

PUBLIC FINANCIAL MANAGEMENT SYSTEM

State Directorate

Telangana

Hyderabad

INTRODUCTION TO PFMS (PUBLIC FINANCIAL MANAGEMENT SYSTEM)

- PFMS is implemented by O/o CGA under Ministry of Finance, Department of Expenditure
- It is a Web based online transaction system for Fund Management and E-payment for Implementing Agencies
- It was started during the FY 2008-09 as CPSMS (Central Plan Scheme Management System) as pilot project in the states of **MP, Bihar, Punjab and Mizoram** for 04 Schemes, **MGNREGA, NRHM, SSA and PMGSY**, with an objective for tracking funds released under Plan schemes of GOI and real time reporting of Expenditure at all levels of Programme implementation.
- Later, the scope enlarged to cover direct payment to beneficiaries under all schemes.
- Further, it was extended to more financial activities of GOI through PFMS

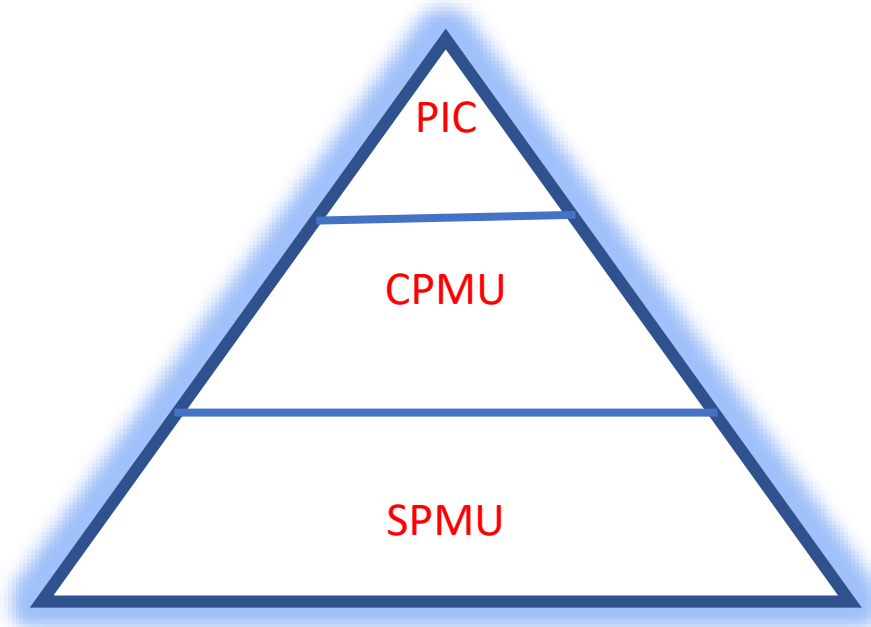
- During the Year 2013, PFMS is rolled out in all the states.
- Today, primary function of PFMS is efficient fund flow as well as payment and Accounting network.
- PFMS is integrated with Core Banking System in the Country. Almost all the Banks in the Country, including PSBs, Rural Banks, major Private Sector Banks, RBI, India Post and Co-operative Banks are integrated with PFMS. Every Bank Account added in PFMS first gets validated in CBS and then only pushes for online payments.

PFMS - A 03 Tired Organisation Structure

PIC – Project Implementation Committee at apex level

CPMU – Central Project Management Unit at Central Level

SPMU – State Project Management Unit at State Level



Types of Schemes implemented through PFMS

Central Sector Schemes (CS): CNA/TSA (01/04/2022)(OM Dt 09/03/2022)

These are the schemes that are implemented by a Central Agency and 100% funded by the Center on subjects within the union list.

Ex : MPLADS, PM EGP, LPG Connection to poor, Scholarship to College and University Students etc.

Central Sponsored Schemes (CSS): SNA (01/07/2021)(OM Dt 23/03/2021)

These are the Schemes that are implemented by State Governments but are largely funded by the Central Government with a defined state government share.

Ex : SBM, NHM, PMGSY, PMAY, Mid day meals in Schools etc.

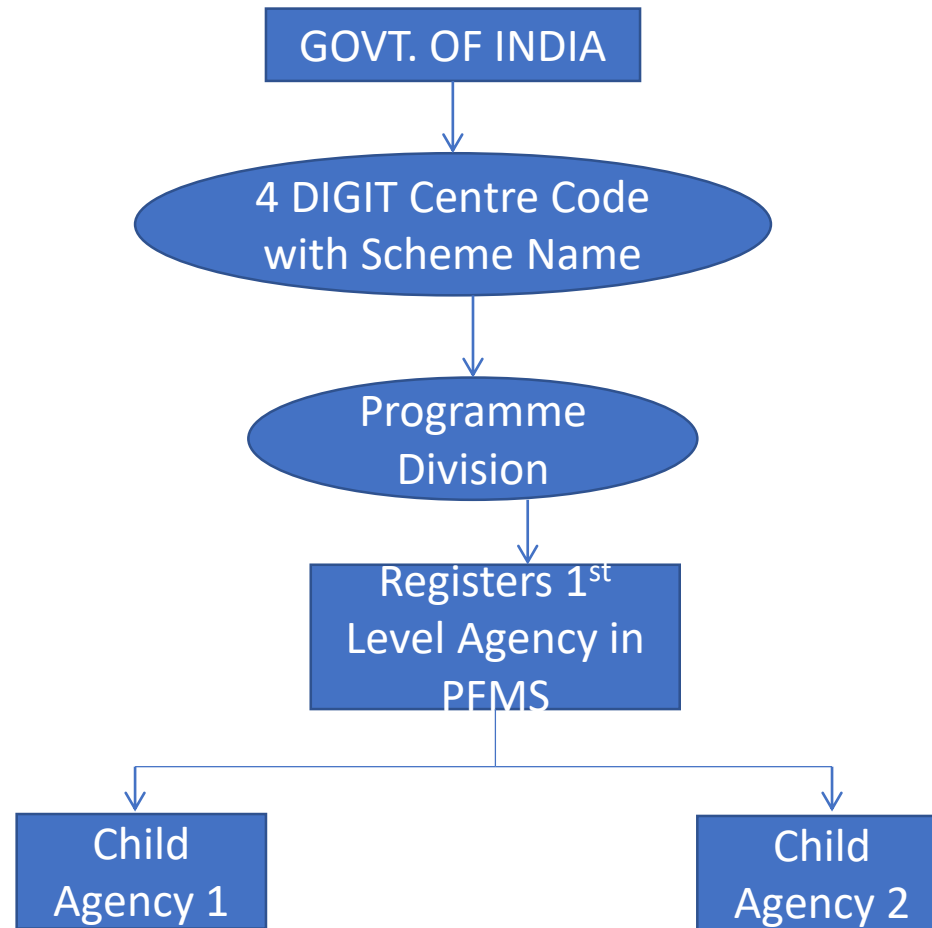
Pre-requisites for implementation of CNA/TSA/SNA Schemes

- Open Bank Accounts by CNA/SNA in RBI/Commercial banks
- Mapping of Bank Accounts with CNA/SNA in PFMS portal
- Open Holding Accounts for parking of Statutory deductions and further payments
- Mapping of Scheme Hierarchy in PFMS portal
- Mapping of Components in PFMS portal
- Budget Head Mapping
- Creation of Agency Admin Login Credentials

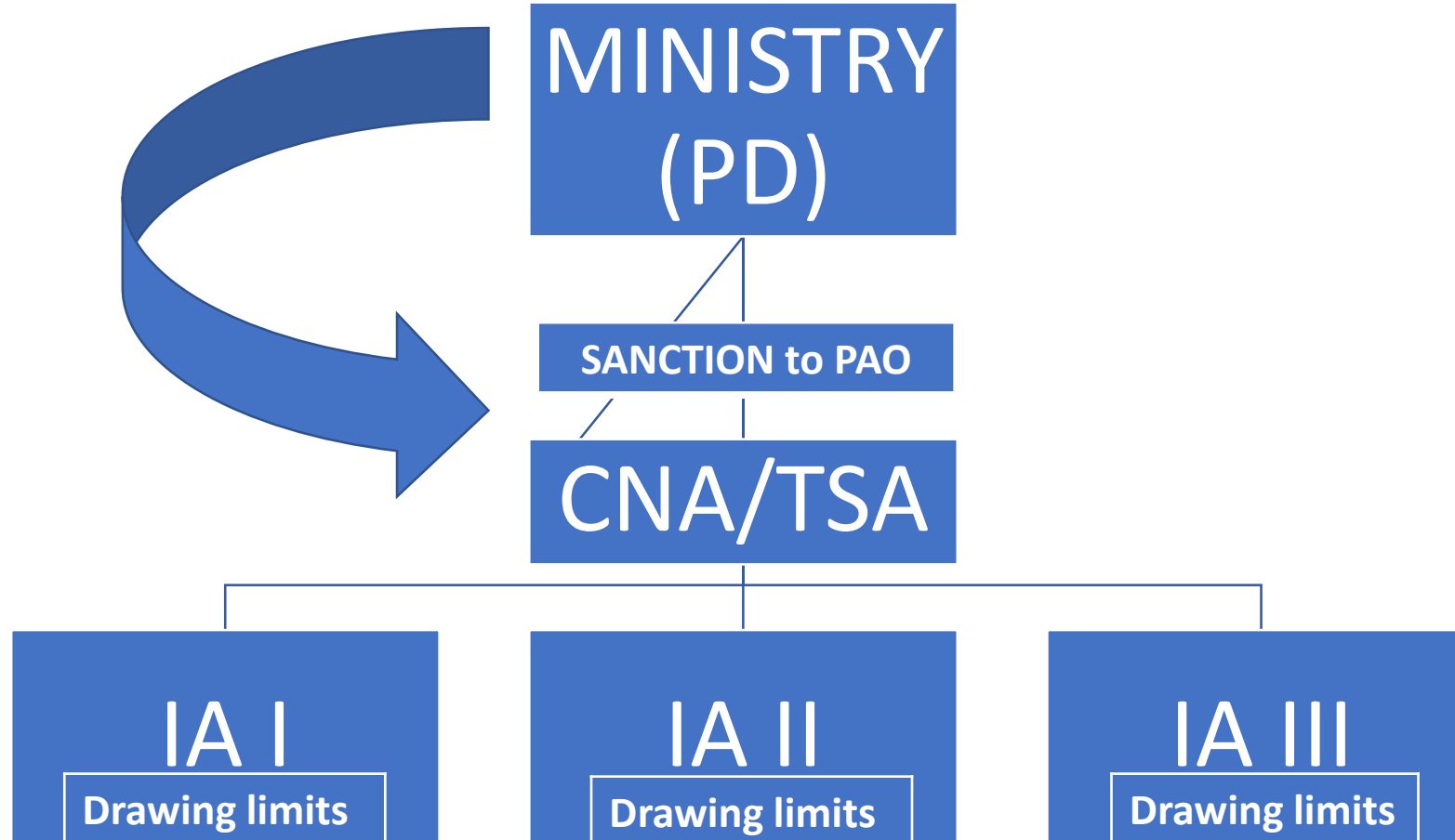
Different Modules for making payments in PFMS

1. EAT Module (Expenditure/Advance/Transfer)
2. DBT Module (Direct Benefit Transfer)
3. SPARSH Module

ONBOARDING OF CNA/TSA SCHEME IN PFMS



FUND FLOW FOR CNA/TSA



Pre requisites for onboarding of CNA

- The scheme should be marked as Central Sector scheme.
- The Program Division (PD) has to be identified the scheme to be in Model 1 or 2 as per DoE's guidelines.
- Notification of CNA and of the Sub Agencies (SA) by the concerned Program Division (PD) of the Ministry.
- Opening of Central Nodal Account of the CNA.
- Opening of Zero balance accounts of SAs in the same Scheduled Commercial Bank/RBI in which CNA account is opened.

IMPLEMENTATION OF TSA/CNA MODELS

- Model 1 (M1): M1 is the TSA model. It is implemented through Treasury Single Account (TSA). The TSA Account is to be opened in RBI. It is applicable to CS schemes having annual outlay of more than Rs. 500 crores and implemented without involvement of State Agencies.
- Model 2 (M2): M2 is non-TSA Model. It is implemented through Scheduled Commercial Banks and is applicable to CS Schemes having annual outlay of less than Rs. 500 crore or to the CS schemes implemented by the agencies of the State Governments exclusively or in addition to the Central agencies.

Procedure for flow of funds in Central Sector Schemes (Model 1)(TSA)

- Identifying Central Nodal Agency (CNA) and mapping in PFMS
- Opening of Bank Account by CNA in RBI and mapping in PFMS
- Identifying the Implementing Agencies and mapping in PFMS
- Opening of Bank Account by Implementing Agencies in RBI and mapping in PFMS
- All these accounts in RBI will be "Assignment Accounts". A limit up to which expenditure can be incurred by the CNA/ sub-agencies shall be assigned to these accounts from time to time by the Pay and Accounts Office (PAO) concerned Ministry/Department through PFMS
- Unutilized assignments will lapse at the close of the Financial Year and will not be available to the CNAs /SAs for expenditure in the next financial year. In PFMS too, all assignments/sub assignments Shall cease to exist after the close of financial year and shall be flushed out from the system

Procedure for flow of funds in Central Sector Schemes (Model 2)

- Identifying Central Nodal Agency (CNA) and mapping in PFMS
- Opening of Bank Account by CNA in RBI/Scheduled Commercial bank and mapping in PFMS
- Identifying the Implementing Agencies and mapping in PFMS
- Opening of ZBSA Accounts by implementing Agencies in same bank of CNA (may be in Different Branches) and mapping in PFMS
- Setting up of drawing limits for Implementing Agencies by CNA
- Release of funds to CNS as per Rule 230(vii) (unspent balance) and Rule 232(v) (Release of funds) of GFR 2017
- Remittance of Interest earned on Bank account of CNA to be remitted to Consolidated Fund of India as per Rule 230(8) of GFR 2017
- Mapping of Vendors/Beneficiaries in PFMS for making payments.
- Use EAT modules of PFMS of integrate any other system in PFMS

Rule 86 - Public Financial Management System (PFMS)

- (1) Public Financial Management System (PFMS), an integrated Financial Management System of Controller General of Accounts, Government of India, 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.
- (4) Detailed Demand for Grants (DDG), as approved, must be uploaded on PFMS at the start of each Financial Year.
- (5) All the re-appropriation orders, surrender order shall be generated through PFMS system.
- (6) All grantee institutions shall submit Utilization Certificates on PFMS.

- **Rule 232(v) – Release of Funds** - The release of funds to State Governments and monitoring further utilization should be undertaken through PFMS.

The Ministries or Departments should establish a mechanism to ensure that the funds earlier released have been effectively utilized and that the data and facts reported by the State Governments or Union Territories relating to physical and financial performance are correct. Before releasing further funds, it should also be ensured that the State Governments or Union Territories have the capacity to actually spend the balance from the previous years and the releases during the current year.

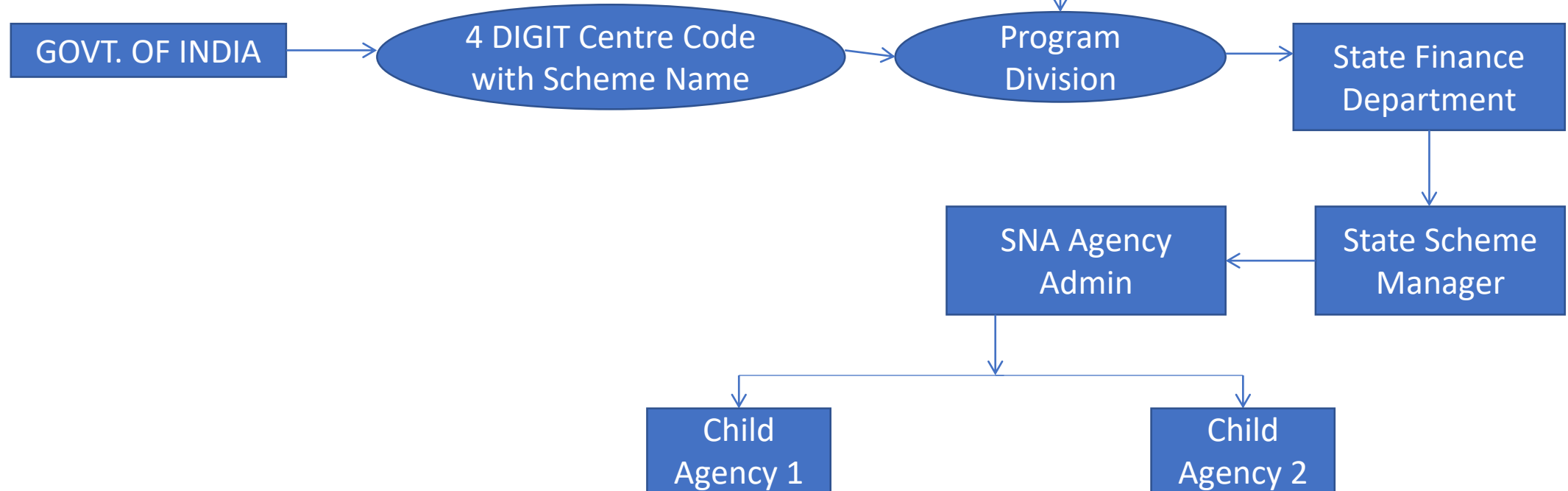
Rule 230 (7) Unspent Balances: When recurring Grants-in-aid are sanctioned to the same Institution or Organization for the same purpose, the unspent balance of the previous Grant should be taken into account in sanctioning the subsequent Grant.

For this purpose, the Program Division of Ministries/Department shall take help of PFMS Portal to know the bank balance of the recipients before making each release. The instructions of Department of Expenditure regarding the use of PFMS Portal for Central Sector Schemes issued from time to time shall be strictly followed by all Ministries/ Departments. The principles of 'just in time release', should be applied for releases in respect of all payments to the extent possible. The following broad principles shall be adhered to: (i) Cash balance at a time should preferably not be more than 3 months of requirements (ii) Funds should be released as per actual requirements and that sanction may precede the release of funds, though its validity may be limited to that financial year.

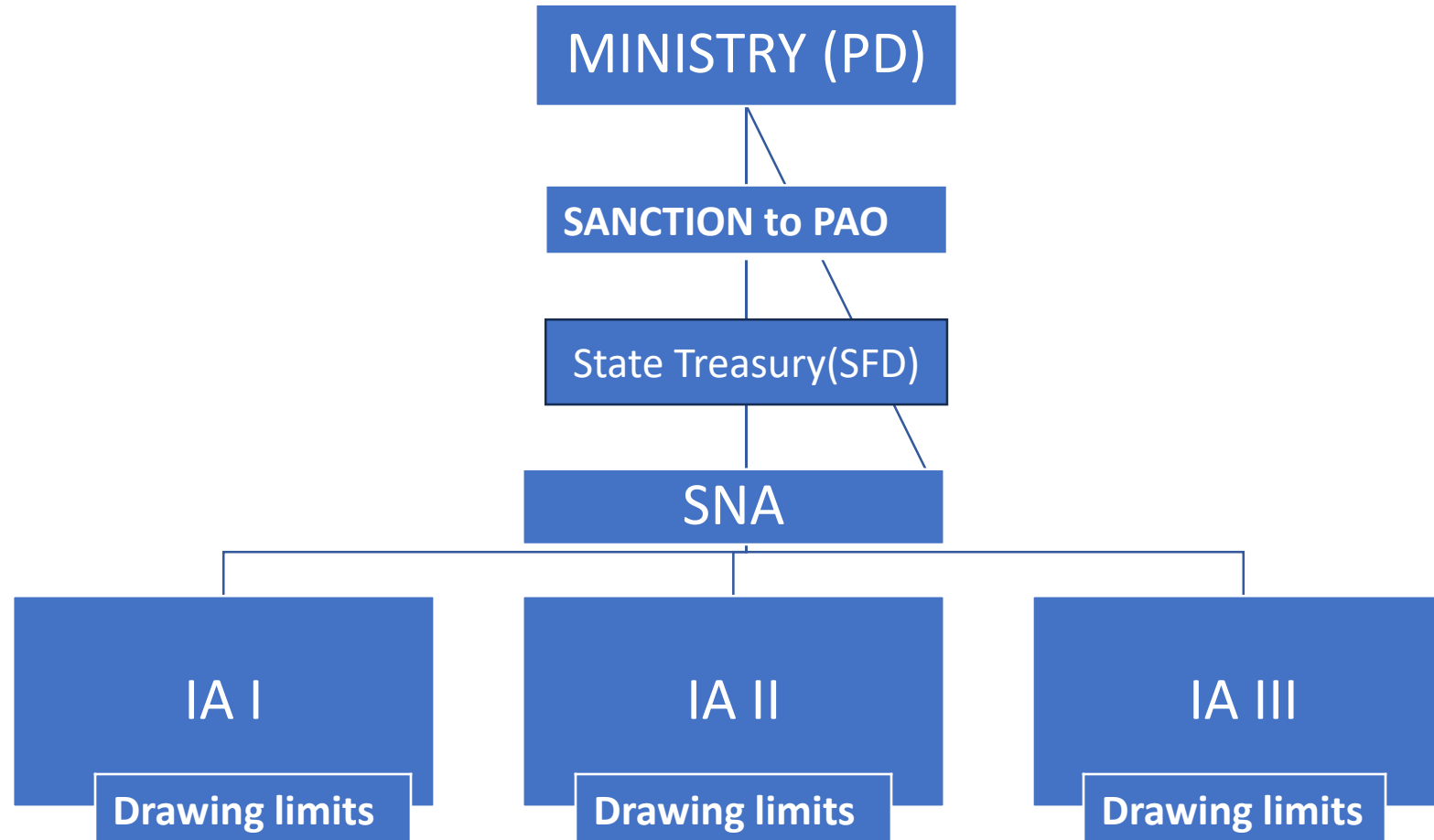
Rule 238 (1) -Utilization Certificates : In respect of non-recurring Grants to an Institution or Organization, a certificate of actual utilization of the Grants received for the purpose for which it was sanctioned in Form GFR 12-A, should be insisted upon in the order sanctioning the Grants-in-aid.

The Utilization Certificate should be submitted within twelve months of the closure of the financial year by the Institution or Organization concerned. Receipt of such certificate shall be scrutinized by the Ministry or Department concerned. Where such certificate is not received from the Grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organization from any future grant, subsidy or other type of financial support from the Government.

ONBOARDING OF SNA SCHEME IN PFMS



FUND FLOW FOR SNA



Main Activities to be done in PFMS

1. Agency registration.

- **Central Nodal Agency** / Parent agency registration is done by PD in Ministry as Admin for CS Scheme
- **State Nodal Agency**/Parent agency registration is done by SSM as Admin for CSS Schemes
- Next level child agencies are registered by the Admin of their funding agency
- Each child agency is approved by the Admin of its selected funding agency .

2. Expenditure filing module:

Filing of day to day expenditure/grant of Advances to Vendors

3. Payment module:

- Signed Print Payment Advice (PPA)
- Digital Signature Certificate (e-Payment)



Public Financial Management System-PFMS

(formerly CPSMS)

O/o Controller General of Accounts, Ministry of Finance

Instructions

All fields are mandatory. Please contact the concerned person in Ministry/Department from where funds are being released to you for necessary approval. In case any mandatory information is not available with you or registration please contact the concerned Ministry/Department. Unique Agency code is required for Agency communication with Program Division. This will be Agency Identity in system. Unique Code will be required for generating sanction ID, which is mandatory for release of funds to agency.

Agency Registration Agency Registration Details

Agency/Institution Type:

PAN Number:

Not Required

Agency Name:

Act/Registration No:

Date of

Registration(DD/MM/YYYY):



Registering Authority:

-- Select --

(If Registering Authority is not available then choose option Others)

State of Registration:

TELANGANA

TIN Number:

Not Required

TAN Number:

Not Required

GST Number:

(GST Number maximum 15 characters.)

PAN Verify Status:

Yes NO

Agency Office Address Details

State/UT:

TELANGANA

District:

-- Select --

Rural/Urban:

Rural Urban

Block:

-- Select --

Panchayat:

-- Select --

Village:

-- Select --

Pin Code:

Block No./Building/Village/Name

Of Premises:

Road/Street/Post Office:

Area/Locality:

City:

Agency Contact Details

Contact Person:

Designation:

Phone No:

+ 91

Alternate Phone Number

(Phone Number Starting with Country Code). Maximum Phone number 10 digits excluding Country Code

Alternate Phone No: + 91

(Alternate Phone Number Starting with Country Code). Maximum Phone number 10 digits excluding Country Code

Mobile number:

+ 91

(Mobile No. starting with Country Code)

Email:

8RCDRT



Word Verification:

Enter the letters as they are shown in the image above (Letters are not case-sensitive)

Agency admin Role

- Scheme configuration
- Creation of Maker(Data Operator)
- Creation of Checker (Data Approver)
- Activation payment(PPA/E-payment mode)
- Child Agency registration
- Child Agency mapping
- Assigning limits to child agencies
- Approval of enrolled DSC for E-payment
- Signatory configuration

Date Operator Role

- Vendor Creation (Single and Bulk)
- Expenditure Filing (Preparation of Bills)
- Transfer any Deductions made in Bills to Holding Account
- Interest Transfer to Holding Account
- Settlement of Deductions and Interest amounts

Data Approver Role

- Enrolment of DSC
- Approve/Reject Expenditure File (Bills)
- Approve/Reject Deductions transfer to Holding Account
- Approve/Reject Interest Transfer to Holding Account
- E-payment through DSC/ Generate Print Payment Advice (PPA) for submitting to Bank
- Approve/Reject Settlement of Deductions and Interest amounts

- AdhocReports
- BharatKosh Reports
- Home
- E-Payment
- Health Module
- Agency
- Reports
- My Details
- Masters
- My Schemes
- Agencies
- EAT MIS Process
- My Funds
- Transfers
- Advances
- Scheme Allocation
- Expenditures
- Bank
- Register/ Track Issue
- Misc. Deduction Filing

Create Agency User

Type of User:

First Name:

Last Name:

Email:

Phone No:

Mobile No:

Login ID:

(Login ID minimum 4 characters).

EAT Module

- EAT Module is also called as Expenditure Filing Module.
- E stands for Expenditure filing :
It is the process of feeding/entering the day-to-day expenditures, as recorded in the cash book, on the PFMS portal by an agency registered in PFMS.
- A stands for Advance.
Advance payment is made to a vendor or supplier for getting a service or product. An advance is also given to an official for getting a work done.
Once the intended work is completed, the beneficiary/vendor/supplier will submit the voucher and the advance is settled.
- T stands for Transfer.
An Implementing Agency can transfer funds to the lower level agencies.

Create Expenditure Details

New Tab x Inbox (3) - suresh.bairish x Add Edit Agency Funds E x

Secure | https://pfms.nic.in/ImplementingAgency/FundsExpenditure/EditAgencyFundsExpenditures.aspx

Financial Year: 2017-2018

Create Expenditure Details

Expenditure Header:

Scheme: * --Select--

Project: --Select--

Agency Account Choice: Self Parent Agency

Bank Account: *

Expenditure Done For: * --Select--

Letter/Office Order No.:

Office Order Letter Attachment (if any): No file chosen

Note: Only files of type jpg, png, and pdf of size not more than 4MB are allowed.

Uploaded Sanction Letter:

Sanction Date: *

Actual Transaction Date: * 10/01/2018

Total Available Amount:

Total Amount: *

Narration: *

Voucher Number:

Scheme Component Details:

Scheme Components:
component
(Enter minimum 3 characters to Scheme Components)

Expense Type: Revenue Capital

Percentage:

Amount:

Total Amount:

Component Amount:

AdhocReports

BharatKosh Reports

Home

E-Payment

Health Module

Reports

My Details

Masters

My Schemes

Agencies

EAT MIS Process

My Funds

Transfers

Advances

Scheme Allocation

Expenditures

Bank

Register/ Track Issue

Misc. Deduction Filing

Utilisation Certificate

12:40
10-01-2018

- 1.select Scheme Name
- 2.Select in to Bank Account
- 3.if you transfer Vendor then We will select vendor
- 4 if you transfer **Beneficiary** then We will select **Beneficiary**
- 5 add Scheme component click in to scheme component select bulk

DBT MODEL


- In DBT Model, payments will be credited to the Beneficiaries directly to their Bank Accounts. For Example:
 - Payments to Student Scholarships
 - Asha Worker Salaries
 - Farmer Subsidy
 - Old Age pensions

Utilization Certificate

Browser tabs: EAT PPT - suresh.bairishetty@gm, kcr rythu bandhu pathakam - Go, RYTHU BANDHU/BIMA, rythubandhu.telangana.gov.in/Po, https://pfms.nic.in/Implementing


Address bar: pfms.nic.in/ImplementingAgency/UtilizationCertificate/AddNewUtilizationCertificate.aspx

Navigation: Apps, Google, YouTube, PFMS, Form6



Public Financial Management System-PFMS
(formerly CPSMS)
D/o Controller General of Accounts, Ministry of Finance

Welcome: **Lala3 dhananjay**
User Type: **AGENCYDO**
Agency: **Sri Sai Baba Mahila Society**
Financial Year: **2017-2018**



[Lala3] Logout
Change Password

Utilization Certificate

[Help For UC](#)

Scheme: Financial Year:

Opening Balance: [Click here to adjust previous year amount](#) ExpenditureAmount:

Excess Expenditure: UC Containing Interest also.

Select	Sanction Number	Sanction Date	Opening Balance(A)	Interest Earned(B)	Sanction Amount(Rs) (C)	RFEFIR(D)	Utilised Amount(Rs) (E)<(A+C)	Surrenderd Amount(Rs) (F)=(A+C)-(D+E+G)	AAANE(G)=(A+C)-(D+E+F)	EFIR(H)	UC DUE DATE		
<input type="checkbox"/>	C-17011/02/2017-18-CC(SR)-1	01/09/2018	<input type="text" value="0"/>	<input type="text" value="0"/>	3780.00	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	01/04/2019	<input type="button" value="Add"/>	<input type="button" value="Edit"/>

Sanction Amount:

Recoupment for excess exp:

Amount Surrenderd:

Surrender/ Office Order No:

Surenderd Through:

Utilised Amount:

Total Utilised Amount:

Amount to be adjust next year:

Office OrderDate:

Interest Earned:

Expenditure from internal resources:

Sanction Amount:

Recoupment for excess exp:

Amount Surrenderd:

Surrender/ Office Order No:

Surenderd Through:

Utilised Amount:

Total Utilised Amount:

Amount to be adjust next year:

Office OrderDate:

Interest Earned:

Expenditure from internal resources:

https://pfms.nic.in/ImplementingAgency/UtilizationCertificate/AddNewUtilizationCertificate.aspx

SPARSH

SPARSH is an attempt to apply the TSA framework in disbursement under Centrally Sponsored Schemes for more effective cash management and with an aim of achieving the goal of “Just-in-time” fund flow from both the Centre and State Consolidated Funds. This new system will use PFMS, State IFMIS and the e-Kuber platform if Reserve Bank of India.

Advantages of SPARSH

- To bring in more efficiency in public expenditure management
- Reduction in the transfer of balances outside the Consolidated Fund of India and States
- Preventing bulk release to SNAs by both the Centre and the States
- Reducing the dependency of States on Ways and Means Advance (WMA) or other short-term borrowings for maintaining liquidity
- Averting idling of funds in the bank accounts of the SNAs until final utilization.

Stakeholders of SPARSH

Programme Division

- *Approve Centre: State ratio mapping, SG account mapped against SLS by SSM*
- *Issue the 'Mother Sanction' through PFMS*
- *Generate a daily sanction against the mother sanction*
- *Ensure that the overall ceiling of the mother sanction is maintained while issuing the daily sanction*

Pay and Accounts Office

- Map CSS with RBI account.
- Issue an e-payment instruction to the e-kuber based on the daily sanction against the e-payment file received from State IFMIS on PFMS.

Pr. Accounts Office

- Generate an e-payment instruction to be sent to the e-kuber based on the daily sanction against the e-payment file received from State IFMIS on PFMS

Reserve Bank of India

- Opening of the Central Government (CG) and State Government (SG) Drawing Accounts.
- Process the e-payment file
- Share Debit Notification with PFMS

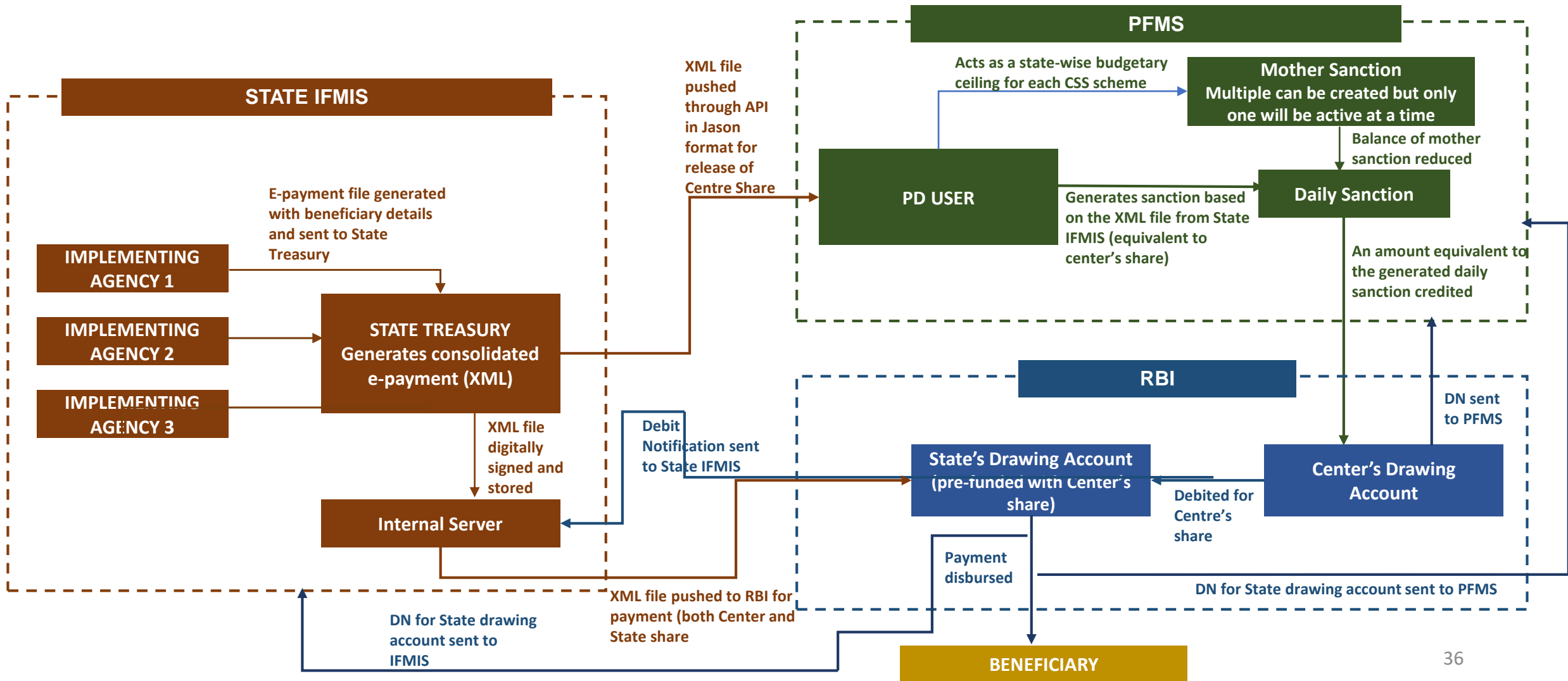
IFMIS

- Open SLS-wise drawing accounts with the RBI
- Push the SLS-wise consolidated payment file details to PFMS
- Auto-push e-payment file to the RBI PFMS through API of the Centre's drawing account.
- Reconcile the e-payment files

State Directorate

- State Project Cell will map the CSS with SLSs as per the existing protocol.
- Map SLS with State Government (SG) RBI drawing account
- Mapping of Heirachy and Components

Process Flow for SNA-SPARSH - State IFMIS – e-Kuber(RBI) – PFMS



Quires?

Thank You