

GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT

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No. 338 /F.,  
FIN-TRY-MISC-0005-2022

Dt. 04.01.2025

OFFICE MEMORANDUM

**Sub: Just-in-Time Funding System (JiTFS) for drawl of State Scheme funds from State Exchequer – First Phase: To cover 13 State PSUs/Societies w.e.f. 01.04.2025 – Regarding**

With approval of competent authority of State Government, it is hereby mandated that Just-in-Time-Funding System (JiTFS), in its first phase, will be compulsorily adopted in following 13 State Government PSUs / Societies with effect from 01.04.2025.

1. Odisha Lift Irrigation Corporation (OLIC)
2. Odisha Construction Corporation (OCC)
3. Odisha Bridge & Construction Corporation (OBCC)
4. Odisha Power Transmission Corporation Ltd. (OPTCL)
5. Water Corporation of Odisha (WATCO)
6. Odisha State Police Housing and Welfare Corporation (OPHWC)
7. Industrial Promotion and Investment Corporation of Odisha (IPICOL)
8. Agricultural Promotion and Investment Corporation of Odisha (APICOL)
9. Odisha Renewable Energy Development Agency (OREDA)
10. Odisha Industrial Infrastructure Development Corporation (IDCO)
11. Odisha Adarsha Vidyalaya Sangathan (OAVS)
12. Odisha State Medical Corporation (OSMCL)
13. Odisha State Civil Supplies Corporation Ltd. (OSCSC)

Adoption of JiTFS will result in following advantages:

- a) Parking of State Government funds in bank accounts can be avoided completely.
- b) Administrative Departments can know about the actual utilization of funds by Scheme Implementing Agencies.
- c) Accounting of these funds will become simpler.

Necessary training of key officials/staff of the above-mentioned 13 State Government organisations and their respective Administrative Departments shall be undertaken by Directorate of Treasuries & Inspection (Odisha). A dedicated team and help desk will also be set up in the DTI (O) for this purpose.

Concept Note and Operational Procedure of JiTFS are enclosed at Annexure-A and B respectively which should be read thoroughly by all concerned to get themselves familiarized with JiTFS.

JiTFS will be extended to other Government organisations and Departments gradually in subsequent phases.

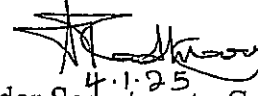
By orders of the Governor



04.01.2025  
Principal Secretary to Government

Memo No. 339 /F, dated 04.01.2025

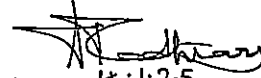
Copy forwarded to Officer on Special Duty to Chief Minister, O/o the Chief Minister for kind information of Hon'ble Chief Minister.



Under Secretary to Government

Memo No. 340 /F, dated 04.01.2025

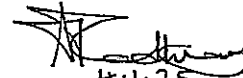
Copy forwarded to Private Secretaries to Chief Secretary/D.C.-cum-Additional Chief Secretary/ Additional Chief Secretaries/ Principal Secretaries/ Commissioner-cum-Secretaries (All Departments) for kind information of Chief Secretary/D.C.-cum-Additional Chief Secretary/ Additional Chief Secretaries/ Principal Secretaries/ Commissioner-cum-Secretaries.



Under Secretary to Government

Memo No. 341 /F, dt. 04.01.2025

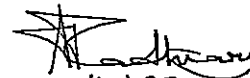
Copy forwarded to All Heads of Departments/All Revenue Divisional Commissioners/All Collectors for information and necessary action.



Under Secretary to Government

Memo No. 342 /F, dated 04.01.2025

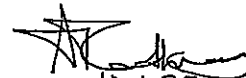
Copy forwarded to Director of Treasuries & Inspection, Odisha, Bhubaneswar for information and necessary action.



Under Secretary to Government

Memo No. 343 /F, dated 04.01.2025

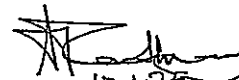
Copy forwarded to Principal Accountant General (A&E), Odisha, Bhubaneswar/ Deputy Accountant General, Puri, Odisha for information and necessary action.



Under Secretary to Government

Memo No. 344 /F, dated 04.01.2025

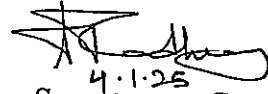
Copy forwarded to all Treasury Officers/Sub-Treasury Officers for information and necessary action.



Under Secretary to Government

Memo No. 345 /F, dated 04.01.2025

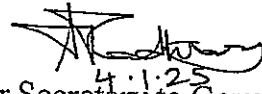
Copy forwarded to all Officers / all Branches of Finance Department for information & necessary action.



Under Secretary to Government

Memo No. 346 /F, dated 04.01.2025

Copy forwarded to Managing Directors (Odisha Lift Irrigation Corporation/ Odisha Construction Corporation/ Odisha Bridge & Construction Corporation/ Odisha Power Transmission Corporation Ltd./ Water Corporation of Odisha/ Odisha State Police Housing and Welfare Corporation/ Industrial Promotion & Investment Corporation of Odisha/ Agriculture Promotion & Investment Corporation of Odisha/ Odisha Renewable Energy Development Agency/ Odisha Industrial Infrastructure Development Corporation/ Odisha Adarsha Vidyalaya Sangathan/ Odisha State Medical Corporation/ Odisha State Civil Supplies Corporation Ltd. for information & necessary action.



Under Secretary to Government

Memo No. 347 /F, dated 04.01.2025

Copy forwarded to Sri Tapan Pattnaik, FID, Finance Department with a request to upload the copy of the circular in Finance Department website ([www.odisha.gov.in/finance](http://www.odisha.gov.in/finance)) under IFMS.



Under Secretary to Government

**CONCEPT NOTE ON JUST-IN-TIME FUNDING SYSTEM (JiTFS):**

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Just-in-Time Funding System is a smart payment system adopted for timely disbursement of government funds to the intended beneficiaries. The JiTFS process has been implemented for disbursement of grant-in-aid to Grantee Institutions vide Finance Department Office Memorandum No. 29132/F dated 18.10.2023.

2. For implementation of various schemes and for execution of works, budgetary provision is drawn by Administrative Departments through Treasury and placed with various Implementing Agencies like State Public Sector Undertakings, State Autonomous Bodies and Developmental Authorities for incurring actual expenditure. In this process, the following operational difficulties are noticed:

- a) Funds drawn in advance, out of the government account is parked in designated bank accounts of implementing agencies.
- b) Administrative Departments remain unaware of the last mile utilisation of the funds until receipt of Utilisation Certificates from the Implementing Agencies.
- c) Implementing Agencies also face difficulties in accounting, audit and reconciliation of funds, when the fund is placed in single or multiple bank accounts. The discrepancies between the cashbook and the balance in bank accounts is a common phenomenon.

3. In order to overcome the above difficulties and to provide a solution for timely disbursement of government funds, Just-in-Time Funding System has been developed in IFMS.

**4. Scope and coverage of JiTFS**

4.1 In JiTFS, fund is released from the Government account at the time of actual payment to the last mile beneficiaries. Administrative Departments will issue authorities to enable the Implementing Agencies to draw the fund as and when required using IFMS.

4.2 Administrative Departments usually sanction and draw scheme/programme funds from government account through treasury for credit of the same to the bank accounts of concerned Implementing Agencies much before the actual expenditure. Now, using JiTFS, Administrative Departments will sanction funds in favour of Implementing Agencies for necessary drawal by designated DDOs through

their treasuries. DDOs will provide an authorization to each of the Implementing Agencies to draw the fund on their own only at the time of actual requirement.

4.3 The claim/bills for grant of authorization will be sent by the DDOs to the drawing treasury for necessary approval. Once the authorization/ spending limit is approved by the concerned treasury, Implementing Agencies can process their claim in IFMS for drawal of funds. Since, the authorization for expenditure has the prior approval of both DDO and Treasury, the claim so submitted by Implementing Agency doesn't require any further manual intervention. It is auto-approved in the system and payment advice goes to e-Kuber portal of RBI through Central Electronic Payment Cell (CePC) of DTI for final disbursement.

5. This platform of JiTFS Payment system can be used for the following two methods of drawal:

#### **5.1 Drawal of funds under Schemes and Programmes:**

Administrative Departments implementing various schemes/programmes will sanction fund to be drawn by Implementing Agencies on the basis of the authorization. Implementing Agencies will draw the fund as per their actual requirements through IFMS.

#### **5.2 Drawal of funds under Works/ Projects:**

Scheme Implementing Departments often assign certain works/projects to Works Divisions under Works/Water Resource/Rural Development/H & UD Departments. Also, certain works/ projects are assigned to State PSUs, Developmental Agencies and Autonomous Bodies for execution. In such cases, concerned Administrative Departments / Works Divisions draw and place funds with respective PSUs using the Works/ Forest expenditure module of IFMS.

In order to draw funds using JiTFS, Administrative Departments will use the treasury module of IFMS. The operational activities/ physical progress of works and other related functions will continue to be guided by the Odisha Public Works Department (OPWD) Code.

Further, State PSUs used to receive overhead charges for execution of a work along with provision for incentives for completion of the work within the stipulated time. JiTFS will process and deal with the financial aspects of the project/work only, not with these charges/incentives accrued to the PSUs on account of the execution of work /project. State Government will make provision for such overhead charges and incentives separately outside JiTFS.

## **6. Accounting for the JiTFS transactions:**

6.1. Since any payment under JiTFS will be made electronically after drawal of fund through system generated online bill, the electronic voucher level data will be seamlessly transmitted from IFMS to AG (Odisha) as per the existing practice. In the new accounting procedure of JiTFS, the voucher copy containing sanction order in favour of Implementing Agency issued by Sanctioning Authority using DSC/e-Sign, virtual allotment order in favour of the Implementing Agency digitally signed by DDO and Treasury Officer respectively, beneficiary list tagged to e-claim approved and digitally signed by the Implementing Agency and the copy of e-claim duly approved and digitally signed by the Implementing Agency will be submitted to AG(Odisha) electronically as per the ongoing process.

6.2. The first level of accounting of JiTFS expenditure will be made by the drawing Treasury. The accounts w.r.t. JiTFS expenditure will be submitted to AG(Odisha) along with the monthly regular Treasury Accounts sent to AG(O) in the form of two lists i.e. 1st List & 2nd List of accounts submitted by 15th of the accounting month & 5th of the succeeding month respectively. The Implementing Agency master will be shared electronically to AG(Odisha) whenever a new Implementing Agency is added to the hierarchy. A dedicated bill type for JiTFS expenditure for state schemes will be available in IFMS.

## **7. Procedure for refund against overpayment:**

7.1. There are certain state schemes in which subsidy against Loan/ Input subsidy/ Interest subsidy/ Other Miscellaneous Cash Benefits are transfer credited to a designated bank account (Mirror Account) as a guarantee against loan for implementation of government sponsored scheme and upon successful execution, the said loan/interest subsidy is adjusted against the loan/ interest amount. Though the system of Just-in-Time is averse to parking of government funds in Bank Account, it would allow drawal of such funds to be parked in a Mirror Account opened in the name of the scheme beneficiary in a designated bank account as per the scheme guideline.

7.2. In case of any lapse in the execution of the scheme, the Implementing Agency concerned will refund/ deposit back the amount to the budgeted Head of Account from where it was drawn. Such refund will be as per the scheme guideline. The process for such refund will be as follows:

- a) The Implementing Agency transferring the fund to the Mirror Account will continuously monitor the status of the fund.
- b) In case of any lapse in the execution process, the Implementing Agency will invoke the clause of scheme guideline to refund the subsidy back to the government account.

- c) Such deposit of fund to the government account will be made in line with the extant accounting principles as provided in Government Accounting Rules, Provisions under List of Major & Minor Heads (LMM) and Receipt & Payment Rules.
- d) The refund money is to be deposited in Government account using the e-Receipt platform of IFMS (Cyber Treasury).
- e) Once the refund order is issued, funds drawn should be deposited back within seven days positively.

## **OPERATIONAL PROCEDURE OF JUST-IN-TIME FUNDING SYSTEM**

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In JiTFS, the major stakeholders are:

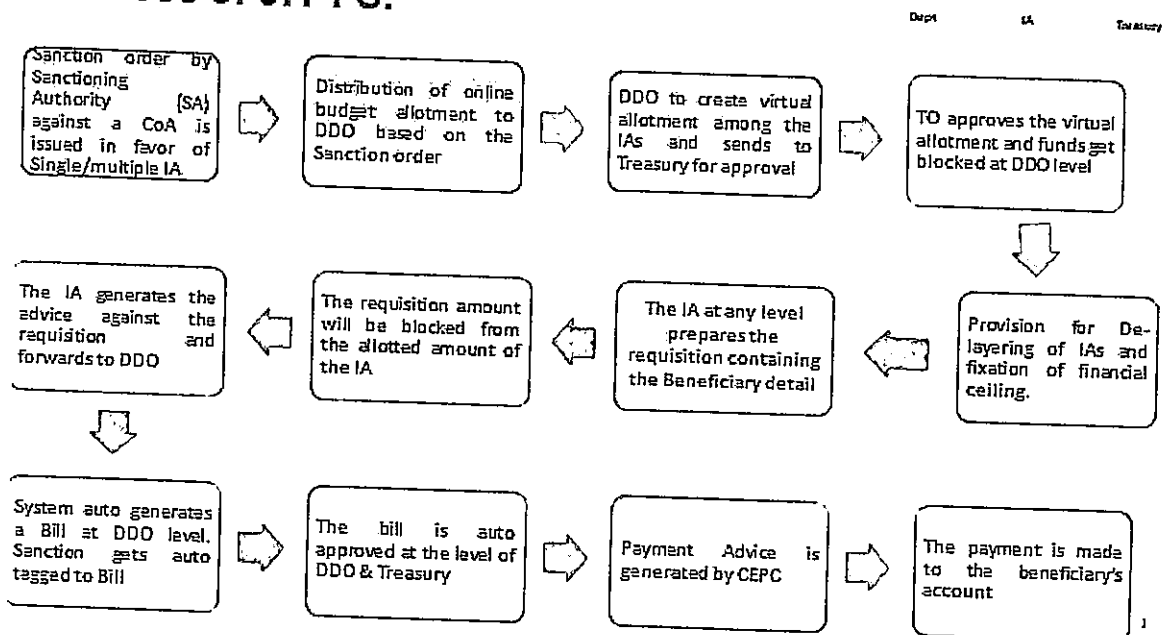
1. **Sanctioning Authority** at department level sanctions funds by generating a JiTFS Sanction Order in IFMS. Scheme fund can be sanctioned in favour of an Implementing Agency/ Implementing Agencies for drawal by single/multiple DDOs in their respective Treasuries. Before generating a JiTFS sanction order in IFMS, State Scheme Manager (SSM) of the concerned Scheme Implementing Department (SID) must share the scheme code along with the budgetary Head of Account for necessary mapping of the scheme under JiTFS. Further, SSM will be on-boarded as an Admin User in the new system and will have access to all financial transactions with respect to the expenditure details of the scheme for overall monitoring.
2. **DDO marked as Payable DDO** in the JiTFS Sanction Order will on-board and map Scheme Implementing Agencies down the line. There will be provision in IFMS for creation of a user hierarchy of Implementing Agencies mapped to respective DDOs. Implementing Agencies can create another layer of Implementing Agency/ Implementing Agencies under it who will be mapped to the same DDO (DDO Admin). Hence, all Implementing Agencies will be mapped and identified in system through their DDOs. After mapping is done, the drawing DDO sets financial ceiling/spending limit (Ceiling Order) in IFMS for the Implementing Agencies. After fixing the ceiling, the DDO will forward such virtual Allotment/Ceiling Order online to the drawing Treasury for necessary approval of the ceiling. DDO can alter/re-allocate the ceiling amongst the IAs at any point of time with the approval of concerned drawing Treasury.
3. **Implementing Agencies** are generally the Special Spending Units responsible for implementing schemes at field level. After financial ceiling is set by the DDO in favour of the Implementing Agencies in reference to the sanction order, the Implementing Agencies can initiate the Payment Request for disbursement of scheme funds to eligible beneficiaries. The Implementing Agencies cannot exceed the spending limit so fixed by the DDO in their favour. Since, there is provision for creation and maintenance of Implementing Agencies' user hierarchy (De-layering of Implementing Agencies) in IFMS, each of the Implementing Agencies can further set the spending limit out of their respective allocated balance for the Implementing Agencies down the line and on-boarded by them. Further, Implementing Agencies irrespective of their hierarchical status

can initiate Payment Request/ Claim in IFMS for disbursement of scheme fund. The Implementing Agency generating a claim in JiTFS system will digitally authenticate it for facilitating fund disbursement

4. **Treasuries** are involved in approval of Virtual Allotment Order/Virtual Spending limit fixed for each of the Implementing Agencies (first level only) by the drawing DDO. Treasury also prepares the accounts with respect to the drawal of scheme funds made under JiTFS.
5. **E-Kuber platform of Reserve Bank of India** is used for making payment/crediting into the accounts of each of the rightful beneficiaries advised by Central Electronic Payment Processing Cell (CePC) of DTI.
6. **Directorate of Treasuries and Inspection** is responsible for smooth functioning of the new system
7. **Accountant General, Odisha** prepares the final account of the transactions made in the JiTFS platform. A Payment Request accompanied by the list of eligible Beneficiaries generated and duly authenticated digitally by the Implementing Agency in IFMS along with the sanction order and Virtual Sanction Order signed and countersigned using DSC/e-Sign by the payable DDO and drawing Treasury respectively is treated as an e-Voucher for JiTFS payment

The Process Flow Diagram of JiTFS is as follows:

### Process of JiT-FS:



## **1. Creation of User Hierarchy**

Creation of user hierarchy is an important function under JiTFS. There will be five different types of users who will be registered as Users in IFMS under JiTFS as per the process mentioned below:

### **a) Super Admin User at the level of Finance Department/DTI to create Admin User for a Scheme Implementing Department in IFMS :**

- Finance Department/DTI will be registered under JiTFS as the Nodal Department/Super Admin User
- Nodal Department will create Admin User for individual Department for operating in the new system
- It can de-activate/activate the User Role of Departmental Admin as and when required
- Provide JiTFS access to all Sanctioning Authorities in Scheme Implementing Departments and DDOs.

### **b) Admin User of a Scheme Implementing Department to on-board IAs:**

- For creation of User Role in JiTFS, the Scheme Implementing Department (SID) will approach Nodal Department/Agency through an official request letter along with the information required for User creation. On the basis of such information, Admin User for the SID will be created.
- Each of the scheme implementing Departments will have an Admin Login in IFMS under JiTFS.
- The Departmental Admin User will be able to create other IA Users mapped to respective drawing DDOs who will fix the spending limit.
- The DDO User can also on-board/register Implementing Agencies in IFMS. Further, he/she can alter financial ceiling at any point of time with the approval of the Treasury concerned.
- Each of the Implementing Agencies on-boarded by the Admin User of the Department or the DDO User can also create Implementing Agencies down the line and fix their financial ceiling in system

## **2. Creation of JiT-FS Sanction Order in IFMS**

The Sanctioning Authority of the SID will prepare a JiTFS Sanction Order using the sanction order module of IFMS. After login to the system, the User will have to first select/choose JiTFS in the radio button populated at the top of the Main Page of the Sanction Order. The Sanctioning Authority (Both Approver & Operator) will prepare

the JiTFS Sanction Order in IFMS by following the same navigation menu that is being currently used for generation of a scheme-based sanction order i.e., “General type of expenditure under different schemes”.

Further, the Sanctioning Authority should be very careful and diligent in entering the Head of Account correctly at the time of generating the sanction order. After generation of the Sanction Order with digital authentication, the SID should take steps for distribution of allotment to respective drawing DDOs marked in the Sanction Order.

### **3. Fixing up financial ceiling/spending limit:**

The SID usually designates a number of Implementing Agencies (At District/Block/below the Block level) for execution of work and disbursement of scheme funds to eligible beneficiaries/vendors accordingly to ensure smooth implementation of schemes. It is the responsibility of the drawing DDO to fix the spending limit for each of the Implementing Agencies registered at its level (First level Implementing Agencies) for making expenditure under the scheme. Once the JiTFS Sanction Order is issued at the level of the SID, the DDO concerned will use his/her User credential in JiTFS functionality of IFMS to allocate financial ceiling (virtual spending limit) among the Implementing Agencies out of the total allocated budget amount sanctioned in its favour. Similarly, DDO can re-allocate ceiling among the Implementing Agencies out of the available balance at their respective end with the approval of the Treasury concerned.

IAs at each level will have the provision for allocation and reallocation of financial ceiling among the Implementing Agencies immediately below them. The Implementing Agencies can view the amount of financial ceiling allocated in its favour using his/her User Credential in IFMS. Systemic validation in IFMS will not allow the Implementing Agencies to initiate Payment Request above and over the ceiling fixed by the DDO. Further, the financial ceiling fixed for the Implementing Agencies under a DDO should not exceed the total sanction made in favour of the said DDO. Any action of freezing or re-distribution of ceiling will be made available to the concerned Implementing Agencies.

### **4. Generation of e-Payment File:**

A payment claim can be initiated only at the level of Implementing Agencies irrespective of their hierarchical level. And Implementing Agency will generate claim in IFMS only when there is requirement for payment in favour of the intended beneficiaries. The Implementing Agencies using their respective User Credential in IFMS can generate electronic payment files containing the beneficiary details as per the requirement in reference to the Sanction Order as well as the Virtual Allotment Order. For generating an e-Payment claim, the concerned Implementing Agency will have to

select/choose the original Sanction Order along with corresponding Virtual Allotment Order and then tag the beneficiary details along with the amount intended to be paid in favour of the beneficiaries to the claim for subsequent processing in IFMS.

In case of the claim generated by an Implementing Agency other than the first level of hierarchy in whose favour DDO & Treasury have approved the ceiling order, the electronic claim form will contain the information about the First Level Implementing Agency under which it is mapped. In this way, the claim generated by an Implementing Agency below the first level of hierarchy will be identified in reference to the Implementing Agency having a mention in the virtual ceiling order approved by the Treasury.

However, some Scheme Implementing Departments (SIDs) are having their own IT system to identify, authenticate and record the information with respect to the Beneficiaries of the Scheme. Further, the IT systems are used for preparation and authentication of scheme-based Payment files. In order to facilitate Just-in-Time Smart Payment System, the IT system of the SID can be integrated with the JiTFS functionality of IFMS. Hence, there can be two ways of generation and authentication of e-Payment file at the level of the Implementing Agencies under JiTFS functionality:

- a) Generation of e-Payment file through integration with Department Application
- b) Generation of e-Payment file without Integration

**a) Generation of e-Payment file through integration with Department Application**

In case the Scheme Implementing Department has an IT system which is enabled to generate e-Payment file in reference to a Sanction Order as well as corresponding Virtual Allotment Order, the Departmental system will prepare and push the e-Payment file to IFMS using the integration protocol. IFMS will fetch the said file and populate it at the level of the Implementing Agency to verify and validate the file using his/her User credential in IFMS. Once the Implementing Agency verifies and generates advice using DSC/e-Sign, system will make it available at the level of concerned DDO in the form of a system generated Bill. This Bill will contain Beneficiary list, Sanction Order and virtual allotment order. The bill will be auto-approved at the level of DDO for submission to the drawing Treasury. It will be further auto-approved and advised at the level of Treasury to reach Central Electronic Payment Processing Cell (CePC) of DTI. Any e-Payment file generated by the Implementing Agency will have the reference of the corresponding Sanction as well as Virtual Allotment Order. System will check and validate the payment amount with the available balance against the referral sanction/virtual allotment order for successful generation of e-Payment file. Similarly,

after payment is made, system will auto-update the balance amount available against the sanction/virtual allotment for processing of subsequent e-Payment files. CePC will approve and sends the e-Payment file to e-Kuber of RBI for final payment.

**b) Generation of e-Payment file without Integration:**

The Implementing Agencies using their respective User Credential in IFMS can generate electronic payment files containing the beneficiary details as per the requirement and the Implementing Agency will have to tag the Sanction Order in which spending limit/ceiling has been assigned/ fixed in its favour at the time of generating an e-Payment file. The e-Payment file will contain Sanction Order, Virtual Allotment Order, Implementing Agency Code, Scheme Code, beneficiary name, bank details, amount etc and after generation of advice by the Implementing Agency concerned, system will make it available at the level of concerned DDO in form of a system generated Bill. The bill will be auto-approved at the level of DDO. Further, the system generated bill will be submitted to the treasury and will be auto-approved by the treasury to reach CePC. CePC will push the e-Payment file to e-Kuber platform of RBI for final payment.

**5. Processing at e-Kuber of RBI:**

On the basis of e-payment file received from IFMS, RBI e-Kuber will debit the State Government Account (CFO) by the total amount of the e-Payment file for crediting the same into the bank account of beneficiaries. The Debit Notification (DN) will be shared with the State IFMS. Payments returned by beneficiary's banks will be credited by e-Kuber to the State Government and will be kept under Treasury Suspense. In this regard, RBI will send Return Notification to the IFMS. Settlement of failed transactions is to be addressed as per the provisions in Finance Department O.M. No. 27444/F, dated 26.07.2012.

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