

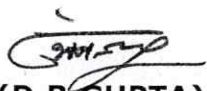
**FINANCE DEPARTMENT**  
**(PFMS-BUDGET DIVISION)**  
**Government of National Capital Territory of Delhi**  
**4<sup>th</sup> Level, B-Wing, Delhi Secretariat, I.P. Estate, New Delhi**

F.No.47/3/2021-AC (Part File)/1641-1644 Dated: 09/08/2024

**ENDORSEMENT**

The copy of under mentioned Office Memorandum is forwarded herewith for information and necessary action to the following:

1. All Head of Department, Govt. of NCT of Delhi
2. Dy. Controller of Accounts (Accounts), Principal Accounts Office, Govt. of NCT of Delhi.
3. Guard File
4. System Analyst with the request to upload the same on Website of Finance Department.

  
**(D.B.GUPTA)**  
**DIRECTOR (BUDGET)**

NAME OF MINISTRY/ DEPARTMENT	OM NO. & DATE	SUBJECT
PFMS (HQ), Controller General of Accounts, Department of Expenditure, Ministry of Finance, Government of India	V-13022/5/2023-PFMS/ C.No.13177/2020 Dated 08.07.2024	Guidelines for Banks and Agencies for opening, closing and handling SNA/CNA/ZBSA accounts.

67/c

V-13022/5/2023-PFMS/C.No. 13177/ 2020  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
CONTROLLER GENERAL OF ACCOUNTS  
PUBLIC FINANCIAL MANAGEMENT SYSTEM (HQ)

3<sup>rd</sup> Floor Shivaji Stadium Annexe

New Delhi-110001

Dated: 08/07/2024

Office Memorandum

**Subject: -Guidelines for Banks and Agencies for opening, closing, and handling SNA/CNA/ZBSA accounts.**

Reference is invited to DoE OM dated 23.03.2021 regarding the Revised procedure for the release of funds under Centrally Sponsored schemes and OM dated March 09, 2022, on the revised procedure of flow of funds under Central Sector Schemes, consequent upon which this office has issued an OM dated 11/10/2023(copy enclosed) over guidelines for Banks and agencies for opening, closing and handling SNA/CNA/ZBSA accounts.

2. In the past few instances, serious lapses were observed in many cases from both the agencies and the banks in the procedural implementation of the guidelines mentioned in the ibid OM.
3. About this connection, the action that needs to be strictly monitored on behalf of the agencies and the banks are once again reiterated:-

**Action at the level of Agencies:-**

- i. Agencies are advised to avoid converting existing or pre-opened accounts to a Zero Balance Subsidiary Account (ZBSA) for mapping with SNA/CNA. Instead, they should attempt to open a new ZBS account. In the case of conversion, all balances in the account should be cleared or transferred out beforehand. No previous balances should remain in the account after the conversion.
- ii. Agencies should avoid using the ZBS account for any receipt of fund. The purpose of ZBSAs is to link it to the SNA account for the execution of payment with a clearly defined drawing limit allocated.
- iii. When opening bank accounts, agencies should inform the bank about the intended purpose of the account. This will allow the bank to flag the accounts appropriately, and the information will be updated in the PFMS record through the bank account validation.
- iv. Agencies should share their allocated limit with their associated banks to ensure effective monitoring of the financial limit before processing the payment file. Any updates to the limit should be promptly communicated to the banks for timely updation.
- v. Any changes to the bank account by the SNA/CNA must have prior approval from the Finance Secretary. Furthermore, advanced notice must be given to all child agencies to prevent any payments from being made on the date the account is closed.

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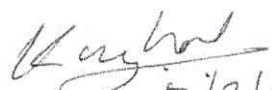
- vi. Agencies must regularly and promptly reconcile balances and financial limits with banks. Report any discrepancies to banks for immediate corrective actions.
- vii. Agencies should refrain from requesting additional banking services in the SNA/CNA/ZBSA accounts other than prescribed in the OMs issued by the DoE and PFMS.

**Action at the level of Banks:-**

- i. Banks should ensure that the criteria for opening an SNA/CNA account as a savings account and ZBSA, as well as Holding account, shall be a non-interest-bearing account as per DoE guidelines are strictly followed. Such guidelines shall be communicated to all down-the-ladder branch officials so that they are well-informed and educated to avoid making any errors in account opening.
  - ii. No regular banking services such as the issue of cheques or, the opening of Fixed Deposits shall be entertained in these accounts under any conditions, if possible, the mechanism should be developed such that these types of services shall not be activated for these accounts.
  - iii. Banks should reconcile ZBS accounts opened under SNA/CNA with the agencies. At the time of account validation, banks should mention the type of accounts such as SNA/CAN/ZBSA.
  - iv. The bank should strictly monitor the allocation limits of the agencies, and any payments from ZBSA should only be made if funds are available in the primary account. Adjustment of funds should not be made through branch transfers or by issuing cheques to settle discrepancies in these accounts.
  - v. Reference is made to the SOP issued by the Banking vertical of PFMS regarding the handling of Zero Balance Subsidiary Accounts. Banks have been directed to ensure that no balance remains in the ZBS accounts, meaning that all ZBS accounts should have a zero balance at the end of the day.
  - vi. Additionally, all banks must monitor the balances of ZBS accounts daily and need to submit a report every fortnight to O/o PFMS. In case balances are found under ZBS accounts, they should be reported along with the reasons, and immediate steps should be taken to transfer the balances to the parent account.
  - vii. All SNA/CNA handling banks should mandatorily implement all banking system protocols communicated by PFMS.
4. All the banks integrated with PFMS are once again requested to strictly adhere to the SOP and guidelines issued in respect of opening, closing, and handling of SNA/CAN and ZBSA accounts.

This issue with the approval of Joint. CGA, PFMS Division.

Encl: - As Above

  
(Kaushal Kishore Meena) 5/7/24  
ACGA (PFMS)



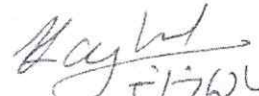
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To,

1. All SNA/CNA Banks with directions to issue necessary instructions to all branches holding ZBSA.
2. Jt. CGA (Roll out) for dissemination to all State Directorate for further circulation to all the agencies through State Finance Departments.

Copy for Information to: -

1. PS to Controller General of Accounts
2. PS to Add. CGA, PFMS, O/o CGA
3. PS to Jt. CGA (GBA/GIFMIS/DBT/TRBR), O/o CGA
4. DDG/SR.TD, NIC, PFMS
5. Dy. CGAs/ACGAs/ACAs, PFMS
6. OSD(I/II), PFMS
7. SR. AO (Banking/Rollout/DBT)

  
ACGA (PFMS) 17/7/24



(C.No.13177) V-13022/5/2023-PFMS / 7 481-7490  
Government of India  
Ministry of Finance/Department of Expenditure  
Controller General of Accounts  
Public Financial Management System

Dated: 11/10/2023

## OFFICE MEMORANDUM

**Subject: Guidelines for Banks and Agencies for opening, closing and handling SNA/CNA/ZBSA accounts.**

Department of Expenditure vide OM dated March 23, 2021 had issued Revised procedure of flow of funds under Centrally Sponsored Schemes and vide OM dated March 09, 2022 issued Revised procedure of flow of funds under Central Sector Schemes. Apart from this, few instructions vide OMs/FAQ related to Banks accounts such as SNA account needs to be interest bearing, No cheque book etc. has been issued from time to time.

It has been decided by the Competent Authority to issue consolidated guidelines for banks and agencies for opening and operation SNA/CNA/ZBSA accounts.

Guidelines for Opening, closing and handling SNA/CNA/ZBSA accounts, as annexed may strictly be followed.

(Kaushal Kishore Meena)

Asst. Controller of Accounts (Banking)

To

1. All SNA/CNA Banks
2. Jt. CGA (Roll out) for dissemination to all State Directorate for further circulation to all the agencies through State Finance Departments.

Copy for information to:

1. PS to Controller General of Accounts
2. PS to Additional CGA, PFMS, O/o CGA
3. PPS to AS(PF-S), DoE
4. PS to Joint CGAs (GBA/GIFMIS/DBT/TRBR), O/o CGA
5. DDG/Sr.TD, NIC, PFMS
6. Dy. CGAs/ACGAs/ACAs, PFMS
7. OSDs (I/II), PFMS
8. Sr.AO (Banking/Rollout/DBT)

**Subject: Guidelines for Banks and Agencies for opening, closing and handling SNA/CNA/ZBSA accounts.**

Under the revised fund flow guidelines issued by Ministry of Finance for Centrally sponsored schemes(CSS) under State Nodal Account(SNA) system and for Central Schemes under Central Nodal Accounts(CNA) issued vide OM numbers ....and...respectively, the guidelines for banks and Agencies are as follows-

**Action by Agencies: -**

1. At the time of opening of Bank accounts, agency has to inform Bank about the account type to be opened (with Proper documentation) so that Banks will maintain a flagging of account type i.e. SNA/CNA/ZBSAs in their CBS. Bank will also tag the ZBSAs with the corresponding CNAs/SNAs in the System.
2. Agency should review the details of ZBSA provided by Banks which are linked with their SNA / CNA bank account. If any ambiguity is found the same may be reported to bank immediate for corrective measures. **(Annexure-1)**
3. Agency will share the limit allocation data with the associated bank for monitoring of the financial limit of the payment file at bank end. Any change in the limit allocated, shall immediately be shared with Bank for update at their end.
4. Any change in Bank account by the SNA/CNA will require prior approval of the Finance Secretary of the State concerned ( **Annexure-2**). At the time of account closure, all the limit allocated to child agency linked with the SNA / CNA shall be revoked. Agency has to ensure that an advance intimation may be sent to all the child agencies in hierarchy about the closing of Bank account with the directions that child agency should not generate any payment on the date of closure of bank account.
5. Upon closure of Bank account, the implementing agency shall transfer the unspent balance plus interest accrued thereon to the new account (through offline mode). The agency shall proceed for depositing the amount of interest accrued from the old account to CFI by transferring it to holding account and thereafter through NTRP. **(Annexure- 3)**
6. All SNA / CNA agencies are directed that upon closure / de-activation of accounts shall not be used for registration in any other scheme / module.
7. SNA / CNA schemes operated through external systems (Model-1) make ensure that the beneficiaries / Vendors are mandatorily be registered in PFMS before making any payment and sharing of MIS Data with PFMS. In case of unregistered beneficiary, MIS data will be rejected by PFMS.
8. Agencies who wishes to adopt external system of Banks for operating their SNA / CNA schemes should ensure that the Banks in which they



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are opening SNA/CNAs are 'Scheduled Commercial Bank' and already live with the mandatory protocols of PFMS. ( **Annexure- 4** )

**Action by Banks: -**

1. SNA/CNA accounts will be saving accounts only. As soon as any SNA/CNA/ZBSAs are opened, Banks will notify the same to PFMS for updation of PFMS database through SFTP mode. ( **Annexure-1** )
2. No cheque books will be issued for SNA/CNA accounts. Banks have to ensure that no fixed deposits shall be opened in SNA/CNA accounts.
3. Banks will have to provide the list of existing Zero Balance Subsidiary Accounts (ZBSA) opened with respect to SNA/CNA to the concerned agencies for information / reconciliation on monthly basis. Any change to this effect shall be informed to agency at the earliest.
4. At the time of accounts validation process, banks will provide the account type category as SNA/CNA/ZBSA in the bank account validation response file.
5. Upon receive of limit allocation data from agency, Banks will maintain limit allocation of ZBSA in their system based on the limits allocated by agencies. Any payment from ZBSAs will be subject to the availability of limits allocated.
6. Banks have to ensure timely and daily updation of bank balance of SNAs/CNAs/ZBSAs in PFMS irrespective of any transaction take place.
7. Reference is invited to OM issued by Banking vertical of PFMS wherein Banks have been clearly directed that on receipt of any Bank account closure request from the SNA / CNA, Banks have to calculate the interest accrued on unspent balance and share the interest with PFMS before initiating closure process in respect of SNA/CNA account. ( **Annexure- 3** )
8. At the time of account closure, all the ZBSA linked with the SNA / CNA child agencies shall also be marked closed by the Bank. Bank has to ensure there should not be any pending / unsettled / in pipeline transactions at bank end before closure.
9. All Banks which are integrated with PFMS and are handling SNA / CNA schemes shall be mandatory have to implement of various protocols in their Banking system. A detailed OM has already been issued regarding this ( **Annexure-4** ).

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V-13018/1/2021-PFMS

Annexure-1

(C.No.6706) V-13018/1/2021-PFMS/3284  
Government of India  
Ministry of Finance/Department of Expenditure  
Controller General of Accounts  
Public Financial Management System

Dated: 08/06/2023

OFFICE MEMORANDUM

Sub: Opening and linking of Zero Balance account with SNA/CNA account Protocol  
-reg.

1. To keep track of all SNA/CNA accounts opened by banks, including the Zero balance subsidiary accounts (ZBSAs) associated with CNA/SNA accounts, it has been decided to maintain the database in PFMS.
2. To achieve this, PFMS will provide the details of SNAs/CNAs Bank accounts registered in PFMS (Both active and inactive) to respective banks. In return, banks will provide the data of linked ZBSAs corresponding to the SNA/CNA Bank Accounts.
3. It may be noted that Bank wise CSV files will be generated and uploaded on the SFTP. Folder path will be shared with banks where the files will be kept. Banks have to provide the linked ZBA account as well as accounts holder's name against each of the SNA/CNA account number in the same SFTP folder.
4. The CSV files will be placed on SFTP by 12th June 2023 and the bank will have to revert with the linked ZBSA account with PFMS by 17th June, 2023 (Please refer to page 2 of the OM).

This issues with the approval of the Competent Authority.

*Kaushal*  
08/06/2023  
(Kaushal Kishore Meena)  
Assistant Controller of Accounts

To

All SNA/CNA banks

Copy for information to:

1. PS to Additional CGA, PFMS, O/o CGA
2. PS to Joint CGAs (Rollout/DBT/TRBR/GIFMIS), O/o CGA
3. DDG./Sr.TD/TD, NIC, PFMS
4. ACGA/ACAs, PFMS
5. Sr.AO(Roll out/DBT/TRBR), O/o CGA
6. OSDs (I/II), PFMS
7. Sr.AO(Banking/DBT/Rollout), PFMS



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Annexure-2

F. No. 1(15)/PFMS/2021  
Government of India  
Ministry of Finance  
Department of Expenditure  
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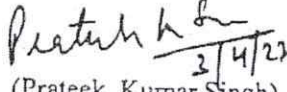
North Block,  
New Delhi, the 3<sup>rd</sup> April, 2023

OFFICE MEMORANDUM

Sub: Facility to change the bank of SNAs and CNAs-reg.

The undersigned is directed to say that requests for a facility to change the bank of SNAs and CNAs have been received in the Department of Expenditure.

2. Such requests for change of bank should be forwarded to Addl. CGA, PFMS with approval of Principal Secretary (Finance) of the State Government in case of SNA and Secretary of the Ministry/Department of Government of India in case of CNA.

  
(Prateek Kumar Singh)  
Director  
Telephone No. 23094961

To

1. Secretaries to all Ministries/Departments of Government of India
2. Finance Secretaries of all State Governments

Copy for information to:

1. PSO to AS (PF-S), DoE
2. PS to Additional CGA, PFMS, O/o CGA
3. PS to Joint CGAs (ROLLOUT/GIFMIS/DBT/TRBR), PFMS
4. DDG, NIC, PFMS
5. Sr.TD, NIC, PFMS(Banking)
6. ACGA/ACAs, PFMS
7. OSDs(I/II), PFMS
8. Sr.AO (DBT/Rollout), PFMS

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Annexure-3

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Government of India  
Ministry of Finance/ Department of Expenditure  
Controller General of Accounts  
Public Financial Management System

Dated- 25/03/2023

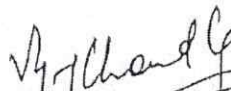
OFFICE MEMORANDUM

**Sub: SOP for deposit of SNA Account Interest in CFI on change of Bank Account-reg.**

Under the SNA Model of CSS Implementation in states, if any, SNA wishes to change a bank account mapped with the SLS and to open a new bank account to be re-mapped as SNA bank account for the same SLS, the following procedure needs to be followed by the implementing agency for deposit of interest in CFI:-

- i. Any change in bank by the SNA will require prior approval of the Finance Secretary of the State concerned.
- ii. A request needs to be sent by IA to PFMS Headquarters, through its State Directorate for the change of bank citing reasons for the same after closing the old account and parallel opening the new bank account. The Interest generated on the unspent balance in the old account needs to be calculated as on the date of closure of the old bank account. The Implementing Agency shall transfer the unspent balance plus interest accrued in old account to the new Account bringing the old account balance to "Zero".
- iii. The IA shall also ensure that proposal for change of SNA bank account is sent to PFMS after ensuring that no vouchers related to the old account are pending for sharing with PFMS through Treasury integration and all have been accounted for in the SNA report.
- iv. On receipt of request of bank change from IA, PFMS HQ shall verify the interest accrued in old bank account from the SNA 04 report and remap the new bank account with the SLA.
- v. After the new SNA bank account has been mapped by the PFMS; the IA shall proceed for depositing the amount of interest accrued from the old account to CFI by first transferring it to Holding Account and thereafter through NTRP into CFI.
- vi. The interest thus deposited may also be verified from SNA 04A report.

This issues with the approval of the Competent Authority.

  
(Vijay Choudhary)

Dy. Controller General of Accounts

To

1. Chairman/CMD/ED/CGM of Banks

58/C

01/07/2024 05:14:05 PM

2. All CCAs/CAs of Central Ministries/Departments along with a request to kindly inform FAs/PDs of the division.
3. JI CGA (Roll out)
4. Dy CGA(Roll out), with a request for circulating to all agencies and PFMS state Directorate

Copy for information to:

1. PPS to AS(PF-S),DOE
2. PS to Additional CGA, PFMS
3. Joint CGAs (GIFMIS/DBT/TRBR), O/o CGA
4. DDG, NIC, PFMS
5. Sr.TD/TD, NIC, PFMS
6. DCGA/ACGA/ACAs,PFMS
7. Banking OSD (I/II), PFMS



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V-13018/4/2023-PFMS

Annexure-4

(C.No.12186) V-13022/2/2023-PFMS /2533

Government of India  
Ministry of Finance/ Department of Expenditure  
Controller General of Accounts  
Public Financial Management System

Dated- 13/06/2023

OFFICE MEMORANDUM

Sub: Implementation of PFMS Protocols-reg.

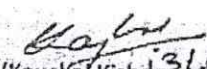
It is known that under CNA/SNA module of implementation of CS/CSS schemes respectively; Banks play an important role for ensuring smooth payment processes. This can be possible only when banks are fully compliant of the PFMS protocols of bank integration. The mandatory protocols that are required to be adopted by each Bank; that is either on-boarded or requires to be on-boarded for SNA/CNA are as follows:-

1. Single Account Validation
2. Discontinuation of manual PPA (use of DSC or ePA)
3. Payment Route and ANYM Protocol
4. Ack/Nack for Payment
5. Daily Bank Balance Updation
6. SHA2 Protocol
7. Migration of Banks to PFMS-SFTP

While this issue of adoption of PFMS protocols has been stressed upon in several bank meetings; it is seen that many banks are still found wanting in their full compliance.

It is, therefore, reiterated again that all currently on boarded banks may ensure full compliance of these protocols. The adoption of these protocols is an important KPI which shall further determine the integration/dis-integration of the banks with PFMS.

This issues with the approval of the Competent Authority.

  
(Kaushal Kishore Meena)  
Asstt. Controller of Accounts

To

Chairman/CMD/ED/CGM Banks

Copy for information to:-

1. Sr.PS to CGA
2. PPS to AS (PF-S), DoF
3. PS to Additional CGA, PFMS, O/o CGA
4. PS to Joint CGAs (GIFMIS/DBT/TRBR/ROLLOUT), O/o CGA
5. To all State Directorates
6. DDG/Sr.TD NIC, PFMS
7. ACGA/ACAs, PFMS
8. OSDs(I/II), PFMS
9. Sr.AO (Banking/DBT/Rollout), PFMS