

File No. 17060/193/2015 DDU-GKY
Government of India
Ministry of Rural Development
(Rural Skills Division)

New Delhi, dated 25th August 2015

Sub: Minutes of the Meeting held on 05th August 2015 on Financial Matters relating to implementation of DDU-GKY.-Reg.

Madam/ Sir

I am directed to refer to this Ministry's letter of even number dated 06th August 2015 on the subject mentioned above and enclose herewith minutes of the meeting held on 05th August 2015 for necessary action. The Minutes are also available on the website www.ddugky.gov.in


(S.B. Tiwari)

Under Secretary to the Government of India
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To,

1. All CEO, State Rural Livelihood Mission
2. SPM (Finance) / Finance officer in-charge of DDU-GKY projects
3. Shri M. Ravi Babu, NIRD, Hyderabad
4. Shri Arun Tallur, NABCONS, New Delhi

Copy for information to:

1. Joint Secretary (Skills), Ministry of Rural Development
2. COO (Skills), Ministry of Rural Development

Minutes of the meeting on financial matters relating to implementation of DDU-GKY held on 5th August, 2015 at Conference Hall, CAPART, Lodhi Road, New Delhi.

1. A list of participants is given at Annexure-1
2. The meeting discussed the following agenda items for which outcomes and discussion were as follows:

2.1 Agenda 1(a) # Orientation on PFMS

2.1.1 An orientation on functioning of Public Financial Management System (PFMS) and role of State Government was given to the State representatives. PFMS is the end-to-end fund flow management system for transparency and increased efficiency in fund releases for Centrally Sponsored Schemes. This has been adopted by the DDU-GKY and all fund releases and expenditures in DDU-GKY projects are required to be undertaken on PFMS.

2.2 Agenda 1(b) # Review of readiness of States to commence PFMS transactions

2.2.1 In continuation to the PRC meeting, where all the State Governments had been requested to register and migrate to PFMS, the status and preparedness of each State to implement the PFMS was undertaken and observations were made. (*Observations as attached in annexure - Table 1: Readiness of States for PFMS implementation*)

2.2.2 The timelines for completing the PFMS integration was again shared with the State representatives. The Ministry requested the States to complete the tasks within the given timelines. *The timelines are state in Annexure - Table 2: Action Plan for PFMS implementation in States.*

(Action: All State Governments)

2.3 Agenda 2(a) # Orientation on furnishing of Utilization Certificate by CTSAs/SRLMs

2.3.1 The Ministry representative stated that all SRLMs/State Nodal Skills Mission and Central Technical Support Agencies (CTSAs) are required to furnish Utilization Certificate annually to the Ministry and the State

Government. It was also stated that in case a SRLM/State Nodal Skills Mission is seeking second installment before a Financial Year is ended (i.e. on 31 March of the year), it shall be required to submit provisional UC for the part period only. The Ministry approved format for UC was shared with all the State representatives.

2.3.2 It was further stated that any amount recovered from the PIAs by the SRLMs/ State Nodal Skills Mission or CTSA's as penalty or in case of foreclosure or termination of a project may be used for sanctioning fresh projects or servicing of existing projects with MoRD's approval or money shall be returned back to Central and State Government in fund sharing ratio as given in the Guidelines. It was also stated that the State Governments are authorized to recover the money in such cases from a PIA using the Public Debt Recovery Act or any other similar Act of the State Government.

2.3.3 The State representatives requested that the UC format may be modified to capture details on interest earned on the funds released to the SRLMs/State Nodal Skills Mission or CTSA's. The Ministry agreed to take this up for necessary approval.

(Action: MoRD)

2.4 Agenda 2(b) # Review of funds utilized by SRLMs and pending UCs

2.4.1 Status of fund utilization was reviewed for each State. It was observed that SRLMs/State Nodal Skills Mission in the States of Bihar, Gujarat, Kerala, Odisha, Rajasthan, Tamil Nadu and Uttar Pradesh are yet to submit their UCs for the funds released to them for their respective Action Plans. The Ministry requested the States to submit the same by 30th August 2015 so that the Ministry is able to prepare its revised budgetary requirements.

(Action: State Governments of Bihar, Gujarat, Kerala, Odisha, Rajasthan, Tamil Nadu and Uttar Pradesh)

2.5 Agenda 3 # Consultation on Applicability of Tax Deducted at Source (TDS) on Grants-in-Aid released for DDU-GKY projects

2.5.1 After a detailed discussion on the subject of applicability of TDS on Grants-in-Aid released for DDU-GKY projects, following recommendations were made by the States:

- a. No TDS shall be leviable on funds released under DDU-GKY as these are Grants-in-Aid
- b. DDU-GKY Guidelines should clearly specify that funds released for

DDU-GKY Action Plans /projects are Grants-in-Aid.

2.5.2 The Ministry stated that this issue has been referred to the Ministry of Finance for clarification, and the same would be followed up for an early resolution.

(Action: MoRD)

2.6 Agenda 4 # Orientation on Financial SOP by NIRD

2.6.1 An orientation on Chapter 8 of Standard Operating Procedures (SOP-II) on "Project Financial Procedures" to all State representatives was given by NIRD.

2.6.2 After the orientation, State Representatives suggested the incorporation of following provisions in Chapter 8 of SOP-II:

a. Petty cash transactions to be limited to Rs.20,000/- (as per Income Tax Act)

(Action: NIRD)

b. Depreciation to be allowed to be booked in PFMS also.

(Action: MoRD)

3 Future plan of Action

It was agreed that a bi-monthly meeting on financial matters shall be conducted by Rural Skills Division on DDU-GKY with the States and CTSA's to review the following:

a. PFMS implementation

b. SOP compliances by the PIAs working in that State

c. Status of Funds Utilization by the SRLMs/State Nodal Skills Missions for DDU-GKY.

d. Any other financial aspects

Attendance sheet for the financial meeting with States and CTSAs on 5th August 2015

S. No.	Name	Designation	State
1	Manu Mahajan	Core Faculty	Himachal Pradesh
2	Dr. Ramesh Sharma	SPM-HPSRLM	Himachal Pradesh
3	Sudhir D. Raut	Sr. Accounts Officer	Maharashtra
4	Abhay B. Tijore	State Coordinator	Maharashtra
5	Sanjeev K Aggarwal	Chief Accounts officer	Punjab
6	Amandeep Kaur	Accounts assistant	Punjab
7	D Subramanian	Assistant project officer	Tamil Nadu
8	Sasikala S.	Financial Advisor	Tamil Nadu
9	Ankita Pande	Associate Project Consultant	NABCONS
10	Shailendra Singh	SPM-MPSRLM	Madhya Pradesh
11	Dhirendra Singh	SPM Skills	Madhya Pradesh
12	Ashutosh Chaturvedi	Finance and Accounts officer	Uttar Pradesh
13	Mohd. Shoeb	Accountant	Uttar Pradesh
14	Kumara Swamy	SPM Jobs	Karnataka
15	G Deepti	Finance Officer	Telangana
16	Bibhu Behura	Finance Expert	Odisha
17	Ajith Chacko	PM	Kerala
18	Santosh Kumar S	Finance officer	Kerala
19	P P Bhalla	Manager (F&A)	Haryana
20	J R Sarangal	SPM Skills	Haryana
21	M Vijay Kumar	SMM, EGMM	Andhra Pradesh
22	Prakash Sehta	SPM(FM)	Chhattisgarh
23	Rajat Choubey	ASPM	Chhattisgarh
24	R M Kalra	GM (A/F) GLPC	Gujarat
25	K.M. Jaiswal	PM (A/F) GLPC	Gujarat
26	A.K. Srivastava	Consultant	NABCONS
27	V Raghavendra	PM(A)	NIRD
28	Lijomon Joy	Project Assistant	NABCONS
29	C. Vivekananda	PM(A)	NIRD
30	Vijay Kumar Mishra	Finance Manager	Jharkhand
31	Anirudha Pandey	PM - Finance	Jharkhand
32	Gyanesh Singh	Mgr.	Bihar
33	Arun Tallur	Vice President	NABCONS
34	Sunil Soni	Chief Accounts officer	Rajasthan
35	Arun Kr. Mishra	Finance	Rajasthan

Readiness of States for PFMS implementation

State	Registration details of SRLM to NIRD	Create Two person team at SRLM and training sessions for them	Ensuring pre-requisites are met	Cancelled cheque and PRN registration details for all PIAs to NIRD	Training sessions for PIAs co-led by State and TSA master trainers	Implement PFMS for all projects and monitor financial progress via PFMS
Andhra Pradesh						
Bihar	✓		Before registering PIAs, States should ensure that pre-requisites for implementation of PFMS are met.		After all PIAs are registered on PFMS. Trainings can be held in the same way as done for YP/Roshni projects. State and TSA shall be leading the training sessions.	Once PIAs start filing expenditures for FY 2014-15 and FY 2015-16, financial monitoring of their fund status could be done though PFMS itself.
Gujarat	✓	Once the States intimate us with the contact details of their State nodal people for PFMS. Trainings can be initiated.		✓		
Kerala	✓					
Odisha	✓					
Rajasthan	✓					
Tamil Nadu						
Uttar Pradesh						
Telangana	✓					
Karnataka						
Maharashtra						
Punjab						

Action Plan for PFMS implementation in States

Responsibilities of States and timelines for each task

- Step 1: Provide PFMS registration details for SRLM to NIRD for registration – to be sent by 7th August 2015
- Step 2: Create 2 person team to drive PFMS implementation. Coordinate training session with TSA master trainers – Names to be provided within a week from today i.e. 05th August 2015. Training to held in the first week of September 2015
- Step 3: State PFMS team ensures pre-requisites are met – Within a week from today i.e. 05th August 2015 i.e. by 12th August 2015
- Step 4: Provide cancelled cheque and PRN registration details to NIRD for PIAs that satisfy pre-requisites, along with excel sheet compiling all information sent – to be sent by 17th August 2015
- Step 5: Implement PFMS for all projects. – Ensure enrolment of PIAs by CTSA on PFMS by End of August 2015
- Step 6: Coordinate training sessions for PIAs co-led by State and CTSA master trainers and ensure PIAs attend the trainings – Training to be held in the Second and Third week of September 2015
- Step 7: File legacy data for FY 2014-15 by Mid October 2015 and begin E-payments for FY 2015-16
- Step 8: Generate UC for FY 2014-15 from PFMS by Mid-November 2015
- Step 7: Monitor financial progress of all projects via PFMS.