WELCOME TO THE DISCUSSION ON

Introduction of "Administrative Approval and Financial Sanction Module" in IFMS

Applicability & Objective of AAFS

➢ Introduced from the current Financial Year 2019-2020 for according online administrative approval and financial sanction to Projects as a part of Second Generation Public Finance Management reforms IFMS 2.0.

➢ Widening the scope for Project-wise administrative approval/ financial sanction/ release of funds within the respective Heads of Accounts.

➢ Facilitating a particular Administrative Department to instantly track the financial progress of individual projects in IFMS 2.0 itself from commencement stage to completion within a Financial Year and across multiple financial years.

➢ At present detailed HoA/Cs "19", "27", "52" "53", "60", "77" under the State Development Scheme have been placed under AAFS Module.

Components

1. Creation of New Project;

2. Updation of ongoing projects in AAFS module under legacy project;

3. Release of Fund;

Steps

➢ Creation of "Departmental Authority Approver" by the Departmental Super User by generating login ID/password and giving AAFS Role to the user.

➢ The user i.e., the DAA shall act as the approver of the projects initiated in AAFS module.

➢ The approver shall be able to create operators under them.

Definitions & Modalities

➤ **<u>PROJECT</u>**

Task undertaken by an Administrative Department for works, procurement of goods or for any social benefits to reach a specific outcome.

i) One or multiple Heads of Accounts;

ii) Defined Sum;

iii) Financial Year-wise financial sanction limit;

iv) Administrative approval from the concerned department;

v) Executing Authority

Definitions & Modalities

- **Administrative Approval**
- In-Principle approval accorded to a Project by its owner Department within its delegated power or after the concurrence of FD stating stipulated sum for completion of the project and HoA/C of the Department.

i)   Name of the Project;

ii)   Location(s);

iii) Target date of completion

iv)   Executing Authority(s)

v)   Financial Year wise financial sanction

 # Admin. Approval proposal has to be accompanied with relevant Statements in terms of FD Memo No. 91-FB dated 19/04/2018.

Definitions & Modalities

➢ **<u>Phasing of Expenditure</u>**

Financial Year-wise breakup of expenditure that is to be clearly mentioned in the Proposal of Administrative Approval.

➢ **<u>Financial Sanction</u>**

i) FS for a project for a year is the limit within which fund can be released under the HoA/Cs for the relevant Financial Year;

ii) 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;

Definitions & Modalities

> **Revised Administrative Approval**

Approval accorded to the modifications in original Administrative Approval by the same authority who accorded original Admin. Approval, provided it is within its delegated financial powers.

Modifications allowed:-

i) **Change in the scope**

ii) **Change in name due to change in scope**

iii) **Change in HoAs** (in case of changed Demand No. in the State Budget, abolition of a HoA and the same being substituted by a new HoA)

iv) **Change in the amount**

v) **Change in the total duration** of the original Project beyond 3 (three) months of the Target Date of Completion of the Project.

Definitions & Modalities

> **<u>Release of funds</u>**

Fund can be released for a particular project within the limits of the financial sanction of that project for that Financial Year.

Pre-requisites

i)   Recommendation of Financial Advisor and U.O. No. to be given by the FA;

ii)   Approval of the Departmental Secretary

Definitions & Modalities

> **Re-appropriation of fund between Projects**

i) No expenditure can be made by the Executing Authority beyond the financial sanction of a Project for a Financial Year;

ii) No fund can be released by the Sub-Allotting Authority beyond the limits of the financial sanction of the Project;

iii) In case of partial utilization of fund for a particular project, only the Owner Department which has accorded administrative approval shall be authorized 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.

Definitions & Modalities

➤ **Auto adjustment of unutilized fund**

i) If fund released against a particular Project is less that the financial sanction of that financial year, the unutilized sum will be automatically carried forward and added with the financial sanction for the next Financial Year for that Project.

ii) Overall financial sanction for the next financial year = sum of the financial sanction for the next FY already pegged + unutilized carried forward sum for the previous FY for that project.

iii) Overall Budgetary provision under that HoA shall remain unchanged despite such carried forward sum.

Definitions & Modalities

➢ **Ongoing Projects**

Projects 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

Procedure – Administrative Approval

Entry of new Project with details and initiation of Project in AAFS Module of IFMS using login credentials by Departmental Operator

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Online submission of Project by departmental operator

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Generation of Unique Project ID by Departmental operator

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Online forwarding of the Project to the Departmental Authority Approver.

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Generation of Statement – A from AAFS at the level of departmental authority approver.

Procedure – Administrative Approval

Online forwarding of the Project to the Financial Advisor

Statement – A to be attached / uploaded with e – office file / physical file.

E – office file / physical file with all other relevant information / document to be sent to FA

FA to recommend or offer views in the e – office file / physical file.

FA to forward the file to the Departmental Secretary

Procedure – Administrative Approval

Departmental Secretary to accord approval and return the file to the FA, if the proposed Admin. Approval amount is within the Financial Power delegated to the Department.

File may be sent to Finance Department on concurrence of Departmental Secretary, if the proposed Administrative Approval amount is beyond the Financial Power of the Department.

FA to generate U.O. No. in the AAFS Module. U.O. document to be uploaded/ attached in the e-Office file/ physical file.

FA to send the project to concerned Group of FD through AAFS Module. FD to process file. If concurrence accorded, U.O. No. to be generated in the AAFS Module. Project to be reverted back to the Admin. Department in either way.

Departmental Authority Approver to generate the Administrative Approval order for projects against which U.O. Nos. have been generated.

Procedure - Financial Sanction

Approver will forward the fund release request to FA

Approver has to generate Statement A

After FA giving the necessary concurrence, the fund will be available for e-bantan

Concerned Administrative Branch has to forward the file to Audit & Budget Branch for release of fund

Entry of Ongoing Projects

➢ Projects which are ongoing on 01/04/2019 needs to be entered in the System by the Owner Department through "Legacy Projects" Functionality in AAFS Module.

➢ Phasing of expenditure shall be entered considering the administrative approval amount & expenditure actually made till previous FY.

➢ No U.O. No. to be given by FA in AAFS Module.

➢ There is scope to insert manual U.O. No. given previously when the Project was accorded administrative approval.

Entry of Ongoing Projects

➢ **Example**

A Project has been administratively approved by IC&E Department, then the details of the Ongoing Project shall be entered in AAFS Module by IC&E Department

➢ **Illustration**

i)   Name of the Project: Setting up of Petrological, Geochemical, Geophysical Laboratory at Purulia- Minor Works/ Maintenance

ii) Head of Account: 75-2853-02-102-017-27-00-V

iii) Administrative Approval & Financial Sanction: Rs. 2,00,000/-

iv) Original Phasing:

Year	Amount
1. (2018-2019)	Rs. 30,000/-
2. (2019-2020)	Rs. 50,000/-
3.(2020-2021)	Rs. 1,20,000/-

v) Project Year as on date of entry in AAFS Module: 2nd Year

vi) Expenditure made till the 1st Year: Rs. 20,000/-

vii) Financial Sanction to be
entered in AAFS Module:

Year	Amount
2	Rs. 60,000/- [i.e., Rs.50,000/- + (30,000-20,000)]
3	Rs. 1,20,000/-

Project-wise distribution of fund
&
Submission of Bills

➢ Distribution of fund Through e-Bantan Module in IFMS

➢ **<u>Pre-requisites</u>**

i)   Generation of Unique Project IDs through AAFS Module

ii) Project-wise release of Fund

➢   Submission of Bills

i)   Generation of Unique Project IDs through AAFS Module

ii) Project-wise drawal of bills

iii) Sufficient fund against that particular Project

THANK YOU