

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

OFFICE MEMORANDUM

No. 22909 /F, Date 11.07.2018
FIN-TRY-MISC-32/2012(pt)

Sub: Operational Procedure for collection of State Government Receipts through Point of Sale (PoS) devices - Mobile PoS, BHIM UPI, Bharat QR Code, AePS Devices In Government Offices to receive digital payment of all kinds.

All State Government offices are now authorized to receive digital payments through Debit cards/BHIM UPI/AePS Devices using Mobile Point of Sale (PoS) Devices and Aadhaar Enabled Payment Devices (AEPS) or QR Code.

2. Draft operational guideline and an assessment of demands for procurement of PoS devices – Mobile PoS, AePS Device or QR Code in Government Offices was conducted in the previous year. In this regard, the responses have been received from various offices.

3. In the meantime, Reserve Bank of India have issued fresh guideline in respect of rationalization of Merchant Discount Rate (MDR) on Debit Card transactions. As per the said guideline, the maximum MDR for Debit Card transactions will be as below:

Sl. No.	Merchant Category	Merchant Discount Rate (MDR) for Debit Card transactions (as a % of transaction value)	
		Physical PoS infrastructure including online card transactions	QR code-based card acceptance infrastructure
1.	Small merchants (with turnover upto Rs. 20 lakh during the previous financial year)	Not exceeding 0.40% (MDR cap of Rs. 200 per transaction)	Not exceeding 0.30% (MDR cap of Rs. 200 per transaction)
2.	Other merchants (with turnover above Rs. 20 lakh during the previous financial year)	Not exceeding 0.90% (MDR cap of Rs. 1000 per transaction)	Not exceeding 0.80% (MDR cap of Rs. 1000 per transaction)

4. Ministry of Electronics and Information Technology, Government of India vide Gazette Notification dated 27.12.17 has mentioned that MDR applicable on Debit Card/BHIM UPI/Aadhaar-Pay transactions less than or equal to Rs. 2000/- in value will be borne by Government of India for a period of two years with effect

from 1st January, 2018 by reimbursement of the same to the acquirer Banks so that no MDR is payable by the merchant in respect of such transactions under this scheme and consequently the consumers will not be overcharged citing MDR as a reason.

5. Further, guidelines for use of Unified Payment Interface (UPI) and Bharat Interface for Money (BHIM) for collection of Government revenue has been issued by Controller General of Accounts, Ministry of Finance, Government of India (cga.gov.in/Circular/Published/list.aspx) which is mutatis mutandis applicable to the State Government offices desirous of using PoS and other devices for collecting Government dues.

5.1 The term "Accredited Bank" referred to in the said guideline means "Agency Banks" for the State Government. Similarly, the term "Acquiring Bank" means the "Agency Banks" which have supplied the PoS machine or other digital devices to the Government offices. The term "Government Portal System (GPS)" means online receipt system of IFMS, Odisha.

5.2 Process for digital payment through UPI/BHIM has been envisaged in the aforesaid guideline. However, State Government offices willing to use UPI/BHIM digital payment solutions need to work out a specific accounting, reporting and reconciliation method in consultation with the Agency Bank concerned as per the principles laid down in this Office Memorandum and obtain approval of Finance Department in the matter.

6. Accordingly, the following guidelines and operational procedure are now issued with regard to procurement and installation of PoS/other devices for accepting digital payments in the Departmental counters as well as accounting, reporting and reconciliation of such transactions.

7. Requisition of PoS devices:

7.1 Government offices should request the Agency Banks as per the list enclosed in **Annexure-I** to provide Mobile PoS with or without Aadhaar enabled payment facility. However, in case the Departmental counter operates at a permanent space, fixed line PoS may also be used.

7.2 Requisition already submitted by various offices to the Finance Department will be communicated to the desired Banks through SLBC for supply and installation of the required devices.

7.3 The offices which have not yet submitted their requirements may directly approach the Agency Banks as Annexed for supply and installation of the digital payment devices and solutions.

8. Digital payment solution from multiple Banks:

In order to ensure uninterrupted service in the arrangement for acceptance of digital payment, it is advised that the Departmental Offices may use payment solutions and devices of two different Agency Banks. The Departmental Officer may also have digital solutions from one Bank with facility for at least two devices in order to ensure backup in case of any mechanical failure.

9. Opening of designated Bank Account/(s):

The devices accepting the digital payment will be linked to a designated Bank account maintained in the Bank branch, who has supplied the device/(s). However, if the same Bank supplies multiple devices for accepting digital payments, all the devices should be linked to a single Bank account opened/identified for the purpose. In case, digital payment devices are from two different Banks, the Departmental Officer/DDO will have two different Bank accounts in respective Banks. Departmental Officer should not have more than two accounts as this will cause additional burden for the purpose of reconciliation.

10. Infrastructure support:

10.1 Government offices desirous of using the PoS and other devices for accepting digital payments are required to provide infrastructure support such as; telephone, internet connectivity, Desk Top, Computer, space etc.

10.2 It is desirable that Departments should have their own IT Portal System/Website with an application for facilitating digital payments through PoS and other devices. This application system should generate electronic money receipt on payment through the digital modes. It may also provide confirmation of receipt through system generated SMS and e-mail to the payer. The daily and periodic MIS should be generated from the system.

10.3 Departments which do not have their own IT solutions and infrastructure to accept digital payments may take help of the E & IT Department, the nodal Department for promotion of digital payments.

11. Installation, commissioning and maintenance & other service charges for devices:

11.1 Most of the Agency Banks have conveyed that there will not be any installation charges in respect of devices. Further, installation cost, if any, service charges, maintenance charges and rentals etc. in respect of the PoS machines and other devices will vary from Bank to Bank and device to device. Therefore, the offices are required to ensure due diligence and decide on a mutually agreeable rate for such charges. The payments of these charges are to be met from the available provision under Demand No.5 – “2052- Secretariat General Services - Establishment, Operations and Maintenance Expenditure – 00 – 090 –Secretariat-0488- Finance Department- 78667- Financial Inclusion” made in the B.E. for 2018-19 by the concerned Head of Office/DDO.

11.2 The Banks supplying the devices/services for digital payment to be made in the Government offices through Debit Cards/BHIM UPI/AePS Devices will submit a consolidated monthly/quarterly claim for reimbursement of rental and other charges as per the format at **Annexure– II** to the concerned office for verification and approval. After due verification, the offices will aggregate and forward the claim to the Controlling Officer for obtaining allotment from the Director, Small Savings, Finance Department.

11.3 Allocation will be made by the Director, Small Savings, Finance Department on receipt of requisition from the Departmental Controlling Officer. The Controlling Officer will further distribute the allotment among the Head of Office/DDO.

12. Charges in respect of Merchant Discount Rate (MDR) for Digital payments:

12.1 For digital transactions taking place through Debit Cards/BHIM UPI/AePS Devices up to Rs. 2000/-, MDR will be borne by the Government of India as per Gazette Notification of Ministry of Electronics and Information Technology, Government of India. Thus, the MDR charges in respect of digital transaction made through Debit Cards/BHIM UPI/AePS Devices upto to Rs. 2000/- will not be charged either to the State Government office or to the payer, as the case may be.

12.2 However for transaction value above Rs. 2000/-, MDR will be applicable on the entire transaction value. For example, no MDR will be applicable in case of transaction value of Rs1800/- and in respect of a transaction of Rs2300/-, MDR would be applicable on the entire transaction value of Rs2300/-.

12.3 MDR charges in respect of transaction made through Debit Cards/BHIM UPI/AePS Devices valued above Rs. 2000/- will be borne by the Government offices on receipt of such claims from the Banks. The payment of MDR charges will be made from the available provision under the Head for "Financial Inclusion". The offices may submit their requirement for allotment under Demand No.5 – "2052-Secretariat General Services - Establishment, Operations and Maintenance Expenditure – 00 – 090 –Secretariat-0488- Finance Department- 78667- Financial Inclusion" in the B.E. for 2018-19 through their Controlling Officers. The Controlling Officers are required to place necessary fund under the aforesaid Head to the DDO for drawal and disbursement of the MDR charges to the Banks in time. The Controlling Officer will place necessary requisition to Director, Small Savings, Finance Department for allocation of fund.

13. Requisition for payment of MDR charges by the Bank:

The Banks supplying the devices/services for digital payment to be made in the Government offices through Debit Cards/BHIM UPI/AePS Devices will submit a consolidated monthly/quarterly claim for reimbursement of MDR charges in respect of all transactions as per the format at **Annexure– II** for the concerned office for verification and approval. After due verification, the offices will aggregate and forward the claim to the Controlling Officer for obtaining allotment from the Director, Small Savings, Finance Department.

14. Rate of MDR:

The rate of charge in respect of MDR will be governed by the guideline issued by the RBI from time to time in this regard.

15. The Citizens-Payers:

To pay any tax and non-tax revenue or including fees, service charges etc., the citizens/ payers shall approach the concerned Departmental counter for payment of the charges to the State Government Department / Agencies using Debit card,

BHIM UPI, Bharat QR Code, AePS Devices in the PoS machines and other devices. After the payment is successful, the payer will receive money receipt along with the customer / payer copy generated from the PoS machine as a proof of payment.

16. Departmental Counters:

For payment of tax & non revenues including fees, service charges etc., the citizen will go to the designated Departmental Office/ Counter and may opt for payment through digital payment against bill or demand raised by the Department or make the payment to avail any paid service.

16.1 The person in charge of the Departmental counter will ask for Debit Card of the payer and swipe the card and enter the amount required to be paid against the particular demand/ bill or charges for availing of any service in the PoS machine. The depositor will be asked to enter his PIN number to complete the transaction. Along with the payer's copy of the receipt generated by the PoS machine, the Departmental Officer will also issue a money receipt in the prescribed form supplied by the Director, Printing, Stationery and Publication, Odisha or a system generated money receipt, as the case may be as proof of payment under his signature.

16.2 Similarly, if the payment is made through AePS Device, the authentication of the payer will be made for electronic transfer of payment from his/her Bank account seeded with Aadhaar number to the designated account of the office. On receipt of the remittance, a receipt should be generated from the device as an acknowledgement of the payment received and the copy of which shall be shared with the payer along with the Departmental money receipt.

16.3 In case the Government offices intend to use BHIM/UPI and Bharat QR code/BHIM QR code etc., it should be prominently displayed in the Departmental counter. Arrangements should be made with the Bank to ensure generation of money/acknowledgement receipt on successful transfer of remittance from payer's account to the designated account of the office.

16.4 The merchant/receiver's copy of the receipt generated on successful remittances using PoS machine/AePS Devices, BHIM UPI, QR code will be preserved along with the counter foil of the money receipt and recorded in the Collection Register on daily basis and also taken to the Cash Book. The

amount so collected will be parked in the designated account of the Head of Office/DDO maintained for such digital devices. Subsequently, after remittance of the amount collected through the digital devices to the Government Account the Challan No./Reference ID/Bank Transaction ID may also be noted in the Cash Book.

16.5 On each day at a particular time, say after close of the counter the person-in-charge will mandatorily generate the "End of Day" Statement from the PoS machine and then prepare an item-wise aggregate collection statement made with reference to money receipt numbers and send a consolidated report to the Head of Office/DDO. For example: money collected in each Police station or Revenue Inspector's office will be segregated item-wise and at end of each day would be communicated to the SP's office/Tahasildar's office who are DDOs. **Failure to generate the "End of Day" Statement from the PoS machine will further delay the remittance of amount collected by the Card issuer to the Acquiring Bank/Agency Bank and also attract penalty.**

17. Head of Office/ Drawing & Disbursing Officer:

The Head of Office/ Drawing & Disbursing Officer will aggregate the item-wise receipts from different counters and prepare a consolidated item-wise statement of collections made for each day and generate account head-wise challan from the Treasury portal and present the same in the Agency Bank in which the designated account is maintained along with a debit slip/ cheque with an endorsement 'Pay yourself' for debiting the current account and simultaneous crediting the pool account of the Cyber Treasury maintained with the e-Focal Point Branch of the Bank. MIS for the receipt transactions of the Head of Offices/ DDO can be downloaded from the Treasury portal for verification and reconciliation of the remittances made from the current account to the Cyber Treasury against the respective Treasury Reference ID of e-Challan.

17.1 Money received in the designated account of the DDO maintained for digital receipt must be credited to the Government account through the Cyber Treasury within three working days. Parking of funds in the designated account should not be allowed beyond the permissible period of three working days.

17.2 The Head of Office/DDO will undertake reconciliation between receipt made through digital device/s and remittance to the Government Account in the format prescribed in Annexure-III after obtaining the relevant details from the Agency Bank Branch on daily and monthly basis.

18. Agency Bank Branch in which the designated account is maintained:

The concerned Agency Bank will furnish original challan to the Head of Office/DDO indicating the bank transaction ID generated from the Core Banking Solution of the Bank and report the transaction to the e-Kuber system of Reserve Bank of India through the designated e-Focal Point branch of the Cyber Treasury.

19. e-Focal Point branch of the Cyber Treasury:

The e-Focal Point branch of the Agency Bank will submit the electronic scroll for the receipts made through PoS machine and other devices and remitted from the designated account of the DDO to the Cyber Treasury through the e-Kuber system of RBI for accounting of the transaction.

20. Role of Cyber Treasury:

On receipt of the e-Scroll from the e-Kuber system of RBI, the Cyber Treasury will account for the amount remitted from the current account of the DDO.

Reporting and accounting of these e-Transactions will be governed by Finance Department OM No. FIN-TRY-RULE-0016/2012(PT)-24108/F, dt. 27.06.12.

21. Policy on refund before the Digital receipt is credited to the Government Account:

At the time of making payments made in the Departmental counters, if by mistake or due to ignorance, a payment is made more than once using the card and the Departmental Officer is intimated about such payment by the payer or comes to know about it at the time of "End of Day" reconciliation, the amount may be held back in the designated account till clearance from the Card issuer is obtained. Then the amount may be refunded back to the payer by giving a request to the Bank branch through the Card issuer and the "Issuer's Bank" i.e. the bank where the payer maintains his/her account.

22. Policy on refund after the Digital receipt is credited to the Government Account:

In case a refund is sought by the taxpayer after the payment is credited to the State Government account by Departmental Office using the Treasury challan, the request regarding refund of such money will be examined by the Departmental Office and a refund order may be issued by the Head of Office for drawing the refund from the Treasury as per provisions of Subsidiary Rule-345 of the Orissa Treasury Code. For making such refund, the DDO of the Departmental Office will seek the beneficiary Bank details from the depositor and submit the claim to the Treasury for making payment to the bank account of the payer.

23. Monitoring Mechanism:

Departmental Controlling Officers are required to put in place a monitoring mechanism to ensure that digital payments collected through the PoS machines and other devices is credited to Government Account within the prescribed time limit. The MDR/Rental and other charges that are to be reimbursed to the Banks must be verified against the actual transactions and recorded as per the prescribed format in **Annexure-IV**. The reimbursement of the MDR to the Agency Bank should be released by the concerned Heads of Offices/DDOs electronically to the Designated Account furnished in **Annexure-II**.



Additional Chief Secretary to Government

Memo No. 22910 /F., dtd. 11.07.2018

Copy forwarded to the Accountant General (A&E) Odisha, Bhubaneswar for information and necessary action.


Under Secretary to Government.

Memo No. 22911 /F., dtd. 11.07.2018

Copy forwarded to all Departments of Government / All Heads of Departments / All Collectors & District Magistrate/ Gopabandhu Academy of Administration, Bhubaneswar / Madhusudan Das Regional Academy of Financial Management, Bhubaneswar / Director Small Savings, Finance Department, Odisha, Bhubaneswar / Director Institutional Finance, Finance Department, Odisha, Bhubaneswar/ Biju Pattanaik State Police Academy, Bhubaneswar for information and necessary action.


Under Secretary to Government.

Memo No. 22912 /F., dtd. 11.07.2018

Copy forwarded to the Regional Director, Reserve Bank of India, Bhubaneswar for information and necessary action.


Under Secretary to Government

Memo No. 22913 /F., dtd. 11.07.2018

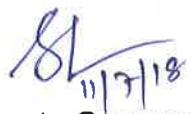
Copy forwarded to the Director of Treasuries and Inspection Odisha, Bhubaneswar for information and necessary action.


Under Secretary to Government.

Memo No. 22914 /F., dtd. 11.07.2018


Copy forwarded to the DGM, Allahabad Bank, Regional Office, 3/1-B, Civic Centre, IRC Village, Nayapalli, Bhubaneswar-751005 / Regional Head, Andhra Bank, Circle Office, M-14, Baramunda Housing Board Colony, Bhubaneswar-751013 / Regional Head, Union Bank of India, Regional Office, 3/1-A, Civic Centre, IRC Village, Nayapalli, Bhubaneswar-751015/ DGM, United Bank of India, Regional Office, Region-1, A/32, Kharavela Nagar, Unit-3, Bhubaneswar-751001/ AXIS Bank, Plot No. 1, Nandighos Estates, Bapuji Nagar, Bhubaneswar-751009/ Local Head, HDFC Bank, Plot No. 295/2926, 1st Floor, NH-5, Patrapada, Bhubaneswar -751019/ Zonal Office, ICICI Bank, 1st Floor, Bhanjaprava Building, In front of Sriya Talkies/ IDBI Bank, IDBI House, Ground Floor, Unit-IX, Janapath, Bhubaneswar-751022/

Oriental Bank of Commerce, Alok Bharati Tower, Sahid Nagar, Bhubaneswar-751007/ DGM-ZM, Bank of India, Zonal Office, Star House, 1/1-D, Jayadev Vihar, Nayapalli, Bhubaneswar-751015/ CGM, LHO, State Bank of India, 3/1, Local Head Office, Pandit Jawaharlal Nehru Marg, Bhubaneswar-751001/DGM, Canara Bank, Circle Office, Red Cross Bhawan, 1st Floor, Bhubaneswar-751022/DGM, Indian Bank, Circle Office, B-2, East Saheed Nagar, Bhubaneswar-751007/Sr. RM, Central Bank of India, Regional Office, 104, Surya Nagar, Bhubaneswar-751001/GM & Circle Head, Circle, UCO Bank, 3rd Floor, C/2, Ashok Nagar, Unit-II, Bhubaneswar-751009/DGM, Indian Overseas Bank, Regional Office, B-2, West Saheed Nagar, Bhubaneswar-751007/ DGM, Punjab National Bank, Circle Head, Circle Office, 4th Floor Din Dayal Bhawan, Janapath, Ashok Nagar, Bhubaneswar-751009/ Convener, SLBC, UCo Bank, 3rd Floor, C/2, Ashok Nagar, Unit-II, Bhubaneswar-751009 for information and necessary action.


Under Secretary to Government.


Memo No. 22915 /F., dtd. 11.07.2018

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


Under Secretary to Government.


Memo No. 22916 /F., dtd. 11.07.2018

Copy forwarded to all Branches of Finance Department / All Officers of Finance Department for information and necessary action.


Under Secretary to Government.

Memo No. 22917 /F., dtd. 11.07.2018

Copy forwarded to the Head, Portal Group, Secretariat, Odisha, for information and necessary action. It is requested to upload this Memorandum in the website (www.odisha.gov.in/finance/index.htm) of Finance Department for general information.


Under Secretary to Government.

Annexure-I

List of Agency Banks

1. Allahabad Bank /
2. Andhra Bank /
3. AXIS Bank
4. Bank of India /
5. Canara Bank /
6. Central Bank of India /
7. HDFC Bank
8. ICICI Bank
9. IDBI Bank
10. Indian Bank /
11. Indian Overseas Bank /
12. Oriental Bank of Commerce
13. Punjab National Bank /
14. State Bank of India /
15. UCO Bank /
16. United Bank of India /
17. Union Bank of India /

Annexure-II

Format for the Agency Banks to claim reimbursement of MDR/Rental and other charges

Name of the Bank/(s):
Description of the Digital payment Terminal/(s):
Identification No., if any:
Period (monthly/quarterly):
Designated Account No. of the Bank for remittance of MDR charges:
IFSC Code:

Sl. No.	Date of Transaction	Terminal Description and ID No.	Transaction No. or ID	Amount	Date of Credit of the amount to the Designated Account	MDR Rate	MDR Amount	MDR Payable by State Govt. Office	Rental and other charges payable	Total amount payable

Certified that we have verified and found that the reimbursement charges for MDR/Rental and other charges is correct and as per the prescribed rate of Reserve Bank of India.

Signature of the Branch Manager

N:B Agency Bank will furnish the details of device wise all transactions irrespective of value i.e., for transactions value both upto Rs2000/- and above Rs2000/- to verify the reimbursement claim made to the Office.

Annexure – III

Reconciliation between receipt made through digital device/s and remittance to the Government Account

Name of the Office:
Description of the Digital payment Terminal/(s):
Name of the Bank/(s):
Identification No., if any:
Period (monthly/quarterly):

Sl. No.	Date of Transaction	Terminal Description and ID No.	Transaction No. or ID	Amount	Date of Credit of the amount to the Designated Account	Treasury Challan No.	Bank Transaction ID	Cyber Treasury Challan No.	Remark

Signature of the Head of Office/DDO

N:B In case the remittances to the Government account exceeds the permissible limit of T+3 working days, then the 'Remark' column should indicate the reason for such delay.

Annexure-IV

Format for the Head of Office to report to the Controlling Officer

Name of the Office:
 Description of the Digital payment Terminal/(s):
 Name of the Bank/(s):
 Identification No., if any:
 Period (monthly/quarterly):

Sl. No.	Date of Transaction	Terminal Description and ID No.	Transaction No. or ID	Amount	Date of Credit of the amount to the Designated Account	Treasury Challan No.	Bank Transaction ID	Cyber Treasury Challan No.	MDR Rate	MDR Amount	Rental and other charges payable	Total amount payable	Reimbursement made (Yes/No). If no, reasons for non-reimbursement

Certified that we have verified and found that the reimbursement charges for MDR claimed by the Agency Bank/(s) is correct.

Signature of the Head of Office/DDO

NB: In case the office is availing digital payment solutions from more than one Bank, then Bank-wise report may be submitted to the Controlling Officer.