



Government of West Bengal
Irrigation & Waterways Department
Jalasampad Bhaban, 3rd Floor, West Block
Salt Lake City, Kolkata – 700091

Memo. No. 101(6)-IB
IW-14011(14)/1/2023-SECTION(IW) [E 686707]

Dated 06.06.2023

From: Biplab Mukhopadhyay,
Joint Secretary
to the Government of West Bengal.

To : 1) Chief Engineer (South), I&W Directorate
2) Chief Engineer (North), I&W Directorate
3) Chief Engineer (TBP), I&W Directorate
4) Chief Engineer (North-East), I&W Directorate
5) Chief Engineer (West), I&W Directorate
6) Chief Engineer (South-West), I&W Directorate

Sub: Revised procedure for flow of funds under Centrally Sponsored Schemes (CSS) –
regarding deduction of Security Deposits from the contractor's / vendor's
payment and its retention.

Sir,

In enclosing a copy of Memorandum bearing No. 234-FB dated 31.05.2023 of the Finance Department of this Government apropos the above-mentioned subject, I am directed to request you to circulate the same to all the concerned under your administrative jurisdiction for its strict compliance.

Encl: As above.

Sd/-
(Biplab Mukhopadhyay)
Joint Secretary to the
Govt. of West Bengal

Memo. No. 101(6)/1-IB

Dated 06.06.2023

Copy forwarded to the:

- ✓ 1) Executive Engineer, DVC Study Cell, I&W Directorate, with the request of uploading the same on to the official website of I&W Department.

BV
(Biplab Mukhopadhyay)
Joint Secretary to the
Govt. of West Bengal

GOVERNMENT OF WEST BENGAL
FINANCE DEPARTMENT
BUDGET BRANCH
NABANNA, HOWRAH

No. : 234-FB

Dated: 31/05/2023

From : Shri Indra Nath Kundu,
O.S.D & E.O. Special Secretary to the Government of West Bengal.

Secretary

To : The Additional Chief Secretary/ Principal Secretary/ Secretary
All CSS implementing Departments

1.6.2023

Sub: Revised procedure for flow of funds under Centrally Sponsored Schemes – regarding deduction of Security Deposit from the contractor's/ vendor's payment and it's retention

Sir/ Madam,

The Department of Expenditure (DoE), Ministry of Finance, GoI had earlier permitted to open Holding Account for payment of statutory payments outside PFMS through cheques or internet Banking or other modalities vide their OM dated 16.03.2022 (read with Letter No 89(29)-FB Dt:13/05/2022). However, the said OM did not mention anything about deduction of Security Deposit and it's retention.

Now, a clarification has been received from DoE, MoF, GoI (OM dated 24th May, 2022), where DoE has agreed that the Security Deposits may be handled in a separate account as per extant instructions.

In this context, I am directed to inform you that –

- i. Security Deposit amount deducted from the Contractor's/ Vendor's payment, under a Centrally Sponsored Scheme, may be transferred to Holding Account and therefrom may be deposited in the Security Deposit Account under the Head of 8443 - Civil Deposits-00-103- Security Deposits - 001- Earnest / Security Money - 07 - Deposits through GRIPS Portal.
- ii. In terms of FD Notification No 1611-F(Y) Dt:18/03/2016, EMD / SD refund bill will be drawn on sanction of respective Departmental Officer in whose favour amount has been deposited through GRIPS portal. If the Departmental Officer himself is the DDO, he shall present the claim himself along with sanction order and duly authenticated GRIPS Challan, else may be drawn by a regular DDO of that establishment as per Rule – 6.11(3) of W.B.T.R-2005.

1063-PS
01-06-23

- iii. If any Implementing Agency does not have regular DDO for drawing refund of Security Deposit bill from Treasury/ Pay & Accounts Offices, the concerned Department may issue order entrusting any regular DDO for drawing such bills.
- iv. However, in case the SNA having a Deposit Account, the Security Deposit may be kept in the Deposit Account. The Operator of the Deposit Account will approach the concerned Treasury/PAO for opening of a separate Scheme Head for keeping records of the Security Deposit of the concerned CSS Fund. While depositing the Security Deposit from the Holding Account, the Operator Code should also be mentioned in the TR form-7.

This has the concurrence of Grout-T of the Finance Department, Govt. of W.B. vide their U.O. No Group T /2023-2024/0170 Dt:24/05/2023.

Encl: OM dated 24th May, 2022 of the DoE, MoF, Gol

Yours faithfully,


Special Secretary

Finance Department

No. : -FB

Dated:

Copy forwarded for information to the Principal Accountant General (A&E), West Bengal, Treasury Buildings, 2 Govt Place West, Kolkata 700001

Special Secretary

Finance Department

Government of West Bengal
Finance Department
Audit Branch

No.1611-F(Y)

Dated, 18th March, 2016

NOTIFICATION

Online receipt of State Government revenue including revenue deposit through GRIPS was introduced by the State Government vide Finance Department notification no 8298-F(Y) dt. 03/10/2012. Subsequently it was made mandatory w.e.f 01/07/2015 vide Finance Department notification no No.4630-F(Y), dt.15/06/2015. Revenue deposited through GRIPS portal is accounted for in the e-treasury under the control of Directorate of Treasuries and Accounts which is a receipt treasury and do not have any DDO attached to it for payment purpose. Now, a question has been raised about the procedure of refund of tax and non-tax revenues including EMD/SD money which were originally deposited in e-treasury.

After careful consideration of all aspects, it has been decided that refund can be drawn by the DDO from the respective Treasuries/ Pay &Accounts Offices in which he/she is attached subject to the following:-

- 1) a) In respect of revenue heads, refund will be drawn by the DDO as per sanction order issued by Administrative Department with concurrence of Finance Department as per Rule-4.199(2) and 4.201(2) (c) of W.B.T.R.2005 supported with the copy of duly authenticated GRIPS Challan by the sanctioning authority.
b) In respect of EMD/SD, refund will be drawn on sanction of respective Departmental Officer in whose favour amount has been deposited through GRIPS portal. If the Departmental Officer himself is the DDO, he shall present the claim himself along with sanction order and duly authenticated GRIPS Challan, else may be Drawn by a regular DDO of that establishment as per Rule-6.11(3) of W.B.T.R-2005.
- 2) In both cases, the sanction order should clearly specify the Drawing and Disbursing Officer, name of depositor, challan number and challan date along with GRN number and other related particulars of the receipt.
- 3) Payment will be drawn in T.R Form No-34 for refund of revenue and in T.R Form No-42 for refund of deposit only through e-Billing module of IFMS. Payment shall be directly credited to the bank account of the depositors.
- 4) Treasury shall verify the challan details and sanction order before payment. Refund of revenue cannot be made multiple times against a single challan. However, a EMD/SD challan will be available for refund until the full amount is exhausted. In addition deposit can also be transferred to relevant revenue receipt head as per discretion of sanctioning authority
- 5) In case the departmental Officer desires that an Item of EMD/SD shall be credited to the Government as per Rule-6.14(1A) of W.B.T.R-2005, he shall sanction and draw the bill for necessary transfer credit by TR Form No-43 supported by duly authenticated copy of GRIPS Challan as well as TR-7A Challan and submit to the Treasury/Pay & Accounts Officer. If the

departmental officer is himself not the DDO then the regular DDO of the establishment shall draw the bill and submit to the treasury/PAO.

- 6) The order for revenue receipt refund against Challan deposited through GRIPS shall remain valid during the Financial Year only in which it is sanctioned.
- 7) The amount paid as refund will reflect in List of Payment and Plus-Minus memo of paying treasury distinctly.
- 8) The amount deposited in e-Treasury when refunded from the Treasury/PAO would be reflected in the plus and minus memo of the e-Treasury.

Since this procedure of withdrawal of revenue deposit from other treasury is not possible within the existing codal provisions, the relevant rules and sub-rules of WBTR, 2005 need to be modified to enable the Treasuries/PAOs to admit the related claim for refund of the deposit.

Therefore, in exercise of the power conferred by clause (2) of Article 283 of Constitution of India, the Governor is pleased to amend the provisions of the rules and sub-rules of WBTR, 2005 in the manner prescribed below.

AMENDMENT

I. TR 4.201 is amended in the following manner.

- (i) The following clause is added below Clause-(b) of Sub-Rule-2 of the rule.

"clause (c) [*applicable to e-receipt, i.e., money deposited electronically to Govt account]– by duly signed copy of electronic receipted challan generated from the receipt portal along with a statement showing the names of the refundees, the amount to be refunded and number and date of the challan with which the money was originally deposited electronically to the Government account. Refund of revenue can be made against a single challan only once.

- (ii) The following sentence may be added in Sub-Rule-3 of the Rule.

"For refunding deposits made electronically and accounted for in e-Treasury, the concerned DDO will submit bill to the Treasury to which he/she is attached with duly attested receipted challan generated from the system along with the sanction memo. The paying Treasury/PAO will take necessary action for payment on account of refund of electronically deposited Government revenue receipt after necessary verification with reference to the online receipt record in the CTS (Computerised Treasury System). In the e-Treasury record the concerned receipt entry will be flagged automatically with the name of paying Treasury and the date of payment."

II. The following Sub-Rule may be added to T.R. 4.202 .

"SUB-RULE (6)- In case of refund of revenue receipt which was originally deposited electronically and accounted for in e-Treasury, the DDO will submit bill along with duly attested copy of receipted challan printed out of the system to the Treasury to which he/she is attached. The Treasury Officer/Pay & Account Officer will take necessary action for payment on account of the refund after necessary verification of the receipt record made available to the Treasury/PAO in the CTS."

III. The following Sub-Rule may be added to T.R. 6.12

"SUB-RULE 1- In case of refund of revenue deposit which was originally deposited electronically to the Government and accounted for in the e-Treasury, the Drawing & Disbursing Officer concerned will submit the bill to the Treasury/PAO to which he/she is attached along with duly attested copy of receipted e-challan to be printed out of the receipt portal. The Treasury/PAO concerned will take necessary action for payment on account of refund of revenue deposit after necessary verification of the revenue deposit receipt record available in the CTS and at the same time will note the payment in the payment side of revenue deposit register. However, in the balance report drawn at the end of the month and also in the plus minus memo to be submitted to the AG (A&E), West Bengal one entry of receipt will be made with reference to the e-Treasury record along with electronic challan number which entry along with the payment entry on of account of refund will in effect result in a balance which would otherwise have been had the payment not been made from the Treasury/PAO. In the Treasury record of e-Treasury the concerned receipt entry will be flagged automatically with the name of paying Treasury and the date of payment. Simultaneously plus minus memo to be generated from the system of e-Treasury will show the withdrawal as payment made from the paying Treasury. However, the payment will not show in any List of Payment of e-Treasury."

IV. TR 6.14 is amended in the following manner.

(i) The following Sub-Rule is inserted after Sub-Rule-(1) of the rule:

"sub-rule-(1A) - In case the departmental officer desires that an item of EMD/Security Deposit shall be carried to the credit of the Government, he shall draw the bill for necessary transfer credit under TR form No. 43 supported by duly authenticated electronic receipted challan as well as TR 7A and submit to the Treasury/PAO. The Treasury Officer will verify the deposit with reference to the challan no. of e-Treasury and if it is otherwise OK will admit the bill for transfer credit to the relevant receipt head of account to the Government."

(ii) The word and figure "sub-rule (7)" as mentioned in sub-rule (4) of the rule is replaced with the word and figure "sub-rule (8)".

(iii) The following sub-rule is inserted after sub-rule (7) of the rule:

"Sub-rule-(8) - In case of refund of revenue deposit which was originally deposited electronically to the Government account and hence accounted for in e-Treasury, the DDO will submit bill with duly signed system-generated challan, for withdrawal from the Treasury to which the DDO is attached. The detailed procedure is given in sub-rule (1) of TR 6.12."

By order of the Governor,

(H.K. Dwivedi)

Principal Secretary to the
Government of West Bengal.

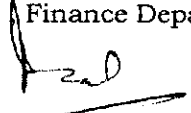
No.1611/1(500)-F(Y)

Dated, Howrah the 18.03.2016

Copy forwarded for information and necessary action to :-

- 01.The Principal Accountant General (A&E), West Bengal, Treasury Buildings, 2 ,Govt. Place [West] Kolkata - 700 001.
- 02.The Principal Accountant General (Audit), West Bengal, Treasury Buildings, Kolkata - 700 001.
- 03.The Accountant General [Receipts, Works and Local Bodies Audit], West Bengal, C.G.O. Complex, 3rd MSO Building, 5th floor, Block DF, Sector -1, Salt Lake, Kolkata - 64 .
- 04.The Chief Secretary to the Government of West Bengal .
- 05.The Resident Commissioner, Government of West Bengal, A/2, State Emporia Buildings, Baba Khark Singh Marg, New Delhi - 110 001.
- 06.The Additional Chief Secretary / Principal Secretary / Secretary, _____
- 07.The Commissioner, _____ Division
- 08.The Special Secretary/ Additional Secretary/ Joint Secretary/ Deputy Secretary, Finance Department.
- 09.Sri Sumit Mitra, Network Administrator, Finance[Budget] Department. He is requested to upload this order in the Finance Department website.
- 10.The _____ Department/Directorate.
- 11.The Director of Treasuries & Accounts, West Bengal, The New India Assurance Buildings, 4, Lyons Range, Kolkata - 700 001.
- 12.The Director _____
- 13.The District Magistrate/District Judge/ Superintendent of Police _____
- 14.The Sub-Divisional Officer _____
- 15.The Pay & Accounts Officer, Kolkata Pay & Accounts Office-I, 81/2/2, Phears Lane, Kolkata - 700 012.
- 16.The Pay & Accounts Officer, Kolkata Pay & Accounts Office-II, P-1, Hyde Lane, Jawahar Buildings, Kolkata - 700 073.
- 17.The Pay & Accounts Officer, Kolkata Pay & Accounts Office-III, I.B. Market, Sector - III, Salt Lake, Kolkata - 700 091.
- 18.The Treasury Officer _____
- 19.The Group _____

Branch Finance Department


**Joint Secretary to the
Government of West Bengal.**

List of Correspondences

Receipt No. / Issue No.	Subject	Type	Marked As	Attached On	Issued On	Pages	Remarks
E 3401174/2023/BDG SEC(FIN)	OM Dated 29_05_2022 of DoE , MoF , GoI on Clarification regarding Security Deposit	Receipt		14/05/2023 09:08 PM		9-9	attach
E 2383143/2022/BDG SEC(FIN)	Letter of the DoE, Ministry of Finance, GoI dated 22/03/2022	Receipt		17/05/2022 10:53 PM		5-8	
E 2353694/2022/BDG SEC(FIN)	Opening of Holding Account at the IA Level for payment of tax or statutory deductions	Receipt		03/05/2022 10:04 AM		3-4	
E 2019926/2021/BDG SEC(FIN)	Transfer of un- utilised balance of IAs account to SNA Account	Receipt		10/12/2021 04:34 PM		1-2	

F. No. 1(13)/PFMS/FCD/2020
Government of India
Ministry of Finance
Department of Expenditure

5th Floor, Block 11, CGO Complex
New Delhi, the 8th December, 2021

To

1. All Chief Secretaries/Principal Secretaries (Finance) of all States/UTs.
2. All State Directorates of PFMS.

Subject: Transfer of funds from the account of Implementing Agencies to the Single Nodal Account of each Centrally Sponsored Schemes

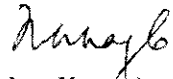
Sir/Madam

I am directed to refer to this Department's letter of even number dated March 23, 2021 regarding new procedure for release of funds under the Centrally Sponsored Schemes (CSS) and to say that as per point 1 of the procedure, every State Government is required to designate a Single Nodal Agency (SNA) for implementing each CSS. The SNA will open Single Nodal Account for each CSS at the State Level in a Scheduled Commercial Bank authorized to conduct business by the State Government.

2. Further as per point 13 of the procedure, after opening of Single Nodal Account of the scheme and before opening of zero balance subsidiary account of IAs or assigning them drawing rights from SNA's account, the IAs at all levels shall return all unspent amounts lying in their accounts to the Single Nodal Account of the SNA. Further as per the new procedure it is the responsibility of the State Government concerned to ensure that the entire unspent amount is returned by all the IAs to the Single Nodal account of the SNA concerned.

3. It has been observed that in a number of schemes, even though the Single Nodal Account has been opened, other accounts of the Implementing Agencies under the said scheme have not been closed or converted to zero balance account and the amount balance in these accounts has not been returned to the Single Nodal Account of the Scheme. This has resulted in parking of funds in the bank accounts of the Implementing Agencies.

4. In light of the above, State Government is requested to ensure that all the accounts of IAs, except the Single Nodal Account are closed or converted to zero balance account and funds lying unutilized in these accounts are returned immediately to the Single Nodal Account of the Scheme. A certificate in the enclosed format should be furnished by the Secretary of the Department concerned of the State Government to this effect by 31st January, 2022. Release of funds to the State Government under CSS after 31.01.2022 shall be subject to furnishing of the certificate in the prescribed format by the State Government


(Abhay Kumar)
Director
Tele No. 24360647

Copy to:

1. Sr. PPS to Jt. Secretary (PFS), Ministry of Finance, New Delhi
2. PPS to Controller General of Accounts.
3. PS to Addl. Controller General of Accounts (PFMS).
4. All Jt. CGAs of PFMS

Government of _____ (Name of the State)
Department of _____ (Name of Department)

CERTIFICATE REGARDING CLOSURE OF ACCOUNTS & TRANSFER OF FUNDS

It is hereby certified that the Department of _____ (Name of the Department),
Government of _____ (Name of the State) has notified the Single Nodal Agency(SNA)
and opened Single Nodal Account of _____
(name of Centrally Sponsored Scheme) being implemented by this Department and has transferred
the entire unspent amount available in the bank account of all the Implementing Agencies of the
aforesaid scheme to the Single Nodal Account of the scheme concerned. It is further certified that
all other accounts of Implementing Agencies down the ladder have been closed/converted into zero
balance accounts.

Name _____

Designation _____

(To be signed by the Secretary of the
Administrative Department concerned
of the State Government)

F. No 1(13)/PFMS/FCD/2020
Government of India
Ministry of Finance
Department of Expenditure

Pr. Secretary, Finance dept.

5th Floor, Block 11, CGO Complex
New Delhi, the 16 March, 2022

0855-03D

17/3/22

To

All Chief Secretaries/Principal Secretaries (Finance) of all States/UTs.

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

I am directed to refer to this Department's letter of even number dated 23rd 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

Copy to: All State Directorates of PFMS.

17 MAR

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.

F. No 1(13)/PFMS/FCD/2020
Government of India
Ministry of Finance
Department of Expenditure

SS(INK)

New Delhi, the 23rd March, 2022

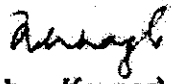
OFFICE MEMORANDUM

Subject: **Procedure for release of funds under Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released.** *Secy-Budget*

The undersigned is directed to refer to Department of Expenditure's revised procedure for release of funds under the Centrally Sponsored Schemes issued vide OM No 1(13)/PFMS/FCD/2020 dated 23rd March, 2021. The new procedure came into effect from 1st July, 2021. Accordingly, the Ministries/Departments shall ensure the following before release of first instalment of funds for 2022-23 to the States and UTs with legislature:-

- i) The entire amount of central share of CSS released to the State till 31st March, 2022 has been transferred to the Single Nodal Account of the SNA concerned.
- ii) Corresponding State share in full has been credited to by the State Government to the Single Nodal Account of the SNA.
- iii) Interest accrued in the SNA account has been deposited in the Consolidated Fund of India as per the instructions contained in DoE's OM No. 1(13)/PFMS/FCD/2020 dated 30.06.2021.
- iv) All the bank accounts except the Single Nodal Account of the SNA and all the bank accounts of implementing agencies except zero balance account opened under DoE's instruction dated 23rd March, 2021 have been closed and the amount available in these accounts has been deposited in the Single Nodal Account of the SNA concerned.
- v) Funds available in the bank account of SNA should not be more than 25% of the amount likely to be released under a CSS to a State in 2022-23.
- vi) Separate budget lines for Central and State share under the CSS in their detailed demand for grants of the State has been opened.
- vii) The amount released in one instalment shall not be more than 25% of the amount earmarked for the State/UT for a CSS for the financial year 2022-23.

- viii) In case of UTs with Legislature, Letter of Authorization should be issued and they shall work directly in PFMS without transferring fund to the Single Nodal Account.
- ix) All other provisions of the DoE's instructions dated 23.03.2021 regarding release of funds for CSS have been strictly complied with.


(Abhay Kumar)
Director
Tel. No. 24360647

To

1. All Secretaries to the Government of India
2. All Financial Advisors to the Government of India
3. All. Pr. CCAs/CCAs of all Ministries/Departments

Copy for information to:

1. Chief Secretaries of all States/UTs
2. Finance Secretaries of all States/UTs
3. PSO to Finance Secretary & Secretary (Expenditure)
4. PPS to CGA
5. PSO to Special Secretary (Pers.)
6. Sr. PPS to AS (PFC-II)
7. Sr. PPS to AS (PFS)

F. No 1(13)/PFMS/FCD/2020
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, the 28th March, 2022**CORRIGENDUM**

Subject : Procedure for release of funds under Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released.

In Continuation of this Department's OM of even number dated 23rd March, 2022, with the approval of the Competent Authority, the undersigned is directed to convey that Point No. (viii) and (ix) of the said OM may be read as para 2 and para 3 respectively. Further the point (viii) (now para 2) of the said OM may be read as:

"In case of UTs without Legislature, Letter of Authorization should be issued and they shall work directly in PFMS without transferring fund to the Single Nodal Account."

Instead of

"In case of UTs with Legislature, Letter of Authorization should be issued and they shall work directly in PFMS without transferring fund to the Single Nodal Account."


(Abhay Kumar)
Director

Tel. No. 24360647

To

1. All Secretaries to the Government of India
2. All Financial Advisors to the Government of India
3. All Pr. CCAs/CCAs of all Ministries/Departments

Copy for information to:

1. Chief Secretaries of all States/UTs
2. Finance Secretaries of all States/UTs
3. PSO to Finance Secretary & Secretary (Expenditure)

4. PPS to CGA
5. PSO to special Secretary (Pers)
6. Sr. PPS to AS (PFC-II)
7. Sr. PPS to AS (PFS)

Manas Hazra

F. No. 1/(09)/PFMS/2022
Government of India
Ministry of Finance
Department of Expenditure

Impd
Rural Credit
CSS

North Block,
New Delhi 24th May, 2022

OFFICE MEMORANDUM

Subject: Revised procedure for flow of funds under Central Sponsored Schemes (CSS) –
Clarification/Relaxation sought by D/o Rural Development (DoRD) - reg.

The undersigned is directed to refer to the DoRD OM No P-17025/7/2018-RC dated 25th January, 2022 regarding relaxation from provisions of Department of Expenditure (DoE) OM dated 23.03.2021 for keeping the security deposits under PMGSY in a separate account from SNA and also be allowed to be kept in the form of MOD/FD/flexi deposits etc.

2. The matter has been examined in this Department. The DoE's OM dated 23.03.2021 is confined to flow of Scheme funds and do not cover the security deposits received from contractors as security. So, security deposits may be handled in a separate account as per extant instructions.

3. This issue with the approval of the Competent Authority.

Pateek h R
24/5/22
(Prateek Kumar Singh)
Director
Tel. No. 23094961

To

Dr Ashish Kumar Goel
Additional Secretary
Department of Rural Development
New Delhi

GOVERNMENT OF WEST BENGAL
FINANCE DEPARTMENT
BUDGET BRANCH
NABANNA, HOWRAH

No. 89 (29) -FB

Dated: 13th May, 2022

From: Shri Indra Nath Kundu, W.B.A. & A.S.,
Special Secretary to the Govt. of West Bengal.

To: The Additional Chief Secretary/ Principal Secretary/ Secretary,
..... Department

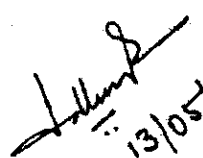
Sub: Procedure for release of funds under the Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released – reg. payment of statutory deductions

Sir,

In connection with the above subject, I am directed to send herewith the letter of the Ministry of Finance, Department of Expenditure, GoI, dated 16th March 2022 for your kind information and compliance. It may be stated that "Holding Account" as envisaged in the said letter may be opened by the Implementing Agencies (IAs) for payment of tax/ Statutory deductions outside PFMS, through cheques or internet banking. However, the Standard Operating procedure (SOP) for tax/ statutory deductions and payments on EAT module of PFMS (enclosed with the said letter) as laid down by the GoI, in this regard is to be strictly followed.

This letter has been issued in concurrence with Group-T of the Finance Department, Govt of W.B. vide their U.O. No Group T/2022-2023/0132 Dt: 13/05/2022. No separate permission is required to be obtained from Group-T of the Finance Department for opening such "Holding Account" at the IA level for payment of tax/ Statutory deductions.

Enclosure: As stated


13/05/22
Special Secretary
Finance Department

F. No 16(13)/PFMS/TCO/2020

Government of India

Ministry of Finance

Department of Expenditure

Pr. Secretary, Finance dept.

5th Floor, Block 11, CGO Complex
New Delhi, the 16 March, 2022

0855-0SD

17/3/22

To

All Chief Secretaries/Principal Secretaries (Finance) of all States/UTs.

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

I am directed to refer to this Department's letter of even number dated 23rd 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).

(Athay Kumar)

Director

Tel. No. 24360647

Copy to: All State Directorates of PFMS.

17 MAR

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.
