

Government of West Bengal
Finance Department
Audit Branch
NABANNA, Howrah

No. 2131-F(Y)

Dated 5th April, 2019

MEMORANDUM

Sub: Introduction of “Administrative Approval and Financial Sanction Module” in IFMS

The Finance Department has been contemplating second generation Public Financial Management reforms through introduction of IFMS 2.0. As part of this exercise, it has been felt that there is a scope for Project-wise administrative approval and financial sanction and Project-wise release of funds within the respective Heads of Accounts. The development of an online System for this purpose has been under active consideration since some time past.

2. Now, therefore, the Governor is pleased to introduce “**Administrative Approval and Financial Sanction**” (AAFS) Module in IFMS. Henceforth, administrative approval and financial sanction to Projects shall be accorded through AAFS Module and release of funds shall also be Project-wise within the respective Heads of Accounts.

The **scope of the AAFS Module** inter alia includes:

- i. **Creation of Projects** and assignment of System generated **Unique Project ID**.
- ii. **Generation of online Statement A, B, C, E, H, etc.** in terms of FD Memo. No. 91-FB dated 19/04/2018.
- iii. **Online generation of U.O. No.** in AAFS Module in IFMS itself by respective Departments / Finance Department as per the delegation of financial powers in the State Government.
- iv. **Online generation of the Administrative Approval** by respective Administrative Departments.
- v. **Online release of funds Project-wise in IFMS** against such administratively approved Project.

3. For implementation of AAFS Module, the respective Departments shall designate a Nodal Officer from among the Officers dealing with matters related to administrative approval and financial sanction.

4. **Definitions & modalities:**

- i. **Project** – A Project is a task(s) undertaken by an Administrative Department for works, procurement of goods or for any social benefits in order to reach a specific outcome.

A Project shall essentially have one or multiple Heads of Accounts (HoAs) from which the expenditures shall be met up, a defined sum within which the Project has to be accomplished, a Financial Year-wise financial sanction limit within which the expenditure has to be made, an administrative approval from the Administrative Department which is the owner of the Project and an Executing Authority(s) which implements the Project.

- ii. **Administrative Approval** – An Administrative Approval is the in-principle approval accorded to a Project by its owner Department within its delegated power or after concurrence of Finance Department stating a certain sum within which the Project is to be completed under identified HoAs of the Owner Department.

The Administrative Approval shall clearly mention the name of the Project, Location(s), Target Date of Completion of the Project, the Executing Authorities of the Project, Financial Year-wise financial sanction of the Project. All proposals of Administrative Approval shall be accompanied with relevant Statements in terms of FD Memo. No. 91-FB dated 19/04/2018.

- iii. **Phasing of Expenditure** – It is the Financial Year-wise breakup of expenditure that is to be clearly mentioned in the Proposal of Administrative Approval of the Project, the cumulative sum of which shall be equal to the administratively approved amount of the Project.
- iv. **Financial Sanction** – Financial Sanction for a Project for a year is the limit within which fund can be released under the HoAs for the relevant Financial Year under which the Project has been sanctioned. The approved Financial Year-wise Phasing of Expenditure after a Project has been accorded administrative approval shall be considered as the Financial Sanction of the Project.

- v. **Revised Administrative Approval** – Revised Administrative Approval means the approval accorded to the modifications in original Administrative Approval by the same authority who accorded the original Administrative Approval provided it is within its delegated financial powers.

All proposals of Revised Administrative Approval shall be accompanied by Statement-B in terms of FD Memo. No. 91-FB dated 14/04/2018.

The following modifications in the original Project shall be only considered for revised administrative approval:

- a) **Change in the scope** of the original Project.
 - b) **Change in the name of the Project due to change in the scope** of the original Project.
 - c) **Change in HoAs** from which the original Project was sanctioned except in cases when the Demand No. of a Project has been changed in the State Budget itself or a HoA has been abolished and is substituted by a new HoA in the State Budget.
 - d) **Change in the amount** of the original Administrative Approval.
 - e) **Change in the total duration** of the original Project **beyond 3 (three) months** of the Target Date of Completion of the Project.
- vi. **Release of funds** – Release of funds during a Financial Year is the allotment of funds made for a particular Project within the limits of the financial sanction of that Project for that Financial Year. All proposals for release of funds under State Development Schemes, State Development Scheme (Central Assistance) and Central Sector Scheme (erstwhile Planned Fund) shall be made with the approval of the Departmental Secretary upon the recommendation of Financial Advisor, and U.O. No. for such release shall be given by the FA of the Department within the ceiling limit of Budgetary provision released to the Administrative Department.
- vii. **Re-appropriation of fund between Projects** – No expenditure can be made by the Executing Authority beyond the financial sanction of a Project for a Financial Year. Also, no fund can be released by the Sub-Allotting Authority beyond the limits of the financial sanction of the Project for the relevant Financial Year. In case fund for a Financial Year for a Project cannot be fully utilised, then the Owner Department which has accorded the administrative approval shall only be authorised to re-appropriate the fund between Projects provided the Project from which the fund is surrendered and the Project to which the fund is re-appropriated have been administratively approved under the same HoA.
- viii. **Auto adjustment of unutilised fund** – If the fund released against the Project is less than the financial sanction of that financial year, the unutilised sum will be automatically carried forward and added with the financial sanction for the next Financial Year for that Project. The overall financial sanction for the next financial year will be taken as the sum of the financial sanction for next financial year already pegged & the unutilised carried forward sum from the previous Financial Year for that project. However, the overall Budgetary provision under that HoA shall remain unchanged despite such carried forward sum.
- ix. **Ongoing Projects** – Ongoing Projects are those Project(s) for which either the scope of work that was accorded administrative approval has not been completed and /or some payments are yet to be made as on 01.04.2019 and the Department intends to carry on the Project(s) till its physical and financial completion.

5. **Procedure to be followed in AAFS:**

- i. **Entry of new Projects** – Joint Secretary and above rank Officers so authorized by their Department shall enter Project related details and initiate a Project in AAFS Module of IFMS using login credentials by providing inter alia the following details:
 - a) Name of the Project
 - b) Location
 - c) Heads of Accounts
 - d) Year-wise Phasing of Expenditure
 - e) Proposed Administrative Approval amount
 - f) Cost Break-up
 - g) Project Executing Authority
 - h) Project Commencement Date and Target Completion Date

- ii. After online submission of such Project a **Unique Project ID** will be generated and the Project will be forwarded online to the Financial Advisor of the Department.
- iii. Statement-A shall be generated from AAFS and attached / uploaded with eOffice file / physical file, as the case may be, in which the Project Proposal has been initiated.
- iv. Simultaneously the eOffice file / physical file with all other relevant information and documents shall be sent to the FA following normal process that already exists in the Department presently.
- v. The Departmental Financial Advisor shall put his recommendation /views as is done presently in the eOffice file / physical file and forward to the Departmental Secretary.
Thereafter,
 - a. If the proposed Administrative Approval amount is within the Financial Power delegated to the Department and if the Departmental Secretary accords his approval then the file shall be returned back by the Departmental Secretary to the FA after according approval. Thereafter, FA shall generate U.O. No. in the AAFS Module against approvals accorded by the Departmental Secretary and upload/attach the U.O. document generated from AAFS Module in the e-Office file / physical file, as the case may be.
 - b. If the proposed Administrative Approval amount is beyond the Financial Power of the Department and if the Departmental Secretary accords his concurrence then the file may be sent to Finance Department as per current practice. For proposals sent to Finance Department, the FA of the Department shall also send the project to concerned Group of Finance Department through AAFS Module. Concerned Administrative Group of Finance Department shall process the eOffice file / physical file and if concurrence is accorded on file, the Administrative Group shall thereafter generate U.O. No. in the AAFS Module and revert the project to the Administrative Department in eOffice file/physical file and also in AAFS Module.
- vi. The Departmental Authority who initiated the Project Proposal in AAFS Module shall generate the Administrative Approval and Financial Sanction order for projects against which U.O. Nos. have been generated.

6. **HoAs for which Administrative Approval is required to be accorded through AAFS Module:**

Projects under the following HoAs shall **mandatorily** be accorded Administrative Approval through AAFS Module only:

Scheme Type	Revenue Head	Capital Head
Other Administrative Expenses	Administrative Approval Not Required	Administrative Approval is required for those Capital Heads having Detailed Heads 22, 27, 51, 52, 53, 60, 77 and 87
State Development Scheme	Administrative Approval is required for those Revenue Heads having Detailed Head 19, 22, 27, 77	
State Development Scheme (Central Assistance)	Administrative Approval is required for those Revenue Heads having Detailed Head 19, 22, 27, 77	
Central Sector Schemes	Administrative Approval is required for those Revenue Heads having Detailed Head 19, 22, 27, 77	

For other HoAs as well, wherever a Project is to be executed, it shall also be accorded Administrative Approval through AAFS Module only. However, all activities and expenditure under such HoAs may not be relevant for Projects and, therefore, those HoAs are not listed above.

7. **Entry of Ongoing Projects:**

There may be many ongoing projects as on 01.04.2019. All these Projects have also to be entered in the System by the Owner Department concerned through "**Legacy Projects**" Functionality in AAFS Module.

For Ongoing Projects, the phasing of expenditure shall be entered considering the administrative approval amount and the expenditure actually made till the previous Financial Year 2018-19.

No U.O. No. shall be given by FA of the Department in AAFS Module for Ongoing Projects though there shall be scope for inserting the manual U.O. No. given previously when the Project was accorded administrative approval in file.

For example, if a Project has been administratively approved by H&FW Department, then the details of the Ongoing Project shall be entered in the AAFS Module by H&FW Department. To illustrate further for such a Project:

- a) Name of the Project: Construction of Super Speciality Hospital
- b) Head of Account: 4210-01-110-001-002-53
- c) Administrative Approval and Financial Sanction: Rs. 1,00,000/-
- d) Original Phasing:

Year	Amount
1 (2018-19)	Rs. 20,000/-
2 (2019-20)	Rs. 30,000/-
3 (2020-21)	Rs. 50,000/-
- e) Project Year as on date of entry in AAFS Module: 2nd Year
- f) Expenditure made till the end of 1st Year: **Rs. 15,000/-**
- g) **Financial Sanction to be entered in AAFS Module:**

Year	Amount
2	Rs. 35,000/- [i.e. Rs. 30000/- + (20,000- 15,000)]
3	Rs. 50,000/-

8. **Project-wise distribution of fund:**

For all Projects where Unique Project IDs have been generated through AAFS Module, release of fund can only be made Project-wise through e-Bantan Module in IFMS.

9. **Submission of Bills:**

For all Projects where Unique Project ID have been generated through AAFS Module, drawal of bills can only be done Project-wise. If there is insufficient fund against any Project ID then the DDO concerned shall not be able to submit bill to Treasury in spite of the fact that there is sufficient fund available under the same HoA for other Projects. However, the Department which has released the fund shall be able to re-appropriate funds between different Projects under the same HoA.

10. Necessary modifications in WBFR shall be made in due course.

11. This Order shall come into effect w.e.f. 1st April, 2019.

(H.K. Dwivedi)

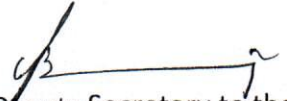
Additional Chief Secretary to the
Government of West Bengal

No.2131/1(500)-F(Y)

Dated, the 5th April, 2019

Copy forwarded for information and necessary action to:

1. Principal Accountant General (A&E), West Bengal, Treasury Buildings, 2, Government Place West, Kolkata – 700001.
2. Principal Accountant General (Audit), West Bengal, Treasury Buildings, 2, Government Place West, Kolkata – 700001.
3. Accountant General (Receipt Works & Local Bodies Audit), West Bengal, CGO Complex, 3rd MSO Building, 5th Floor, Block DF, Sector I, Salt Lake, Kolkata – 700064.
4. Additional Chief Secretary / Principal Secretary / Secretary, _____ Department.
5. Special Secretary/Additional Secretary/Commissioner/Joint Secretary/Deputy Secretary, Finance Department.
6. Financial Advisor, _____ Department.
7. Commissioner, _____ Division, _____
8. Director, _____
9. Director of Treasuries & Accounts, West Bengal, Mitra Building, 8, Lyons Range, 3rd Floor, Kolkata – 700001.
10. District Magistrate / District Judge / Commissioner of Police / Superintendent of Police _____
11. Sub-Divisional Officer, _____
12. Block Development Officer, _____.
13. Pay & Accounts Officer, Kolkata Pay & Accounts Office-I, 81/2/2, Phears Lane, Kolkata – 700012.
14. Pay & Accounts Officer, Kolkata Pay & Accounts Office-II, P-1, Hyde Lane, Kolkata – 700073.
15. Pay & Accounts Officer, Kolkata Pay & Accounts Office-III, IB Market, 1st Floor, Block IB, Sector III, Salt Lake, Kolkata – 700106.
16. Treasury Officer, _____
17. Group ____ / _____ Branch, Finance Department.
18. Sri Sumit Mitra, Network Administrator, Finance (Budget) Department. He is requested to upload copy of this order in the website of Finance Department.


Deputy Secretary to the
Government of West Bengal