

F. No. 12(13)-B (W&M)/2020
Ministry of Finance
Department of Economic Affairs
(Budget Division)

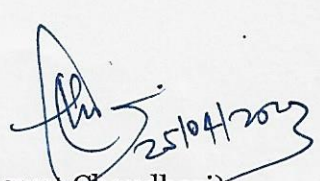
Dated: April 25, 2023

OFFICE MEMORANDUM

Subject: Cash Management System in Central Government - Modified Exchequer Control Based Expenditure Management.

Attention of all Ministries/Departments is invited to the cash management guidelines issued by this Ministry vide its OM of even number dated 25th May, 2022 (copy enclosed).

- (2) To provide fillip to capital expenditure including Grants-in-Aid for creation of capital assets and expenditure under Centrally Sponsored Schemes (CSS), it has been decided for these items of expenditure to relax the stipulations contained in the para 2 (v) of the above mentioned OM, applicable for big releases $\geq$ ₹ 500 crore. This relaxation is provided with immediate effect and applicable for first quarter (Q-1) of the financial year 2023-24. For subsequent quarters, separate advisory will be issued before commencement of the quarter. Further, the relaxation will be subjected to strict adherence to the SNA/CNA guidelines issued by Department of Expenditure.
- (3) Financial Advisers shall monitor the releases to ensure that there is no idle parking of funds at any level and the funds are released on just-in-time basis.
- (4) Any deviation from cash management guidelines issued through aforesaid OM, other than the relaxation provided in para 2 above would require prior approval from Ministry of Finance. Any communication by Ministries/Departments on this matter should be addressed to the Secretary, Department of Expenditure.
- (5) This issues with the approval of FS & Secretary (Expenditure).


(Sunil Bhagwat Chaudhari)
Director (Budget)
Ph: 011-23093810

Cabinet Secretary, Government of India;
Secretaries of all Ministries/Departments;
Secretary (Defence Services), Ministry of Defence;
Member (Finance), Department of Telecommunications;
Financial Advisers/Pr.CCAs/CCAs of all Ministries/Departments.

Copy to:

Comptroller & Auditor General of India;
Controller General of Accounts, Ministry of Finance, Department of Expenditure.

F. No. 12(13)-B(W&M)/2020
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

Dated: May 25, 2022.

OFFICE MEMORANDUM

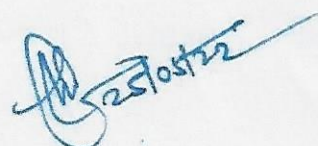
Subject: Cash Management System in Central Government- Modified Exchequer Control-based Expenditure Management.

Attention of all Ministries/ Departments is invited to the cash management guidelines issued by this Ministry vide its OM F. No. 15 (39)-B (R)/2016 dated August 21, 2017.

2. The aforementioned guidelines have been reviewed and hereby reiterated with select modifications to align them with the changed circumstances:

- i. All FAs should ensure that Monthly/Quarterly Expenditure Plan (MEP/QEP) of respective Ministry/ Departments are prepared and included as an annex to their Detailed Demand for Grants (DDG). A copy of this should be furnished to the Budget Division in M/o Finance.
MEP/QEP would enable the FA to track sanctions and concurrent expenditure against Budget provision available. For the Budget Division in M/o Finance, the MEP/ QEP statement enables proper cash forecasting and management so that Administrative Ministry/ Departments are not hindered in drawing their budget allocations while implementing Schemes.
- ii. **Ministry/ Departments are now permitted to utilize the unspent balances from QEP-1 in QEP-2 within a Financial Year under intimation to the Budget Division for cash management purposes.**
- iii. **Unspent balances from QEP-2 and QEP-3 may be utilized in QEP-3 and QEP-4, respectively only after formal and prior approval of the Secretary (Expenditure) has been obtained. Ministry/ Departments should not under any circumstance presume prior approval of Secretary (Expenditure). This has to be formally obtained prior to utilizing the unspent balances. Seeking *post facto* approval is not an option.**
- iv. **FAs should note that no more than 33% and 15% of expenditure of the Budget Estimates during a Financial Year shall be permissible in the last quarter and last month of the financial year, respectively.**

Page 1 of 3



v. **FAs are advised to take note the following:**

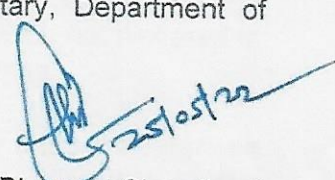
- a) Within the MEP/QEP, calendar of **releases of amounts between ₹ 500 crore to ₹2,000 crore** has to be prepared to enable tracking of expenditure and cash flows. The range of dates for such releases may be kept between 21st (or next working day if 21st is a holiday) and 25th (or next working day if 25th is a holiday) of a month to take advantage of the GST inflows.
- b) To the extent possible, the **bulk expenditure items of value more than ₹2,000 crore** may be timed in the last month of each quarter to utilize the direct tax receipt inflows in June, September, December and March. The releases may be kept within 17th (or next working day of 17th is a holiday) and 25th (or next working day if 25th is a holiday) in these months.

Dates for these big releases of $\geq$ ₹ 500 crore shall be annexed to the MEP/QEP.

- c) In case a **major expenditure of $\geq$ ₹ 500 crore** needs to be released **outside the above prescribed dates**, prior approval with two working days' notice, shall be taken from Budget Division. Prior permission from Budget Division shall be a pre-requisite for any single payment release under a scheme in excess of ₹ 5,000 crore. The FAs may guard against attempts to deliberately split expenditure to stay within limits.
- d) FAs will monitor the release of funds to autonomous bodies and other organisations to ensure that there is no undue build-up of funds with such bodies/ organisations and money is released to them just in time. **Stipulations regarding big releases of $\geq$ ₹ 500 crore shall also be applicable for releases by Autonomous Bodies under Treasury Single Account (TSA).**
- vi. The exchequer control would apply cumulatively at the Demand for Grant (DG) level only i.e. inter-se variations between months within a quarter would be permissible, subject to statutory restrictions and guidelines in this regard.
- vii. The provisions stipulated under Rule 230 (7) of GFR, 2017 shall be strictly complied by all Ministries/Departments and accordingly, the releases to the various Implementing Agencies (IAs) have to be restricted/rationalized keeping in view the unspent balances lying with the IAs. For this purpose, the Programme Division of Ministries/Departments shall take help of PFMS Portal to know the bank balance of the recipients (IAs) before making every fresh release.



- viii. **Instructions of Department of Expenditure regarding the procedure for release of funds under Centrally Sponsored Schemes and monitoring utilization of funds released, issued vide OM F.No. 1(13)/PFMS/FCD/2020 dated 23rd March, 2022 and the OM of even no. dated 28th March, 2022 and also guidelines for flow of funds under Central Sector schemes including implementation of Treasury Single Account (TSA), issued vide OM F. No. 1(18)/PFMS/FCD/2021 dated 9th March, 2022 shall be complied with.**
- ix. Financial Advisers shall review and **freeze the timing of the receipts of Dividend and various other Non-Tax receipts (NTRs)** of their respective Ministry/Departments. The dividend payments and buy back considerations would be targeted in the H1 part of financial year. The FAs shall also monitor the timely realization of other NTR through the online portal 'Bharat Kosh' developed by the CGA.
- x. **Each Ministry/Departments would indicate month wise estimate of the possible non-tax revenue inflows** concerning that Ministry/ Department to Budget Division, DEA while communicating their MEP/QEP, so that these inflows are factored in while according permission for expenditure. In case month-wise estimate is not feasible, such information shall be provided on quarterly basis.
3. Any communication by Ministry/Departments on this matter should be addressed to the Secretary, Department of Expenditure.
4. These issues with the approval of FS & Secretary, Department of Expenditure.


(Sunil Bhagwat Chaudhari)
Deputy Secretary (Budget)

Cabinet Secretary, Government of India;
Comptroller & Auditor General of India;
Secretaries of all Ministries/Departments;
Secretary (Defence Services), Ministry of Defence;
Member (Finance), Ministry of Railways;
Member (Finance), Department of Telecommunications;
Controller General of Accounts, Ministry of Finance, Department of Expenditure;
Financial Advisers/Pr. CCAs/CCAs of all Ministries/Departments.