

North Block, New Delhi  
Dated the 27<sup>th</sup> July, 2017

**OFFICE MEMORANDUM**

**Subject: Guidelines for implementing Government's decision on bringing Autonomous Bodies (ABs) under Treasury Single Accounts (TSA) System.**

The Expenditure Management Commission (EMC) vide Para 125 of its September, 2015 report has recommended that in order to minimize the cost of Government borrowings and to enhance efficiency in fund flows to Autonomous Bodies, Government should gradually bring all Autonomous Bodies (ABs) under the Treasury Single Account (TSA) System.

2. The Government has decided to implement this recommendation in the following manner in consultation with Budget Division, Department of Economic Affairs and the Reserve Bank of India.

(i) The Monthly Expenditure Plan (MEP) of an AB, as accepted by the Programme Division (PD) and IFD, the pace of implementation of the schemes in the AB and the balance grant available with the AB for the said scheme shall form the basis of just-in-time releases to ABs. Consequent upon receipt of the sanction order for release of funds to the AB along with the bill from the Drawing and Disbursing Officer (DDO), the concerned Pay & Accounts Officer (PAO) shall advise RBI, after exercising all necessary checks, to honour the payment instructions issued by the concerned AB up to the "Assigned Limit" in the advice.

(ii) The PAO shall debit the concerned head of account for the appropriation but not transfer the cash directly to the AB. It shall be retained in an interim account in respect of the AB listed under the parent Ministry/Department in the Public Account. Balances remaining unutilized at the close of the year will lapse to the Government and hence written back in Government Account. Ministries administering the AB concerned will have to explain the saving in the related Appropriation Accounts.

(iii) Each Autonomous Body including subsequent level of institutions shall open bank accounts with Reserve Bank of India in e-Kuber; separate accounts shall be opened for receiving different categories of Grants-in-aid viz. Grants in Aid (General), Grants for creation of Capital Assets and Grants in Aids (Salaries). The relevant bank details of all accounts held by the AB as well as of payees of ABs shall be registered on PFMS after due diligence by administrative Ministry/Department. Autonomous bodies including subsequent level of Institutions shall not open / operate/park funds in any other account for any operation pertaining to funds received from Government of India. All expenditure from the Grants-in-Aids/ assistance received from Government of India by the Autonomous Body will be made through these three accounts only. This system will be digital and fully online on PFMS with no physical flow of assignments to RBI or expenditure by AB of cash on assignment basis.

(iv) The RBI will function as primary banker to the Ministries/Departments in this regard without involvement of an agency bank. These accounts will be assignment accounts. A limit

up to which expenditure can be incurred by an AB, shall be assigned to these accounts by the PAO concerned through PFMS based on the expenditure sanction issued by the PD and the bill preferred by the DDO. The e-Kuber bank account details of the AB shall be incorporated in the sanction order. The limit shall be a dynamic limit. Sanction orders, a summary of all such assignments and the balance limit available can be viewed on PFMS by all stakeholders.

(v) The electronic file containing a unique sanction ID and necessary details of the sanction order will seamlessly travel from PAO to RBI and concerned ABs. RBI will maintain individual ledgers in respect of the three accounts of the ABs for watching the availability of assignment. Controls of dynamic limit shall be at the Standard Object Head level.

(vi) ABs shall adhere to all due processes while incurring expenditure from the funds sanctioned through PFMS. ABs shall also ensure that sufficient limit is available in the relevant account before the issue of the instrument. Unutilized assignment will lapse to the Government at the close of the Financial Year and will not be available to the ABs for expenditure in the next financial year.

3. The administrative head and financial head of an AB would be jointly and severally responsible for strict compliance with these guidelines.

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To

1. Secretaries of all Ministries/Departments of Government of India
2. Controller General of Accounts, Department of Expenditure
3. Deputy Governor, RBI
4. Financial Commissioner, Railways
5. ~~Controller General of Defence Accounts~~ —>
6. Financial Advisers of all Ministries/Departments of Government of India
7. All Pr. CCAs/CCAs/CAs (independent charge) of all Ministries/Departments of Government of India
8. Principal Chief General Manager, DGBA, Central Office, RBI, Mumbai
9. Chief General Manager, CAS, Nagpur, RBI

Copy for information to:

1. Finance Secretary & Secretary (Expenditure)
2. Secretary, Department of Economic Affairs