

F. No. 3/(04)/PFMS/2023  
Government of India  
Ministry of Finance  
Department of Expenditure

North Block,  
New Delhi, 5<sup>th</sup> July, 2023

**OFFICE MEMORANDUM**

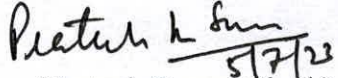
Subject: Revised procedure for flow of funds under Central Sector Schemes (CS) – clarification regarding redistribution of funds between project/activities under Model-2 of DoE's guidelines dated 9<sup>th</sup> March, 2022.

The undersigned is directed to refer to DoE's OM No. 1(18)/PFMS/FCD/2021 dated 9<sup>th</sup> March, 2022 regarding revised procedure for flow of funds for Central Sector Schemes. As per the revised procedure, Ministries/Departments release funds under a Central Sector Scheme to a Central Nodal Agency (CNA). The Sub Agencies (SAs) down the ladder are assigned drawing limits by the Ministry/CNA concerned. The drawing limits assigned to SAs are based on the sanction issued by the Ministry which generally specifies the project/activity on which the fund is to be utilized by the CNA/SA. References have been received in this Department to clarify whether the drawing limits assigned to CNA/SA for various projects/activities may be modified based on the pace of utilization of funds.

2. The matter has been examined in this Department. The budget control and reporting of expenditure to parliament operates at scheme level and at primary unit of appropriation level (i.e. object head such as Grant in Aid for creation of Capital asset, Grant in Aid general etc.). Within this framework, Ministries/Departments may redistribute drawing limits assigned to SAs for various projects/activities as per the following procedure -

- i. The redistribution of drawing limits among SAs for various projects/activities pertaining to same object head can be done through a revised sanction order issued by the Ministry/Department.
- ii. The redistribution of drawing limits among SAs for various projects/activities pertaining to different object heads can be done through a revised sanction order issued by the Ministry/Department only if the original and revised sanction orders are issued in the same financial year backed up by necessary re-appropriation/supplementary as per DFPR etc.
- iii. While doing inter object head redistribution, Program Division and IFD should ensure that the total funds released under an object head in a financial year as per original/revised sanctions should not exceed the annual budget allotted under that object head unless the budget is augmented through re-appropriation/supplementary etc.

- iv. The intra/inter object head redistribution as per (i) and (ii) above shall be accompanied by necessary transfer entries in the books of accounts and the provisions of NS/NIS limits and rule 10 of DFPR shall apply.
  - v. To avoid issue of multiple revised sanction orders in a financial year, Program Division of the Department/Ministry, in consultation with IFD, may give flexibility to the CNA to redistribute drawing limits among SAs during a financial year, subject to issue of a consolidated revised sanction order as per (i), (ii), (iii), and (iv) above at the fag end of the financial year.
  - vi. Funds lying unutilized with the SAs under an object head, which the Ministry/Department is unable to redistribute to other projects/activities as per aforesaid procedure, may be returned by the CNA to the Ministry.
  - vii. Ministries/Departments should develop an internal mechanism to monitor/track revision of sanction orders and project/activity wise utilization of funds for the purpose of submitting Utilization Certificates as per GFR provisions.
  - viii. The sanction module of PFMS will enforce budgetary controls at the line item and object head level.
3. This issues with the approval of competent authority.

  
(Prateek Kumar Singh)  
Director  
Tel. No. 23094961

To

1. Secretaries of all Departments/Ministries, Government of India
2. Financial Advisers of all Departments/Ministries of Government of India
3. Addl. CGA (PFMS), O/o CGA, INA, New Delhi