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Ministry of Finance
Department of Expenditure
Office of the Controller General of Accounts
Mahalekha Niyantrak Bhawan,
1st Floor, GPO Complex, INA
New Delhi
(TA-I Section)

Dated- 25/05/2022

OFFICE MEMORANDUM

Subject: Accounting Procedure for bringing Autonomous Bodies (ABs) under Treasury Single Account (TSA) System.

Please find enclosed a copy of accounting procedure for bringing Autonomous Bodies (ABs) under Treasury Single Account (TSA) System for kind information and necessary action.

2. Office of C&AG of India and Budget Division, Department of Economic Affairs have agreed to the accounting procedure referred above.
3. All Pr.CCAs/CCAs/CA(ic) of Ministries/Departments are requested to strictly adhere to the accounting procedure. .

Encl:- As above



(Nalin Kr. Srivastava)
Joint Controller General of Accounts

To,

1. All Pr. CCAs, CCAs, CAs with independent charge for strict adherence.

Copy for kind information to:

1. Sh. R.D.Talukdar, Deputy Secretary, EMC Cell, Deptt of Expenditure, M/o Finance, Loknayak Bhawan, Khan Market, New Delhi.
2. Deputy Director (Budget), Deptt. of Economic Affairs Room. No. 224-C, North Block, New Delhi.
- ✓ 3. Sr. Accounts Officer, ITD/GIFMIS, O/o CGA for uploading the OM on the CGA's website.

Accounting Procedure for bringing Autonomous Bodies (ABs) under Treasury Single Accounts (TSA) System:

- (a) In order to bring Autonomous Bodies (ABs)/ Implementing Agencies (IAs) including Statutory Bodies and Central Public Sector Enterprises (CPSEs) (limited to the grants and scheme funds in case of CPSEs) under Treasury Single Account System each entity brought under TSA System will open bank account with Reserve Bank of India in terms of Department of Expenditure OM No. F. No. 26(118)/EMC Cell/2016 dated 24th February, 2022. Separate accounts will be opened for receiving funds from different PAOs.
- (b) Based on the Monthly Expenditure Plan (MEP), requirement and expenditure trend of the entity, Programme Division of the Ministry will process the release and issue sanction for releasing the funds to entity concerned. The Terms and Conditions regarding TSA shall be mentioned in the sanction order.
- (c) Drawing and Disbursing Officer will prepare a bill on the basis of the sanction and submit the same to PAO for releasing the funds as stipulated in the Sanction Order.
- (d) In order to ensure that the funds are available with the Government till actual utilization, PAO based on sanction order, through PFMS will advise RBI to honour payment instruments issued by the entity concerned up to the limit assigned in the advice. The 'Assignment Advice' will contain data relating to the Pay & Accounts Officer responsible for accounting of the funds so assigned, Unique identifier for Sanction, heads of account and Bill prominently. A copy of the sanction order and Assignment Advice will seamlessly travel to the entity concerned. The same shall be available on PFMS.
- (e) Simultaneously, to account for the issue of advice for assignment in favour of the entity in Government account the PAO will credit the amount under Public Account (Proposed Correction Slips for Heads of Account Annexed) by per contra debit to the concerned functional head.
- (f) PFMS and e-Kuber of RBI will capture the details as contained in the 'Assignment Advice' for reference, reporting and reconciliation purposes.
- (g) Authorised Signatory of the entity after ensuring the genuineness of expenditure with reference to the relevant 'Assignment Advice' will digitally sign and issue the payment advice using the PFMS platform. The payment advice will contain all the related details of the Pay & Accounts Officer and heads of accounts.
- (h) On receipt of e-payment advice from the entity, Reserve Bank of India will honour the same by crediting the amounts in the bank accounts of the beneficiaries by debiting concerned account. At the end of the day, on the basis of the information embedded in the payment advice, RBI will prepare payment scrolls for entire payments made by the entity against the assignment during the

day and send it to PAO concerned for reflecting the same in Government Account. Based on the scrolls received from RBI the aforesaid head in Public Account will be relieved (minus credit) by an equivalent amount by the PAO concerned in his account by per contra credit to the head '8675- Deposit with Reserve Bank -101- Central Civil- Reserve Bank (HQ)'. A statement showing transactions relating to assignment accounts of entities will be provided by RBI to the entity concerned, a copy thereof will also be sent to the PAO concerned.

- (i) Unutilized Balances at the close of the year will lapse to the Government and hence written back in Government Account by minus debiting concerned functional head of account and minus crediting to the head in Public Account. Ministries releasing grants to the entities concerned will have to explain the saving in the related Appropriation Accounts.

Note on second tier Entities in proposed model: Since the TSA system envisages just in time releases i.e. debiting Government account when the payment is released to the end beneficiary, there should not be any adjustment in Government account when an Entity assigns funds to the account of its subsequent level units. Payment Advices issued by the subsequent level units against that Grant needs to contain the details of the PAO and heads of accounts. Till such time, when the amount is actually spent the balances in account of the subsequent level units of the entity will be considered as balance under assignment with the Entity.

Assignment to it's second tier by the Entities:

When an assignment against grants received by an entity is released by it further to its subsidiary the advice transferring the assignment will be digitally signed by the authorised signatory of the entity concerned and contain details of the Assignment Advice issued by the Pay & Accounts Officer. This assignment will be treated as sub assignment of the entity and treated as normal assignment i.e. account of the entity will not be debited only the assigned limit will be reduced to the extent the amounts are assigned by the entity to its second tier entity. The payment advices issued by the second tier entity will contain the details of the assignment advice issued by the Pay & Accounts Officer concerned. Consequent upon making payment to the beneficiary, RBI will take action as indicated at (h) above. Original Statements relating to the assignment account will be provided to the second tier entity with copies to the entity and Pay & Accounts Officer concerned.

Since an entity may be sanctioned Grants for different schemes the scrolls so received from the RBI will be collated scheme wise by PFMS to facilitate passing of necessary accounting entries to relieve the concerned heads of accounts in Public Account as detailed above.

Annexure to Accounting Procedure

Major Head: 8454 Funds under Treasury Single Account System (1)

*Each Department will be
a Sub Major Head*

Minor Heads may be opened corresponding to
the Section '*Expenditure Heads (Revenue
Account)*' (2) (3)

Note: (1) This Major Head will be used for awarding Grants to Autonomous Bodies/ Implementing Agencies including Statutory Bodies and Central Public Sector Enterprises (CPSEs).

(2) Minor Head may be opened corresponding to the programme minor heads in the Section '*Expenditure Heads (Revenue Account)*' to which the Grants are being awarded. For this purpose, the nomenclature of the Minor Head may indicate the function as per sub-major head or as per major head, in the absence of a sub-major head, on the revenue expenditure side followed by the programme minor head. For example "*Adult Education - Rural Functional Literacy Programmes*", "*Crop Husbandry - Agricultural Engineering*", "*Consumer Industries - Textiles*" etc. When the nomenclature of the sub-major head does not give an indication of the concerned function, the nomenclature of the Minor head will also indicate the name of the major head also within brackets after the sub-major head. For example "*General (Medical & Public Health) - Health Statistics and Evaluation*", "*General (Nutrition) - Diet Surveys and Nutrition Planning*" etc. Where it is not possible to identify the Grants with any programme distinctly, the minor head will indicate the relevant sub-major/major head as above followed by the words "*Other Grants*", e.g. "*General (Education) - Other Grants*", "*Crop Husbandry - Other Grants*", etc.

(3) The Sub and Detailed Heads under these Minor Heads maybe opened similar to the Sub and Detailed Heads corresponding to the Section '*Expenditure Heads (Revenue Account)*' to which the Grants are being awarded. Under each Minor Head separate Sub-head '*99-Uncredited items under Treasury Single Account System*' may be opened.
