



INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN:NEW DELHI

F.No FIN/12/4//2007-CDN (A&A)

Dated the 8th May., 2015

ENDORSEMENT

A copy of Ministry of Finance, Department of Economic Affairs O.M.No.2(7)-B(CDN)-2014 dated 22nd April,2015 alongwith D.O. letter No.C-13015(337)MF.CGA/CPSMS/2014-15/47-114 dated 15 April, 2015 (with enclosure) from Ministry of Finance, Department of Expenditure regarding –Use of Public Financial Management System (PFMS) for fund management/tracking, E-Payment & DBT, Accounting and MIS, has been posted on the ICAR Web-Site www.icar.org.in for information ,guidance and necessary action..


(G.P.Sharma)
Deputy Director (Finance)

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I ICAR Institutes:

1. Directors/Joint Directors/Project Directors of all Research Institutes/Project Directorates and National Research Centres/Bureaux
2. Project Coordinators/Coordinated Research Projects/Zonal Project Directors.
3. The Finance & Accounts Officers of all Research Institutes, Project Directorates

II ICAR Headquarters:

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6. DS(WS)/US(Cash)
7. Cash-I, II and Audit-II Sections, ICAR, Krishi Bhavan, New Delhi
8. Sr. PPS to Secretary, DARE & DG, ICAR/PPS to Special Secretary, DARE & Secretary, ICAR/PS to AS&FA, DARE/ICAR
9. Shri Hans Raj, Information System Officer, Directorate of Knowledge Management Units (DKMU), KAB-I Pusa, New Delhi-12 for placing the above mentioned OM in the ICAR Web-Site.
10. Secretary (Staff Side), CJSC, NRC on Meat, Hyderabad.
11. Guard file.
12. Spare copies-10

Sl. No. 12CR

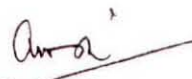
No. F. 2(7)-B(CDN)/2014
Government of India
Ministry of Finance
Department of Economic Affairs
Budget Division

Dated the 22nd April, 2015

24/4/15 Office Memorandum

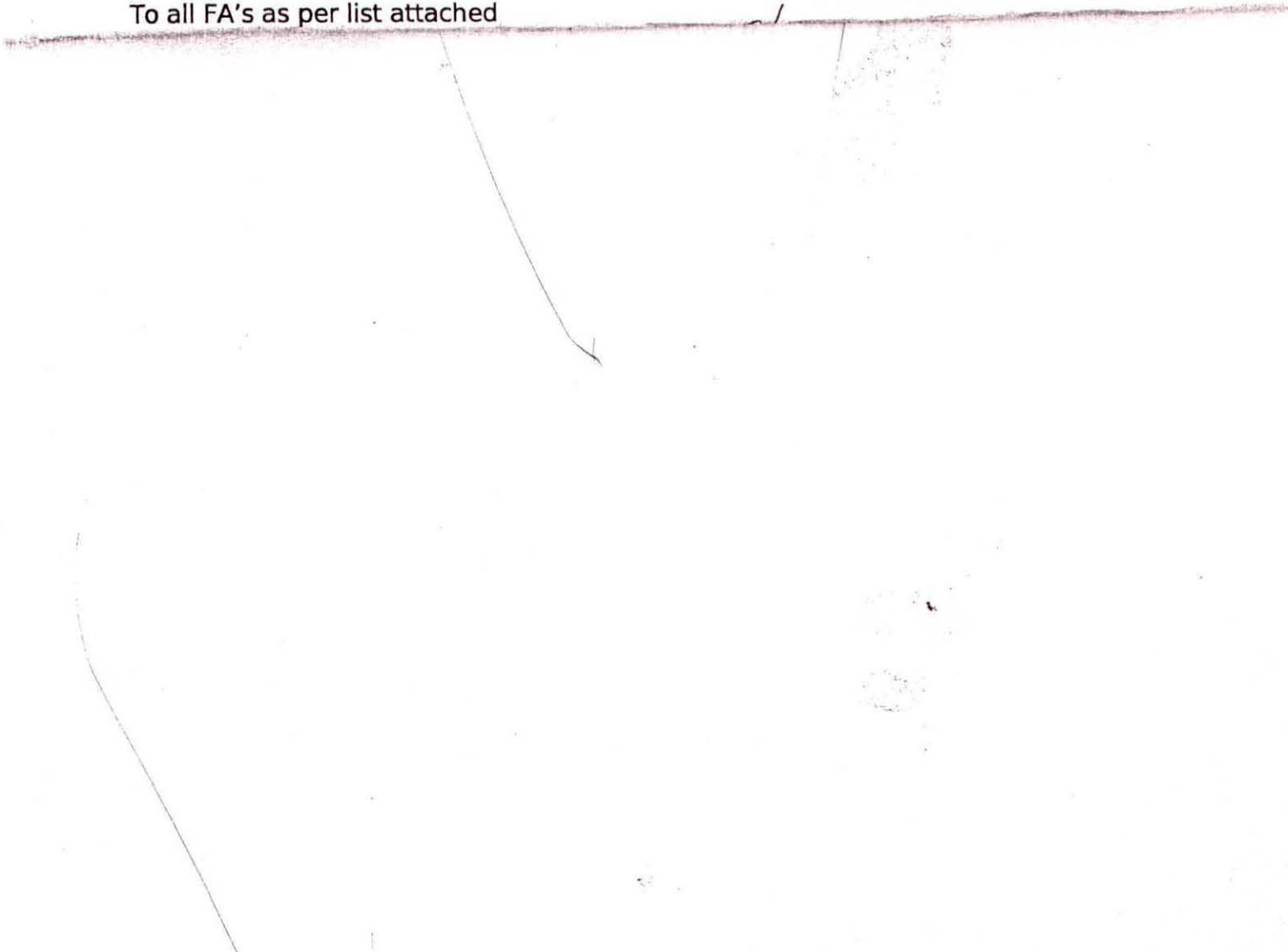
Sub: Use of Public Financial Management System (PFMS) for fund management/tracking, E-Payment & DBT, Accounting and MIS - reg.

The undersigned is directed to forward herewith a copy of D.O. letter No. 13015(337)MF.CGA/CPSMS/2014-15/47-114 dated 15th April, 2015 from Shri Pran Konchadi, Addl. Controller General of Accounts along with enclosure for appropriate necessary action.


(Amrish Kumar)

Under Secretary to the Govt. of India

To all FA's as per list attached





सत्यमेव जयते

F. No. C-13015(337)MF.CGA/CPSMS/2014-15/47-114

भारत सरकार

महालेखा नियंत्रक कार्यालय
वित्त मंत्रालय, व्यय विभाग
पी.एफ.एम.एस., शिवाजी स्टेडियम
नई दिल्ली-110001

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GOVERNMENT OF INDIA
OFFICE OF CONTROLLER GENERAL OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
PUBLIC FINANCIAL MANAGEMENT SYSTEM (PFMS)
4th FLOOR, SHIVAJI STADIUM, NEW DELHI - 110001
TELEFAX : 011-23343860

M. PRAN KONCHADY
Controller General of Accounts

Dear Sh. Mehrotra,

75866 Dated 15.04.2015
J.S./M.C. (S)
J.S./M.C. (S) SEP
C.M.P.

Kindly refer to OM No. I-11011/582013-DBT dated 13th February, 2015 read with OM of even No. dated 26.02.2015 from Direct Benefit Transfer Division of the Ministry of Finance (Dept. of Expenditure) regarding framework to be followed by all Ministries/Departments for bringing all schemes involving components of cash transfers to individual beneficiaries on DBT platform. As per the above memorandum, all Ministries/Departments are required to use PFMS system of CGA for processing of payments which is already linked with NEFT and APB of NPCI for settlement of funds and can process both type of payments on a single platform.

2. Processing of payment files/ transactions on PFMS necessitates registration of implementing agencies which may be State Project Office or State Govt. DDO or SPV or NGO or autonomous society or Trust or any other entity, be it commercial or otherwise. These implementing agencies are required to prepare, download/upload beneficiaries file and initiate the payment to beneficiaries or send the payment file to upper or central level agency for payment.

3. Project Office (PFMS) has prepared standard guidelines (enclosed) to be followed by implementing agencies for use of PFMS for DBT, accounting and MIS.

I shall request you to kindly get the above guidelines issued to all concerned with suitable instructions.

With regards.

Yours Sincerely,

(M. Pran Konchady)

Encl: as above

Shri Rajiv Mehrishi, IAS
Secretary
Department of Economic Affairs
North Block, New Delhi - 110001

on file for circulation to all
Ministries/Dep.
21/4/15

2334/2015
21/4/15

US(CD/N)



F. No. C-13015(337)MF.CGA/CPSMS/2014-15/47-114
भारत सरकार

महालेखा नियंत्रक कार्यालय
वित्त मंत्रालय, व्यय विभाग
पी.एफ.एस.एस., शिवाजी स्टेडियम
नई दिल्ली-110001

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M. PRAN KONCHADY
Jr. Controller General of Accounts

GOVERNMENT OF INDIA
OFFICE OF CONTROLLER GENERAL OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
PUBLIC FINANCIAL MANAGEMENT SYSTEM (PFMS)
4th FLOOR, SHIVAJI STADIUM, NEW DELHI - 110001
TELEFAX : 011-23343860

Dear Sh. Mehrotra,

25.02.15 Dated 15.04.2015
JS/AB ()
JS (P.M.)
SEP
Comp.

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Shri Rajiv Mehrishi, IAS
Secretary
Department of Economic Affairs
North Block, New Delhi - 1100001

on file for circulation to all
Ministries/Dep.
Date 21/4/15

21/4/15

US(CD/N)

following instructions are issued for compliance as per the time line specified therein:

3. Registration of implementing agencies

a) All implementing agencies in the State, whether at State, District, Block, Panchayat or village level need to be registered along with bank account, preferably of CBS bank account, on PFMS. Where registration has already commenced, the process should be got completed at the earliest after issuance of these guidelines. Registration of agencies will make the funds/float visible across the scheme hierarchy as the balances will be received from banks on **near real-time** basis. **A template for registration of agencies is attached.**

b) Upper level or parent Agency, which sometime also happens to be the funding agency, will register its down-the-line agencies. State level agency is normally registered by the fund sanctioning authority in the Ministry which is also known as Program Division in the Ministry. State level agency can also register itself from the link 'Register Agency' appearing in blue colour on right hand side of home page of PFMS portal. However, in both the cases, the agency needs to be approved by the Program Division. *No agency other than the one at State level should be registered from outside, i.e. without logging in to the system and from the link 'Register Agency'.* Following are the main attributes & steps which are required to be captured/followed while registering an agency on PFMS portal (<http://pfms.nic.in>)

- i) Agency registration process is divided into four stages: a) agency's name & its contact details, b) its administrative/funding level and funding agency, c) its bank account details and d) its login and password.
- ii) On completion of first stage, details entered get saved and a Unique Code for the agency gets generated. User can exit from

**Guidelines/instructions regarding implementation of PFMS
from Central Ministries to States/UTs**

Subject: Use of Public financial Management System(PFMS) for fund management/ tracking, E-Payment & DBT, Accounting and MIS

1. Public Financial Management System (PFMS) portal developed by Controller General of Accounts under Ministry of Finance is an efficient fund management system that provides on-line status of funds availability and utilization on a real time basis. All Centrally Sponsored, Central Sector Schemes and Central Assistance to State Plan Schemes, non-plan Schemes, including your schemes, are customised on PFMS. If any scheme is not customised on PFMS the same will be customised by PFMS within a week after receipt of the required details. Fund is flowing from the Ministry to the State Treasury (via RBI) and State Project Office/SPV by using PFMS. Central and State level users can view details of the sanctions for releases and Inter Government Advices issued by the Ministry to RBI on PFMS. Development of an interface with Treasuries is in final stage and once it is complete, the fund flow status through the State Consolidated Fund to the State level implementing agencies will be available on PFMS on-line. PFMS is also enabled to generate UCs provided the implementing agencies recognise/file their financial transactions on it. System is also configured to make E-Payment, including Direct Benefit Transfer, to all kind of recipients like beneficiaries, parallel or down-the-line implementing agencies, executing agencies, contractors, suppliers, vendors and personnel. PFMS also has the flexibility to get integrated with any outside departmental system where beneficiary lists are being prepared. Further, PFMS can be customised for any additional requirement.

2. PFMS can, therefore, serve as an end-to-end solution for fund management, payment, accounting, decision support system (DSS) and MIS in implementation of our scheme. In order to harness PFMS' resourcefulness and with a view to operationalise it for our schemes, the

the registration process and complete remaining registration process; later also.

- iii) On completion of all four stages, the user submits the details which are then available to the parent agency for approval.
 - iv) As soon as parent agency approves the agency, system generates login ID and password for that agency and also sends the same on agency's email address. Bank accounts details of the Agency are automatically sent to banks' CBS for confirmation in case bank is integrated with PFMS. List of banks integrated with PFMS is available on PFMS portal.
 - v) On validation of bank account from banks' CBS, the Agency starts receiving near real-time bank balances for that bank account on PFMS.
- c) Any other agency like NGO, Autonomous Societies, Trusts, any other entity, be it commercial or otherwise; and central or State Government Institutions/Bodies, etc. which does not have any parent agency under a particular scheme hierarchy will be registered from the hyperlink '**Register Agency**' provided on the home page of PFMS below the Log In button. Registration process is same for all type of agencies. However, some of the fields change with selection of Type of agency. The stages and process for registration is the same as explained in para 3(b) above. However, the agency so registered needs to be approved by the Program Division of the Ministry concerned. As soon as the Program Division approves the agency, system generates login ID and password for that agency and also sends the same on agency's email address. Bank accounts details of the Agency are automatically sent to banks' CBS for confirmation.

4. Post facto accounting of transactions

Once agencies are registered on PFMS, they will start using the system for post facto accounting of transactions. However, this will not be applicable to E-payments/E-transfers which instantly get accounted for under the respective heads/components. All State level and district level agencies will start the **process within one month** if they are already registered and others will start doing so **within two months of their registration**. For post facto accounting of transactions on PFMS, the implementing agencies are required to proceed in the following manner:

- i) Log in as AgencyAdmn (ID and password for this are generated just after registration and approval of the agency) and create user Maker and Checker who will perform and record transactions on day-to-day basis. AgencyAdmn will use the Menu>Master>Add User to create users. Maker will initiate the transactions and checker will approve the same.
- ii) Maker will enter the opening bank balance as per cash book, receive the funds from parent agencies or from other sources and Checker will approve the same. Funds will get added to the respective bank accounts and be available for transactions to be initiated and filed on PFMS. Balances as per banks already become available on near real-time based on day cycle after approval of bank account. There are options to recognise funds/grants from realisation of investment and from other sources as well.
- iii) Filing/accounting can be for a single transaction/record or in bulk. When user wants to file a single transaction he/she can start the process instantaneously by accessing Transfer, Advance and Expenditure Menu just after login. However for filing transactions/records in bulk, he/she needs to first customize/create a template for the purpose. For this, the user

will click on menu Master>Bulk Customization>Manage and create template for Expenditure, Transfer and Advance. The template so created will be available for making transactions in bulk under the respective functionality.

- iv) Further, for release of advances, all recipients will be registered as Vendors on PFMS. Vendors, in this context means, the party, contractor, sub-contractor, supplier, work executing agency, or personnel of the organisation/agency. For this, user will go to menu Master>Vendor>Add New register the vendor. Vendors/recipients so registered will be available for selection while releasing advances.

4.2 Real-time accounting

Once post facto accounting has been completed by the agency on PFMS, the agency can switch over to real-time accounting. For real-time accounting, first expenditure will be entered on PFMS and then system will send the payment file/instructions on-line to the bank. Bank will honour the payment advice/instrument only after verifying the payment file/instruction from PFMS on its system. Further, the E-payment/E-transfer transfer will instantly get accounted for. In other words, there will be no need of post facto accounting of transactions.

4.3 Funds transfer

For transfer of funds to parallel or lower level agencies under the same scheme hierarchy, the user will go to menu Transfer>Add New>select the debit bank a/c>enter sanction number & date, amount to be transferred, component(s) for which fund is to be transferred, agency(ies) to whom it is to be transferred, recipient agency's bank account, mode of payment and other payee details. Maker will save and submit the aforesaid fund transfer details to the Checker. Checker will verify, and approve or reject the transaction. On approval, agency bank

account will get debited and recipient agency's bank account will get credited. In case of E-transfer, agency's bank account and payee's bank account will get impacted on real-time basis. In both the cases, after approval of transaction the amount will get accounted for under the respective heads of accounts/components. Bulk Customization template will enable the user to make fund transfer to two or more recipient agencies in one go.

4.4 Advances and Expenditure filing

For release of advances and expenditure filing the process is more or less the same; only difference being that for release of advance, vendor will be the recipient/payee and for expenditure filing, deductions or recoveries will have to be made. The functionality to settle the advances has also been provided in PFMS. Advance will get settled on receipt of adjustment bill or invoice from the recipient/payee and simultaneously accounted for as expenditure under the respective heads/components. Unsettled advances can be tracked and settled in future with reference to the Sanction number entered/generated at the time of release of advances.

5. Direct Benefit Transfer/E-payment

5.1 As state above, PFMS is enabled to make Direct Benefit Transfer (DBT) and effect payment directly to the bank accounts of intended beneficiaries. Following are the pre-conditions/prerequisites for DBT/E-payment to beneficiaries:

- a) Scheme Component need to be mapped with Agency Bank A/c. For this, login as AgencyAdm>go to Menu 'My Scheme'>click on sub-Menu 'Manage'>click on blue hyper link to map scheme component.
- b) If agency has more than one bank account registered with it, one of the bank accounts needs to be activated for E-Payment (this will be done by AgencyAdm and approved by the Project Office-

PFMS). This activated bank a/c will be debited by the amount of E-Payment.

- c) Before starting E-Payment, agency will ensure availability of funds in the bank account activated for E-Payment. For this, agency needs to enter opening balance as per Cash Book and receive funds released by the parent agency. (this will be done by AgencyAdm-requires no further approval)
- d) While activating bank account for E-Payment, agency also needs to choose the authentication system it will use for authorizing payments. Three authentication systems available on PFMS are: (i) Printed Payment Advice addressed to Agency Bank (ii) Digital Signature and (iii) Corporate Internet Banking. The first option is available instantaneously and user can start with the same (recommended option initially). The other two are paperless but need more formalities to be completed.

5.2 Broad process flow for E-Payment

- a) Maker logs in on PFMS and downloads from integrated departmental system or upload beneficiaries' files.
- b) If beneficiaries' detail is not complete or correct, Maker updates or edits it and submits.
- c) On submission, bank account details of beneficiaries travels to beneficiary's bank for validation
- d) If beneficiary's bank account details happens to be correct, bank a/c gets validated and beneficiary(ies)/file start appearing to the Checker for approval at his/her end
- e) Checker logs in and approves the beneficiary(ies) for the payment to be initiated by Maker

- f) Maker logs in and initiates the payment after choosing type of beneficiaries, payment period, activity/purpose and the amount(s) to be paid to each of the beneficiaries
- g) When payment process is complete at Maker level, the system generates a draft payment voucher along with a link for generating a list of beneficiaries. Maker can take a print out of voucher and list of beneficiaries at this stage. However, it is advised to take a print out or soft copy of the voucher only after the payment has been approved by the Checker.
- h) Checker logs in and approves or rejects the payment initiated by the Maker. On approval, the agency bank account gets debited and beneficiaries' bank accounts get credited by the amount entered against each of the beneficiaries.
- i) The system simultaneously generates a voucher and a payment advice addressed to the agency bank containing the details of beneficiaries and the amount to be credited to their bank accounts.
- j) Agency is required to take a print out of the Payment Advice, get it signed from two authorized signatories and delivered it to the agency bank.
- k) Payment Advice also contains the name, telephone no. and email address of the Nodal Officer of the Agency Bank who needs to be contacted in case the agency bank wants to seek any clarification about the process for crediting beneficiaries' bank accounts.
- l) Reverse MIS from banks updates the payment status on PFMS. Payment to beneficiary is confirmed through SMS (if

the mobile number of beneficiary has been captured in the beneficiary database.

- j) The file of beneficiaries once downloaded or created and paid remains saved in the system and can be utilized for payments in future. Bank accounts once validated from banks need not be validated again. Any addition or deletion can be carried out in this list of beneficiaries before initiating payment next month or in future.
- k) For payment by Digital Signature the user/checker needs to enrol and configure the DSC on the PFMS. The requirement and process for enrolment of Digital signature the computer system and PFMS are given in the Digital Signature manual.

6. Training Support from PFMS

Necessary training and support for capacity building in this regard will be provided by the Project Office (PFMS) of CGA particularly in E-payment and Expenditure filing.

Vahanu Singh

Registration Template

Agency Registration Format/Process

Following are the main attributes which are required to be filled in/captured while registering an agency on PFMS.

<i>Upper level or parent Agency, which sometime also happens to be the funding agency, will register its down-the-line agencies. No agency other than the one at State level should be registered from outside, i.e. without logging in to the system and from link 'Register Agency' appearing in blue colour on left hand side of home page.</i>	
Agency Unique Code	will be generated by the system at the time of registration. Please keep a record of it.
Institution to be registered	Institution Type (already customised on PFMS, just select the type of institution to be registered)
Agency Name	Naming Convention is to be followed and a name is to

	<p>be given to agency type at each level</p> <p>i) State level-(Naming convention)</p> <p>ii) District level-(Naming convention)</p> <p>iii) Block/Tehsil level-(Naming convention)</p> <p>iv) Panchayat level-(Naming convention)</p> <p>v) Village level-(Naming convention)</p>
Act Registration (if registered Society)	If applicable
Date of Registration	If applicable
Registering Authority	If applicable
State of Registration	If applicable
TIN No	If not available, check the Box 'Not Required'
TAN No.	If not available, check the Box 'Not Required'
Agency Office Details	
State	Drill down and select the location up to the level where agency exists. E.g. for PIA the location up to Block level will be selected.
District	
Rural / Urban	Rural will be default. Urban radio button will be clicked only for urban locations such as Municipal Wards, etc. particularly when the desired location is not available under Rural
Block / Tehsil	
Panchayat / Thaluk	
Village / Ward	
PIN code	mandatory
Address (Complete Address)	As far as possible complete address like premises, road, area, locality & city should be entered as per Indian Postal Standards. In case the address is short or contains only one line, the same can be repeated in other fields of address.
Agency Contact Details	
Contact Person	mandatory
Phone No	Mandatory (if landline number is not available, mobile number can be entered lieu of it.
Mobile No.	
Email Address	mandatory
Captcha word verification	mandatory
<p><i>After filling the above information the users is required to click on 'Save & Continue' button. The system will generate a Unique Code for the agency and take the user to next stage of 'Funding Details'</i></p>	

Funding level of an agency depends on its implementation level. E.g. if implementation level is Block/Tehsil its funding agency levels may be block, district and state in case agency is being registered from State level. In case, a block level agency is being registered from district level, its funding levels will be Block and District*

Funding Agency Details

Funding level	Choose funding level
Funding agency	All agencies registered & approved at that level will appear in the parallel 'drill down list'. Select the required agency from this drill down list.

After selection of funding agency click on 'Add Funding Agency' button. Funding agency gets added.

System takes you to next stage of 'Agency Bank Details'

Agency Bank Details

Name of Bank	mandatory
Branch Address & IFSC Code	Required only in case of non-CBS banks
Account No.	Mandatory(enter digits as per bank rule)

After entering bank details click on 'Add bank Account' button.

Add scheme component	Add the scheme component(s) to the Bank Account.
	After this the user needs to create Login ID and Password for the agency being registered.

Login ID and Password creation

User/Login ID	Will be decided by user at the time of registration
Password	Will be decided by user at the time of registration(IDs and PWs will also be sent on to email of the agency creator)

Go through the Terms & Conditions and check the box meant for these and click on 'Submit' button

Agency details will get saved and a message "Agency details saved successfully and pending for approval. Details will be sent to your email address" will pop-up on top of the registration page.

Approval of the Agency Registered	Parent agency who has registered this agency needs to approve the agency. PD of the Ministry is the parent agency/funding agency for State level agency.
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Once the agency has been approved the system will send the bank account details to banks` CBS for validation and will also send the ID and PW on to the email ID registered with the agency for records of the user.