**GOVERNMENT OF ODISHA**
**FINANCE DEPARTMENT**
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**No. 19190/F.,**               **Dated. 29.06.2020**
**FIN-TRY-MISC-0025-2013**

**OFFICE MEMORANDUM**

**Sub: Process for Bulk disbursement of financial benefits to beneficiaries of schemes using the integrated platform of IFMS, Departmental IT system and e-Kuber.**

Traditionally funds relating to social welfare schemes were drawn from the Treasury and transferred to the account of the schemes maintained in various Scheduled Commercial Banks for facilitating immediate transfer of benefits. The final disbursement from the Bank account of the scheme to the beneficiaries was made subsequently upon identification and authorization by the competent authority. Direct disbursement of funds from Treasury to the actual beneficiary was not made due to the following reasons:

1.  The process for Treasury drawal is time consuming.
2.  The schemes which used IT applications to process and approve the claim would find it easy to upload a file with the Banks rather than submitting separate bills to the Treasury.

Electronic disbursement of the State Government payments processed in Treasuries and Public Works Divisions is operational since 2012, using the payment platform of RBI (e-Kuber). In the extant process, DDOs responsible for submission of claims have to enter the Bank details of the beneficiaries in the "beneficiary master of IFMS" and subsequently attach the beneficiary list to the bill at the time of submission of claims to the Treasury. When the numbers of beneficiaries are large, for instance ST & SC Development Department pays scholarships to more than 10 lakh students in a year. It becomes very tedious for the Department to update their DDOs beneficiary master and subsequently link the beneficiaries with the bill.

In view of the above difficulties, it was decided to develop a separate and business friendly system in IFMS 2.0 for facilitating 'Bulk Disbursement'. The new process envisaged integration between the IFMS and the scheme specific IT system for automated exchange of data using server based digital signature. The data received from the IT application of the schemes will be processed in IFMS for auto generation of bills and sanction orders. The DDOs

and the authorized officer for communicating the financial sanction will approve in their interface of IFMS for onward processing at the level of Treasury. The detailed procedure for Bulk Disbursement is narrated below:

## Identification and authorization of beneficiary :

The IT application of the Department/Agencies will collect the Bank details of the beneficiaries and store the information in their database. The field offices responsible for collection of the beneficiary specific information including the Bank details will make due diligence and validate the correctness of the information collected in the Departmental application before authorization for payment as per the guidelines of the scheme.

## Financial sanction :

Financial sanction order has to be issued before drawal of the funds from the Treasury. This sanction can be made on a centralized or in a decentralized basis using the sanction order module of IFMS as per a standard format enclosed in the **Annexure-I.** In case of a decentralized system, the field offices who approve and authorize list of the beneficiary for payment will issue the sanctions using the sanction order module of IFMS. The sanction order for field offices will be automatically generated and made available in their respective logins in IFMS on the basis of information received from IT application of Department.

In case of a centralized system, the field offices will approve the list of beneficiary who received the financial benefit and provide their Bank details in the IT application system of the Department. The information from all field offices will flow from the IT application system of the Department to the IFMS Odisha electronically without any manual intervention using the server based digital signature. Once available in IFMS, a single sanction order in respect of information received from field offices can be prepared and approved by the competent authority at the Department / Nodal Agency. The sanctioning authority in case of centralized drawal would be making his sanction only on the basis of the approved list of beneficiary as identified by the competent authority in the field offices. He would be having no knowledge about the correctness of the payment in respect of individual beneficiary as the approval and identification as has been made in the field offices in the IT application system. He/she shall be responsible for budgetary provision from which the drawal has to takes place besides other provisions as per the Delegation of Financial Power in respect of particular sanction.

On approval of the sanction order in IFMS, the DDO responsible for drawal of funds will be able to submit the bills which are auto generated in the IFMS to the concerned Treasury.

**Preparation of bills :**

The data received from the IT application system of the Department/Agency in IFMS will be used for preparation of bills at the level of DDO. In such arrangement, the bill will be auto generated and the information available in the interface will be in the non-editable mode, except the field relating to bill number. A separate bill format called "Bulk Disbursement Bill" in **Form No. T.O.-13(A)** as at Annexure-II will be used for submission of claims relating to Bulk Disbursement. The DDO will preferably use digital signature for submission of bulk disbursement claim. However, in case where the DDO is not using the digital signature, the ink signature of the DDO will be made once in the bill form at the appropriate place. The signature of DDO on the bill for 2nd discharge to the Bank is dispensed with as the claim is disbursed electronically using RBI's payment platform without being sent through any Agency Bank. The information relating to receive content and receive payment will be available in the pre-printed bill format itself without involving any additional requirement of signature of the DDO.

The DDO will only submit the print out of the claim under his digital signature or ink signature along with the sanction orders. No print copies of the list of beneficiary are required to be submitted to the Treasury. Digitally signed beneficiary list will be available in the PDF format in IFMS for the Treasury to view and process the claims.

In the above facility, the DDO does not require to enter the list of beneficiaries in the beneficiary master as the information relating to Bank details of the beneficiary will be maintained in the IT application of the Department. IFMS interface of DDO will not contain the master data of the beneficiary against which bulk disbursement has been made. In case, any data is required relating to Bank details of the beneficiary to whom payment has been made, the information will be provided by the IT application of the Department /Agency.

**Processing of claims in the Treasury:**

The claims submitted using the bulk disbursement facility will be directly available at the level of Dealing Clerk in the Treasury. The Front Desk receives only the physical copy of the bill along with Book of Drawal and transfers the

same to the concerned Dealing Clerk. The Treasury will either approve or object the claim but cannot make any modification to the bill and by transfer suggested in the bill at their level. In case of bulk disbursement bills, Treasury will ensure that the payment processing is completed within the same day if the bill is received in the first half of the day. However, the bill is received in the second half or the Treasury is otherwise busy, the payment of bulk disbursement bill should be completed maximum within a period of two working days.

**Management, reporting and processing of failed payment:**

The instances of failed payment arising due to erroneous Bank details or other reasons will be returned by the RBI through e-Kuber platform as credit to the Public Account of State Government under the suspense head as per the accounting procedure laid down in Finance Department O.M. No. 27444/F, dated 26.07.2012. After necessary accounting made at the Central Electronic Payment Cell (CePC), IFMS will share the failed payment details to the IT application of the Department through an automated and secured process of data exchange.

IT application of Department/Agency will process the failed payment information received from IFMS and will make it available in the respective interfaces of the competent authorities in the field offices who have approved the payment to the beneficiary. The IT application of the Department may also notify the individual beneficiary regarding the fact of failed payment. After necessary corrections in the Bank details of the beneficiary, the failed payment cases will be resubmitted by the Departmental application to the IFMS in a secured and non-editable format of data transfer.

The Treasury Officer from where the original payment is made will prepare a claim for settlement of failed payment cases received from the IT application of the Department. The bill for settlement of the failed payment will be automatically generated in IFMS as per the Bill Form No. T.O.-13 (A). Treasury will also approve the claim for settlement of failed payment immediately. The settlement of failed payment at the Treasury level should be completed on the same day.

**Unsettled failed payments:**

The failed payment instances remains unsettled due to the want of necessary corrections for a period of 90 days from the date of drawal or till

the end of the financial year whichever is earlier will be credited back to the account of the State Government from which the payment was made as per the procedure laid down in the Finance Department O.M. No. 27444/F, dated 26.07.2012.

**Implementation:**

The above procedure will come into effect immediately after the necessary customizations are made in IFMS. For the intervening period, the Department who has integrated their IT application with IFMS can submit the bill, sanction order in the usual process.

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Sd/-
**Principal Secretary to Government**

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**Office of The** ………………………… , ………………

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Sanction Order No. ------------                    Dt. -------------

(System Generated: Unique Identifier for Bulk Disbursement S.O.)

To,

The Accountant General (A&E), Odisha , Bhubaneswar.

Sub: **Sanction of funds for "Rs. _____" in respect of _____ numbers of beneficiaries on the basis of the approvals made in the _____ Application during the year 2019 - 2020.**

Sir/Madam,

I am directed to convey the sanction of the Governor/Competent Authority for an expenditure of Rs. _____ Rupees ( _____ Only./-) towards……………………….... (Purpose).

The charge is debitable to xx---xxxx---xx---xxx---xxxx---xxxxx---xxx---xx---x---x. This sanction of expenditure is made on the basis of the approvals of the Competent Authorities in the _____ Application. The details of the information leading to this Sanction are available in the IT System _____ Application. Payment details out of the sanctioned fund in respect of individual beneficiary is enclosed in the attached beneficiary list.

Drawing and Disbursing officer (DDO) and the Treasury for drawal of the above sanctioned fund are as below:

1. Drawing & Disbursing Officer-
2. Drawing Treasury-
3. The details as per beneficiary list as Annexure

**Signature of the Sanction Communicating Authority**

**T.O Form No. 13(A)**

**BULK DISBURSEMENT BILL** No.                                    Dated

| Department Office: | Token No :        Date: |
|---|---|
| DDO Code: | Voucher No :        Date: |
| Dept. IT Application File Ref. No. (s): | |
| IFMS Ref No : | |
| Head of Account: | |
| Sanction Order No:                /Date: | |
| **Nature of Payment:** | |
| • _____ (As would be provided by the Deptt.) | |

Description Details:

| Dept. IT Application File Ref. No. (s) | Total No. of Beneficiary* | Bill Gross Amount (Receive Content) | Bill Net Amount (Receive Payment) | Single Highest Amount | Single Lowest Amount | Other Details-I (Optional) | Other Details-II (Optional) |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

Rupees ( _____ only)

1.      Certified that I have satisfied myself about the contents of the bill for which the claim is preferred.

2.      Certified that the amount claimed in this bill has not been drawn previously.

3.      * Individual claim details are as per the Beneficiary List generated from the IT Application system of _____.

Pay Rs. _____    Rupees(_____only)

BT: _____

Gross Total: _____    Rupees (_____only)

Accountant                                Date:

Examined

**Signature of**                                         **Signature of**
**Treasury Officer**                          **Drawing and Disbursing Officer**