

F. No 1/(08)/PFMS/2023
Government of India
Ministry of Finance
Department of Expenditure

North Block,
New Delhi, 15th April, 2024

OFFICE MEMORANDUM

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

The undersigned is directed to refer DoE's guidelines dated 23.03.2021 and subsequent amendments issued on the aforesaid subject.

2. In view of the difficulties highlighted by various Ministries/Departments from time to time in release of funds under CSS, it has been decided that –

- i. In case the Budget Estimate under a CSS is less than Rs. 2000 crore in a financial year, the amount of funds to be released in a single instalment under its various State Linked Schemes (SLSs) may be decided by the Ministry/Department concerned subject to the condition that release of funds in a single instalment under such SLS shall not exceed 50% of the amount earmarked to the SLS during the financial year. Next instalment of funds shall be released only after utilization of 75% of funds released earlier plus commensurate State share and compliance of other conditions stipulated in DoE's guidelines dated 23rd March, 2021 and subsequently issued amendments.
- ii. In case the amount earmarked to be released under an SLS is less than Rs. 1 crore in a financial year, the Ministry/Department concerned may decide the quantum of release in a single instalment under that SLS based on the progress, seasonal nature of scheme and requirement of the Ministry etc., irrespective of the annual budgetary outlay for the CSS concerned as a whole.

3. Further, the Financial Adviser of the Department is hereby empowered to grant relaxation from the validation check in PFMS in cases -

- i. Where progressive SNA 09 report is reflecting deficit in release of funds by the State but the deficit is purely due to incorrect calculation of State's share in PFMS. Before granting relaxation, the Financial Adviser should verify that progressive SNA 09 report will reflect NIL deficit/excess release by the State as per actual States' share as calculated by the Department.
- ii. Where SNA account balance is more than 12.5% of the amount earmarked to the SLS during the financial year including commensurate States' share but the excess amount is purely due

central share released in advance to the SNA account by the State Government. Before granting relaxation, the Financial Adviser should verify that the release of central share in advance to the SNA account is in line with scheme guidelines and 75% of the funds released earlier along with commensurate States' share has been utilized.

4. A copy of the relaxation order issued in pursuant to para 3 above may be sent by the Ministry/Department to Additional CGA, PFMS division and to Department of Expenditure for information. PFMS division, O/o CGA should submit a monthly report to PFMS division, DoE regarding the relaxation in validation checks issued during the month.

5. This issues with the approval of Finance Secretary & Secretary (Exp).

Prateek Kumar Singh
15/4/24

(Prateek Kumar Singh)

Director

Tel. No. 23094961

To

1. All Secretaries to the Government of India
2. All Financial Advisers to the Government of India

Copy to:

1. Addl CGA, PFMS Division, O/o CGA.