

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

North Block,
New Delhi, 9th June, 2023

OFFICE MEMORANDUM

Subject: **Procedure for release of funds under Centrally Sponsored Schemes (CSS) and monitoring utilization of the funds released – relaxations in certain provisions for release of funds in 2023-24.**

It has been brought to the notice of this Department that some Ministries/Departments are facing issues in release of funds to State Governments under CSS. In this regard, a meeting was also held under the chairmanship of Finance Secretary & Secretary (Expenditure) on 8th June, 2023.

2. On the basis of feedback received from various Ministries/Departments and the discussions in the meeting, following relaxations/clarifications are conveyed –

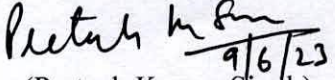
- i. It has been decided to allow release of funds under CSS in 2023-24 to State Governments **till 31st August, 2023** without insisting on (i) deposit of central share of interest accrued in SNA account in the Consolidated Fund of India and (ii) entry of legacy data.
- ii. In partial modification to this Department's OM No 1/(08)/PFMS/2023 dated 5th June, 2023 regarding release of 1st installment of funds in 2023-24, para (v) of this Department's instructions dated 23rd March 2022 may be read as –

“Funds available in the bank account of SNA should not be more than 50% of the 1st installment of central share likely to be released to a State in a financial year including corresponding State share”.

- iii. The program division of the Ministry/Department may obtain administrative approval of competent authority and financial concurrence of the Financial Adviser in one go for release of two installments of not more than 25% each. However, release of funds shall be as per this Department's guidelines.
- iv. As per extant policy, the interest accrued in the SNA account is shared between the Centre and the State in the scheme sharing ratio. However, in some schemes, the State Governments are releasing the 'top up' amount to the SNA account in addition to the Central share and State share. In cases where the 'top up' amount is clearly identifiable

either through release to SNA account from a separate head of account or through entry of legacy data, the interest accrued on 'top up' amount may be retained in full by the State Government.

3. A facility for one time editing of legacy data will be provided in PFMS.
4. For training of officers of Program divisions and State Governments on legacy data entry and deposit of interest or on any other PFMS modules, the Ministries/Departments may approach Sh C V Prasad, Jt CGA, PFMS division.
5. This issues with the approval of the competent authority.


9/6/23
(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 with the request to take necessary action as per para no 3 & 4 above.