

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. 20921 /F.,
FIN-BUD2-BT-0007-2023

Date: 26-07-2023

From

Vishal Dev, IAS
Principal Secretary to Government

To

**Additional Chief Secretaries/
Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries/ Special Secretaries to Government
All Heads of Departments.**

Sub: *Refund of interest accrued on Government money under different State Sector Schemes and Centrally Sponsored Schemes parked outside the State Treasury.*

Madam/Sir,

I am to say that the State Government has been allocating funds under different schemes for undertaking various welfare measures and development activities. The provisions made under the Programme Budget are utilized for the purpose. Under the Programme Expenditure, the State Sector Schemes (SSS) are fully funded out of the State's own resources and the Centrally Sponsored Schemes (CSS) are funded as per the funding pattern decided by the Government of India, which in most cases is in the proportion of 60:40.

2. In the existing arrangement of funding system, IFMS enables end-to-end digital transactions in implementation of State Sector Schemes, thereby facilitating pay out to beneficiaries, vendors and service providers on real-time basis. However, the system of Single Nodal Account (SNA) in PFMS is now being implemented for release of funds under the Centrally Sponsored Schemes (CSS). Government of India now monitors the utilization of the scheme funds and insists on refund of interest accrued in the SNA accounts in PFMS.

P.T.O

3. Despite the IT systems being in place to facilitate smooth digital transactions, it has come to the notice that DDOs and Implementing Agencies are resorting to parking of money outside the treasury in bank accounts while implementing different State Sector Schemes. Further, CSS scheme implementing Departments, while depositing the Central share of interest to the Consolidated Fund of India, are not remitting the State share of interest earned in the SNA accounts to the Consolidated Fund of the State. Utilization of interest money in the execution of Schemes or otherwise would amount to excess or irregular expenditure without legislative authorization. This would also invite adverse audit remarks of the C&AG of India.

4. Unauthorized parking of Government money outside the Public Account in contravention of financial rules and instructions issued by Finance Department has been discouraged by the State Government vide FD Letter No.23583/F dated 10.07.2019 read with FD Letter No.32215/F dated 21.11.2014. Further, State Government had undertaken a mopping up exercise to plough back Government money including the interest amount parked outside the Public Account to the State exchequer vide FD Letter No.15343/D dt.16.05.2020. In the meanwhile, 3 years have gone by requiring another round of clean-up drive to mop-up the interest funds, either lying idle in bank/ SNA accounts, or being utilized otherwise.

5. Now as a special drive, it is decided that interest accrued against scheme funds parked in Bank/ SNA accounts by DDOs and Implementing Agencies till 31st March, 2023, would be ploughed back to the State Treasury. Accordingly, the Administrative Departments should take immediate steps in mopping up of the interest classified as below:

(i) Interest accrued on Government money deposited in Bank account under different State Sector Schemes: The interest accrued on account of such parking of Government money under different State Sector Schemes in bank accounts by DDOs and Implementing Agencies unless specifically mentioned for utilization for the scheme (in the scheme guideline or separate instruction) is to be remitted to the Treasury under the Head of Account “*0075- Miscellaneous General Services - 00-800-Other Receipts - 0097- Misc. Receipts - 02082- Miscellaneous Other Receipts.*”

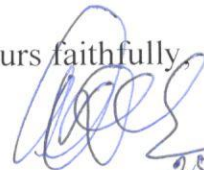
(ii) State share of interest accrued in SNA Accounts in PFMS under different Centrally Sponsored Schemes: Since Government of India is insisting on remittance of interest accrued in the SNA accounts in PFMS to the Consolidated Fund of India, the CSS

implementing Departments are now mandatorily required to remit the State share of interest accrued in the SNA accounts to the Consolidated Fund of the State under the Head of Account “**0049-Interest Receipts-04-Interest receipt of State-801-Interest or other earnings from Grantee on unspent balance-0250- Interest on the unspent balance of grants-02245-Interest on Unspent Balance.**”

6. All the Administrative Departments and Heads of the Departments are, hereby, requested to ensure that the DDOs and Implementing Agencies under their control deposit the above parked interest amount into the State Treasury within a period of one month. The Financial Advisors/ Asst. Financial Advisors of the Departments and Chief Accounts Officers/ Accounts Officers of the Heads of the Departments should monitor and verify the bank accounts of the DDOs and Implementing Agencies. Further, Administrative Departments are requested to review the action taken by DDOs under their control and also by all PSUs/ Corporations/ Societies/ Autonomous Bodies and any other entity set up by Government under their Department to comply with above instructions.

I would, therefore, request you to kindly issue necessary instructions to the Controlling Officers for completing this exercise by 21st August, 2023 under intimation to Finance Department (by email to **budgetofficer.od@nic.in**).

Yours faithfully,

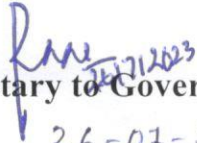


25/7/23
Principal Secretary to Government

Memo No. 20922 /F.,

Dt. 26-07-2023


Copy forwarded to Director of Treasuries & Inspection, Odisha, Bhubaneswar for information and necessary action.


Joint Secretary to Government
Dt. 26-07-2023

Memo No. 20923 /F.,

Dt. 26-07-2023


Copy forwarded to FAs/ AFAs of all Administrative Departments and Chief Accounts Officers/ Accounts Officers of the Heads of Departments for information and necessary action.


Joint Secretary to Government
Dt. 26-07-2023

Memo No. 20924 /F.,

Dt. 26-07-2023


Copy forwarded to all Treasury Officers of District Treasuries/ Special Treasuries/ Sub-Treasuries for information and necessary action.


Joint Secretary to Government
Dt. 26-07-2023

Memo No. 20925 /F.,

Dt. 26-07-2023

Copy forwarded to Private Secretaries to Principal Secretary/ Special Secretaries/ Additional Secretaries, Finance Department for kind information of Principal Secretary/ Special Secretaries/ Additional Secretaries.


Joint Secretary to Government
Dt. 26-07-2023

Memo No. 20926 /F.,

Dt. 26-07-2023

Copy forwarded to Portal-in-Charge, FID/all Officers/ Sections of Finance Department for information and necessary action.

The Portal-in-Charge, FID is requested to upload the circular in the FD website <https://finance.odisha.gov.in/>.


Joint Secretary to Government