA concerned will have to explain the saving in the related Appropriation Accounts.

(iv) The total releases made in a year to ABs/IAs through TSA and its utilization may be reflected under the Major Head "8454 – Funds for ABs under TSA" in the Financial Statements of the Government Account. The amount not utilized in any year and written back to CFI may need to be indicated in the Accounts as a Footnote.

(v) Each Autonomous Body/Implementing Agency including subsequent level of institutions shall open bank accounts with Reserve Bank of India in e-Kuber. Separate accounts shall be opened for receiving Grants in Aid/Funds from each Pay & Accounts Office of Government of India by each Autonomous Body/Implementing Agency and subsequent level of Autonomous Bodies/institutions.

(vi) The relevant bank details of all accounts held by the AB/IA as well as of payees of ABs/IAs shall be registered on PFMS after due diligence by administrative Ministry/Department.

(vii) Autonomous Bodies/Implementing Agencies including subsequent level of Institutions shall not open/operate/park funds in any other account for any operation pertaining to funds received from Government of India.

(viii) All expenditure from the Grants-in-Aid/Funds received from Government of India by the Autonomous Body/Implementing Agency will be made through these designated accounts only. This system will be digital and fully online on PFMS with no physical flow of assignments to RBI or expenditure by AB/IA of cash on assignment basis.

(ix) Notwithstanding the conditions at Para above, in respect of some transactions like payment of TDS, Income Tax and GST, Opening of Letter of Credit in favour of foreign suppliers, scholarships to foreign students not having account in India and court attachment from salaries of employees etc., ABs/IAs may utilize the services of their existing account at commercial banks. They may transfer funds to the extent required for meeting such transactions for immediate utilization/remittance. No money transferred under this provision can be parked in a Commercial Bank for more than seven days. However, such transfers will be subject to approval by the concerned Financial Advisor on case to case basis.

(x) In addition to the above provision, ABs/IAs may draw the cash/transfer the funds required for payment of salary for the month of March from the assignment amount of current financial year and keep the amount in a commercial bank for the purpose of releasing the salary for the month of March to the employees in the month of April.

*R. S. Chandra*

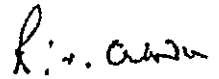
(xi) The RBI will function as primary banker to the Ministries/Departments in this regard without involvement of an agency bank. These accounts will be assignment accounts. A limit up to which expenditure can be incurred by an AB/IA, shall be assigned to these accounts by the PAO concerned through PFMS based on the expenditure sanction issued by the PD and the bill preferred by the DDO. The e-Kuber bank account details of the AB/IA shall be incorporated in the sanction order. The limit shall be a dynamic limit. Sanction orders, a summary of all such assignments and the balance limit available can be viewed on PFMS by all stakeholders.

(xii) The electronic file containing a unique sanction ID and necessary details of the sanction order will seamlessly travel from PAO to RBI and concerned ABs/IAs. RBI will maintain individual ledgers in respect of each accounts of the AB/IA for watching the availability of assignments.

(xiii) ABs/IAs shall adhere to all due processes while incurring expenditure from the funds sanctioned through PFMS. ABs/IAs shall also ensure that sufficient limit is available in the relevant account before the issue of the instrument. Unutilized assignment will lapse to the Government at the close of the Financial Year and will not be available to the ABs/IAs for expenditure in the next financial year.

(xiv) TSA system does not affect the procedures and processes of the ABs/IAs/CPSEs, but provides only a payment platform facilitating Just-in-Time releases by the Government.

4. The Financial Advisor of the Ministry, administrative head and financial head of an AB/IA would be jointly and severally responsible for strict compliance with these guidelines.



(R.D. Talukdar)

Deputy Secretary to the Government of India

To

1. Secretaries of all Ministries/Departments of Government of India
2. Comptroller General of Accounts, Department of Expenditure
3. Deputy Governor, RBI
4. Member (Finance), Railways
5. Controller General of Defence Accounts
6. Financial Advisers of all Ministries/Departments of Government of India
7. All Pr. CCAs/CCAs/CAs (independent charge) of all Ministries/Departments of Government of India.
8. Principal Chief General Manager, DGBA, Central Office, RBI, Mumbai
9. Chief General Manager, CAS, Nagpur, RBI

Copy for information to:

1. Finance Secretary & Secretary (Expenditure)
2. Secretary, Department of Economic Affairs

OFFICE MEMORANDUM

Subject: Guidelines for implementing Government's decision on bringing Autonomous Bodies (ABs) under Treasury Single Accounts (TSA) System.

The Expenditure Management Commission (EMC) vide Para 125 of its September, 2015 report has recommended that in order to minimize the cost of Government borrowings and to enhance efficiency in fund flows to Autonomous Bodies, Government should gradually bring all Autonomous Bodies (ABs) under the Treasury Single Account (TSA) System.

2. The Government has decided to implement this recommendation in the following manner in consultation with Budget Division, Department of Economic Affairs and the Reserve Bank of India.

(i) The Monthly Expenditure Plan (MEP) of an AB, as accepted by the Programme Division (PD) and IFD, the pace of implementation of the schemes in the AB and the balance grant available with the AB for the said scheme shall form the basis of just-in-time releases to ABs. Consequent upon receipt of the sanction order for release of funds to the AB along with the bill from the Drawing and Disbursing Officer (DDO), the concerned Pay & Accounts Officer (PAO) shall advise RBI, after exercising all necessary checks, to honour the payment instructions issued by the concerned AB up to the "Assigned Limit" in the advice.

(ii) The PAO shall debit the concerned head of account for the appropriation but not transfer the cash directly to the AB. It shall be retained in an interim account in respect of the AB listed under the parent Ministry/Department in the Public Account. Balances remaining unutilized at the close of the year will lapse to the Government and hence written back in Government Account. Ministries administering the AB concerned will have to explain the saving in the related Appropriation Accounts.

(iii) Each Autonomous Body including subsequent level of institutions shall open bank accounts with Reserve Bank of India in e-Ruber; separate accounts shall be opened for receiving different categories of Grants-in-aid viz. Grants in Aid (General), Grants for creation of Capital Assets and Grants in Aids (Salaries). The relevant bank details of all accounts held by the AB as well as of payees of ABs shall be registered on PFMS after due diligence by administrative Ministry/Department. Autonomous bodies including subsequent level of institutions shall not open / operate / park funds in any other account for any operation pertaining to funds received from Government of India. All expenditure from the Grants-in-Aids / assistance received from Government of India by the Autonomous Body will be made through these three accounts only. This system will be digital and fully online on PFMS with no physical flow of assignments to RBI or expenditure by AB of cash on assignment basis.

(iv) The RBI will function as primary banker to the Ministries/Departments in this regard without involvement of an agency bank. These accounts will be assignment accounts. A limit

up to which expenditure can be incurred by an AB, shall be assigned to these accounts by the PAO concerned through PFMS based on the expenditure sanction issued by the PD and the bill prepared by the DDO. The e-Ruber bank account details of the AB shall be incorporated in the sanction order. The limit shall be a dynamic limit. Sanction orders, a summary of all such assignments and the balance limit available can be viewed on PFMS by all stakeholders.

(v) The electronic file containing a unique sanction ID and necessary details of the sanction order will seamlessly travel from PAO to RBI and concerned ABs. RBI will maintain individual ledgers in respect of the three accounts of the ABs for watching the availability of assignment. Controls of dynamic limit shall be at the Standard Object Head level.

(vi) ABs shall adhere to all due processes while incurring expenditure from the funds sanctioned through PFMS. ABs shall also ensure that sufficient limit is available in the relevant account before the issue of the instrument. Unutilized assignment will lapse to the Government at the close of the Financial Year and will not be available to the ABs for expenditure in the next financial year.

5. The administrative head and financial head of an AB would be jointly and severally responsible for strict compliance with these guidelines.

*Annie G. Mathew*  
(Annie G. Mathew)

Joint Secretary to the Government of India  
Tele: 23093283

To

1. Secretaries of all Ministries/Departments of Government of India
2. Controller General of Accounts, Department of Expenditure
3. Deputy Governor, RBI
4. Financial Commissioner, Railways
5. Controller General of Defence Accounts
6. Financial Advisers of all Ministries/Departments of Government of India
7. All Pr. CCAs/CCAs/CAs (independent charge) of all Ministries/Departments of Government of India
8. Principal Chief General Manager, DGBA, Central Office, RBI, Mumbai
9. Chief General Manager, CAS, Nagpur, RBI

Copy for information to

1. Finance Secretary & Secretary (Expenditure)
2. Secretary, Department of Economic Affairs

F. No. 26(118)/EMC Cell/2016  
Government of India  
Ministry of Finance  
Department of Expenditure  
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North Block, New Delhi  
Dated the 24<sup>th</sup> August, 2017

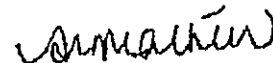
OFFICE MEMORANDUM

**Subject: Guidelines for implementing Government's decision on bringing Autonomous Bodies (ABs) under Treasury Single Accounts (TSA) system.**

Reference is invited to Department of Expenditure OM of even number dated 27.07.2017 on the subject cited above. A few Ministries/Departments have sought clarifications relating to date of implementation of the new system of fund release to Autonomous Bodies.

2. As stated in the guidelines (copy enclosed), implementation of the new procedure of fund release to ABs will require prior action on the part of Ministries/Departments such as registration of ABs (including subsequent level of institutions and payee Institutions) on PFMS and opening of Bank Accounts with RBI in e-Kuber for receiving the three different categories of Grants-in-Aid. At present two pilot projects on the new system of fund release are being conducted at ICMR and IIT, Delhi. Further directions on the matter will be issued after the pilots are completed.

3. All Ministries/Departments are requested to take necessary action to complete the requisite formalities in the meantime, so that the new system of fund release may be adopted without delay on the issue of further instructions.



(Annie G Mathew)

Joint Secretary to the Government of India

Tel. 23093283

To

1. Secretaries of all Ministries/Departments of Government of India
2. Controller General of Accounts, Department of Expenditure
3. Deputy Governor, RBI, Mumbai
4. Financial Commissioner, Railways
5. Controller General of Defence Accounts
6. Financial Advisers of all Ministries/Departments of Government of India
7. All Pr. CCAs, CCAs/CAs (independent charge) of all Ministries/Departments of Government of India
8. Chief General Manager, CAS, Nagpur, RBI

Copy for information to:

1. Finance Secretary & Secretary (Expenditure)
2. Secretary, Department of Economic Affairs
3. Additional Secretary, Department of Expenditure.

**Accounting Procedure for bringing Autonomous Bodies (ABs)  
under Treasury Single Accounts (TSA) System:**

- (a) In order to bring Autonomous Bodies (ABs) under Treasury Single Account System each Autonomous Body will open bank accounts for each type of grants-in-aid issued by Ministries/ Departments with Reserve Bank of India in terms of Department of Expenditure OM No. F. No. 26(118)/EMC Cell/2016 dated 27<sup>th</sup> July, 2017.
- (b) Based on the Monthly Expenditure Plan (MEP), requirement of the AB and expenditure trend of the Autonomous Bodies, Programme Division of the Ministry will process the release and issue sanction for releasing the funds to AB concerned. The Terms and Conditions regarding TSA shall be mentioned.
- (c) Drawing and Disbursing Officer will prepare a bill on the basis of the sanction and submit the same to PAO for releasing the funds.
- (d) In order to ensure that the funds are available with the Government till actual utilization, PAO based on sanction order, through PFMS will advise RBI to honour payment instruments issued by the AB concerned up to the limit assigned in the advice. The 'Assignment Advice' will contain data relating to the Pay & Accounts Officer responsible for accounting of the funds assigned to AB, Unique identifier for Sanction, heads of account and Bill prominently. A copy of the sanction order and Assignment Advice will seamlessly travel to the AB concerned.
- (e) Simultaneously to account for the issue of advice for assignment in favour of AB in Government account the PAO will credit the amount under Public Account (Proposed Correction Slips for Heads of Account Annexed) by per contra debit to the object head 31, 35 or 36 under the concerned functional head.
- (f) PFMS and e-Kuber of RBI will capture the details as contained in the 'Assignment Advice' for reference, reporting and reconciliation purposes.
- (g) Authorized Signatory of the Autonomous Body after ensuring the genuineness of expenditure with reference to the relevant 'Assignment Advice' will digitally sign and issue the payment advice using the PFMS platform. The payment advice will contain all the related details of the Pay & Accounts Officer and heads of accounts.
- (h) Reserve Bank of India will honour the payment instruments issued by the ABs and on the basis of the information embedded in the payment advice , prepare payment scrolls PAO wise for each account for debiting the Government account with an amount equivalent to the total of the payment scroll and crediting the ABs assignment account. Below the entries relating to Pay & Accounts Officers own payments, payments made by Autonomous Bodies against assignment will be inserted. A copy of the scroll will also be sent to the PAO concerned. Based on the scrolls received from RBI the

aforesaid head in Public Account will be relieved by an equivalent amount by the PAO concerned in his account by per contra credit to the head '8675-Deposit with Reserve Bank -101- Central Civil- Reserve Bank (HQ)'.

- (i) Unutilized Balances at the close of the year will lapse to the Government and hence written back in Government Account by minus debiting concerned functional head of account and minus crediting to the head in Public Account. Ministries releasing Grants-in-Aid to the AB concerned will have to explain the saving in the related Appropriation Accounts.

Note on second tier Institutions in proposed model: Since the new system envisages just in time releases i.e. debiting Government account when the payment is released to the end beneficiary, there should not be any adjustment in Government account when an Autonomous Body transfers funds to the account of its subsequent level units. Payment Advices issued by the subsequent level units against that Grant needs to contain the details of the PAO and heads of accounts. Till such time, when the amount is actually spent the balances in account of the subsequent level units will be considered as balance under assignment with the mother AB.

Assignment to the second tier AB by the Autonomous Bodies:

When an assignment against grants-in-aid received by an autonomous body is released by it further to its subsidiary autonomous body the advice transferring the assignment will be digitally signed by the authorised signatory of the autonomous body and contain details of the Assignment Advice issued by the Pay & Accounts Officer. This assignment will be treated as sub assignment of the Autonomous body and treated as normal assignment i.e. account of the autonomous body will not be debited. The payment advices issued by the second tier autonomous body will contain the details of the assignment advice issued by the Pay & Accounts Officer concerned. Consequent upon making payment to the beneficiary, RBI will prepare scrolls and send original to the second tier AB and copies to the AB and Pay & Accounts Officer concerned and debit the Government Account with an equivalent amount by per contra credit to the account of the AB.

Since an Autonomous Body may be sanctioned Grants-in-Aid for different schemes the scrolls so received from the RBI will be collated scheme wise by PFMS and necessary accounting entries passed to relieve the concerned heads of accounts in Public Account as detailed above.



Draft

Ministry of Finance  
Department of Expenditure  
Office of the Controller General of Accounts  
New Delhi

List of Major and Minor Heads of Account of Union and States

Correction Slip No. ...

Dated: .....

Page No. 391 (A) (Reprint of Fourth Edition)

Public Account

Sector K. Deposits and Advances

Sub-Sector (b): Deposits not bearing Interest

Insert new Major Head as under:

Major Head: 8454 Deposit Account for Autonomous Bodies

*Each Department will be  
a Sub Major Head*

Each Autonomous Body listed under the parent  
Ministry will be a distinct Minor Head (1)

Note: (1) Sub-Head may be opened corresponding to the programme minor heads in the Section 'Expenditure Heads (Revenue Account)' to which the Grants-in-Aid is being awarded. For this purpose, the nomenclature of the sub head may indicate the function as per sub-major head or as per major head, in the absence of a sub-major head, on the revenue expenditure side followed by the programme minor head. For example "Adult Education - Rural Functional Literacy Programmes", "Crop Husbandry - Agricultural Engineering", "Consumer Industries - Textiles" etc. When the nomenclature of the sub-major head does not give an indication of the concerned function, the nomenclature of the sub head will also indicate the name of the major head also within brackets after the sub-major head. For example "General (Medical & Public Health) - Health Statistics and Evaluation", "General (Nutrition) - Diet Surveys and Nutrition Planning" etc. Where it is not possible to identify the Grants-in-Aid with any programme distinctly, the minor head will indicate the relevant sub-major/major head as above followed by the words "Other Grants", e.g. "General (Education) - Other Grants", "Crop Husbandry - Other Grants", etc.

Likewise, at the detailed head level, details of sub-schemes or activities corresponding to Sub-Schemes, if any, in the Section 'Expenditure Heads (Revenue Account)' below the function may be indicated. The Object Heads Grants-in-Aid (General), Grants for creation of Capital Assets and Grants in Aids (Salaries) shall be used for classification.

(3) Under each Minor Head separate Sub-head '99-Uncredited items of Autonomous Bodies under Treasury Single Account System' may be opened.

(Effective from 2018-19)  
(Authority T-14018/15/2017/TSA/Code)

(Vinay Singhal)  
Sr. Accounts Officer (Codes)

Example 1: When there is Sub-Major Head

Heads	Expenditure(Revenue)	Public Account
Major Head	2202-General Education	8454- Funds for Autonomous Bodies under TSA System
Sub-Major Head	03-University and Higher Education	xx-Ministry of Human Resource Development
Minor Head	102-Assistance to Universities	xxx-University Grants Commission (UGC)
Sub-Head	01-Support to UGC	xx-University and Higher Education-Assistance to University
Detailed Head	00	00
Object Head	31-Grants-in-Aid- General	31-Grants-in-Aid- General
	35-Grants for creation of Capital Assets	35-Grants for creation of Capital Assets
	36-Grants-in-aid- Salaries	36-Grants-in-aid- Salaries

Example 2: When Sub-Major Head does not give an indication of concerned function:

Heads	Expenditure(Revenue)	Public Account
Major Head	2202-General Education	8454- Funds for Autonomous Bodies under TSA System
Sub-Major Head	80-General	xx-Ministry of Human Resource Development
Minor Head	800-Other Expenditure	xxx- National University of Education Planning and Administration(NUEPA)
Sub-Head	43-Planning, Administration & Global Engagement	xx-General (Education)-Other Grants
Detailed Head	01-National University of Education Planning and Administration(NUEPA)	xx- Planning, Administration & Global Engagement
Object Head	31-Grants-in-Aid- General	31-Grants-in-Aid- General
	35-Grants for creation of Capital Assets	35-Grants for creation of Capital Assets
	36-Grants-in-aid- Salaries	36-Grants-in-aid- Salaries

Example 3: When there is no Sub-Major Head:

Heads	Expenditure(Revenue)	Public Account
Major Head	2203-Technical Education	8454- Funds for Autonomous Bodies under TSA System
Sub-Major Head	00	xx-Ministry of Human Resource Development
Minor Head	112-Engineering/Technical Colleges and Institutes	xxx- IIT, Delhi
Sub-Head	05-Indian Institutes of Technology	xx-Technical Education-Engineering/Technical Colleges and Institutes
Detailed Head	xx- IIT, Delhi	00
Object Head	31-Grants-in-Aid- General	31-Grants-in-Aid- General
	35-Grants for creation of Capital Assets	35-Grants for creation of Capital Assets
	36-Grants-in-aid- Salaries	36-Grants-in-aid- Salaries