



Finance (SS) Department,  
Secretariat, Chennai-9.

**Letter No.18681/H/ Finance (SS)/2017-10, Dated:07.06.2019**

From

Thiru M.Arvind, I.A.S.,  
Deputy Secretary to Government.

To

All the Departments in Secretariat  
All the Heads of Departments concerned

Sir/Madam,

Sub: Handling of Budget Allocation in the New  
Integrated Financial and Human Resources  
Management System – Instructions -Issued

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Every year, Finance Department intimates the advance Demands for Grants voted by the Legislative Assembly and subsequently, the Budget Estimates approved for the Financial Year by the Legislative Assembly for each of the Departments in Secretariat/Heads of Departments under their respective Demands. On receipt of such intimation, all the Departments in Secretariat/Heads of Departments are communicating the budget allotments to the Controlling and Distributing Officers under them.

2. In the present manual system, the Departments in Secretariat/Heads of Departments intimates the allotments placed at the disposal of each of such middle level officers (ie., Budget Controlling Officers (BCOs) at District level) through a manual Order /Office Proceedings. The middle level officers, who in turn intimates the allocations to all its lower level officers at Taluk/Block/Village level. Some of the Departments allocate funds to the Controlling and Distributing Officers of "Other Departments" either in the middle or lower levels or both in middle and lower levels.

3. In IFHRMS system, an inbuilt mechanism is available for allocating funds to the Sub-ordinate officers which is linked with the Treasury Bill Passing module. To allocate funds to the Sub-ordinate officers in IFHRMS, it is imperative to map all the sub-ordinate officers (BCOs and DDOs) under the Head of the Departments (HoDs) in accordance with their fund flow hierarchy. Accordingly, the HoD-BCO-DDO hierarchy mapping was undertaken for 172 Departments/ Head of the Departments having direct treasury transactions and hosted in the IFHRMS portal.

4. Based on the fund flow pattern being followed in most of the Heads of Department, three types of fund flow pattern is structured in the IFHRMS system viz., Own administrative hierarchy, Cross Allocation and Budget Transfer.

**Own administrative hierarchy**– This is the default mode and is applicable to all HODs, wherein HoD and BCOs will transfer funds to the respective own DDOs attached under them.

**Cross Allocation** – Applicable to cases, wherein for a specific expenditure item, for instance 16 Major Works, the HoD concerned wants to transfer funds to DDOs of the PWD for executing works and incurring expenditure. In such cases, after making a proceeding to this effect, can cross-allocate the complete budget to PWD – HOD completely for that Head of Account. The HOD in PWD will then, based on the proceeding issued by the originating HOD, transfer funds to the BCOs/ DDOs attached directly under him. In case, budget is distributed to an intermediate BCO and not the final DDO, the BCO can in turn distribute to the concerned DDO attached with him. Thus the distribution in PWD happens through the normal administrative hierarchy of the PWD, once the budget is cross allocated to the PWD-HOD by the originating HOD.

**Budget Transfers**– This mode is applicable to specific cases where certain departments don't have field level DDOs in their own department like Director (Tribal Welfare), Director (Rehabilitation) and depend upon the DDOs in other departments for presenting bills and incurring expenditure. This mode is useful for cases wherein the HoD/ BCO of Department -1 directly transfers budget to a BCO/ DDO of Department-2 in the field, i.e., a level below him. For instance, Director (TW) transferring budget to 32 district level District AD Welfare officers (or) AD, Survey (who is a BCO) in a district transferring budget to the regular tahsildars (who are DDOs under CRA) for paying salaries to survey staff in his taluk can be done through this mode.

5. The fund flow pattern recommended for few Departments having Controlling and Distributing Officers of Other Departments in their fund flow hierarchy is annexed herewith for reference.

6. The budget allotments placed at the disposal of the officer will be auto updated in the Treasury Bill Passing Module which will curtail the occurrence of excess expenditure. Any revision in budget allotment can be made in the middle of the year, but it should not be less than the expenditure already incurred.

7. All the Departments/Heads of Department are requested to allocate budget to the sub-ordinate officers by selecting the suitable fund flow pattern available in the IFHRMS system in future.

Yours faithfully,



For Deputy Secretary to Government

*CB*  
*10.6.19*

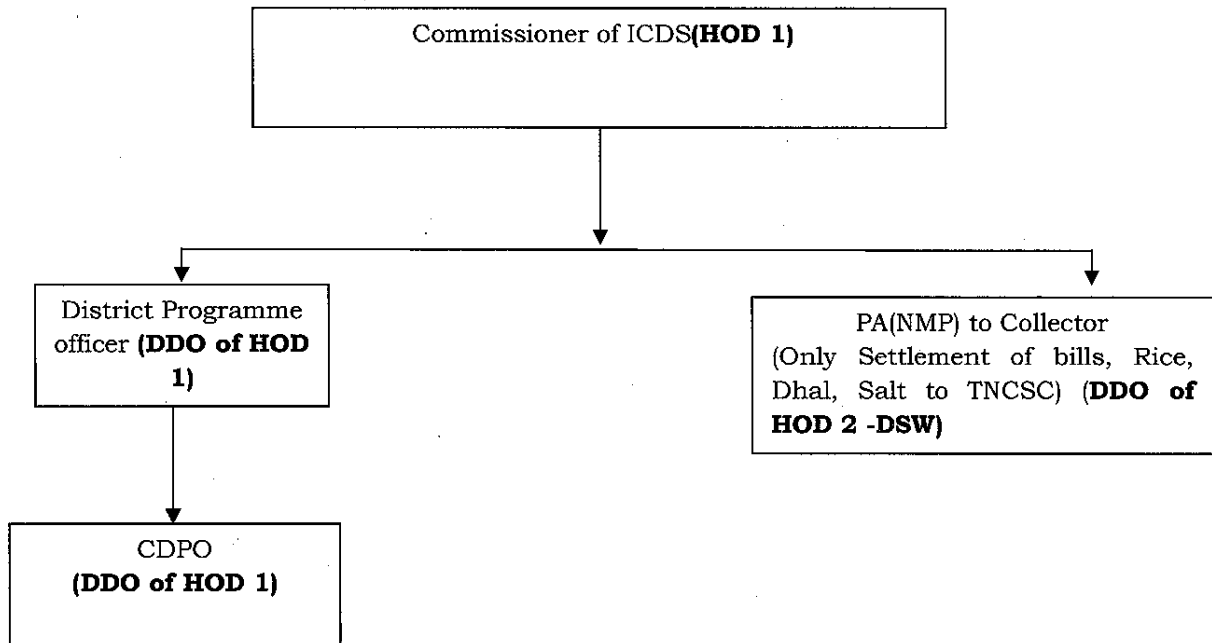
**Copy to:**

1. The Principal Secretary / Commissioner, Treasuries and Accounts Department, Nanadanam, Chennai-35
2. M/s Wipro Pvt Ltd., Guindy, Chennai-32
3. SC/SF

## Annexure

### Example 1:

#### Integrated Child Development Scheme (ICDS):



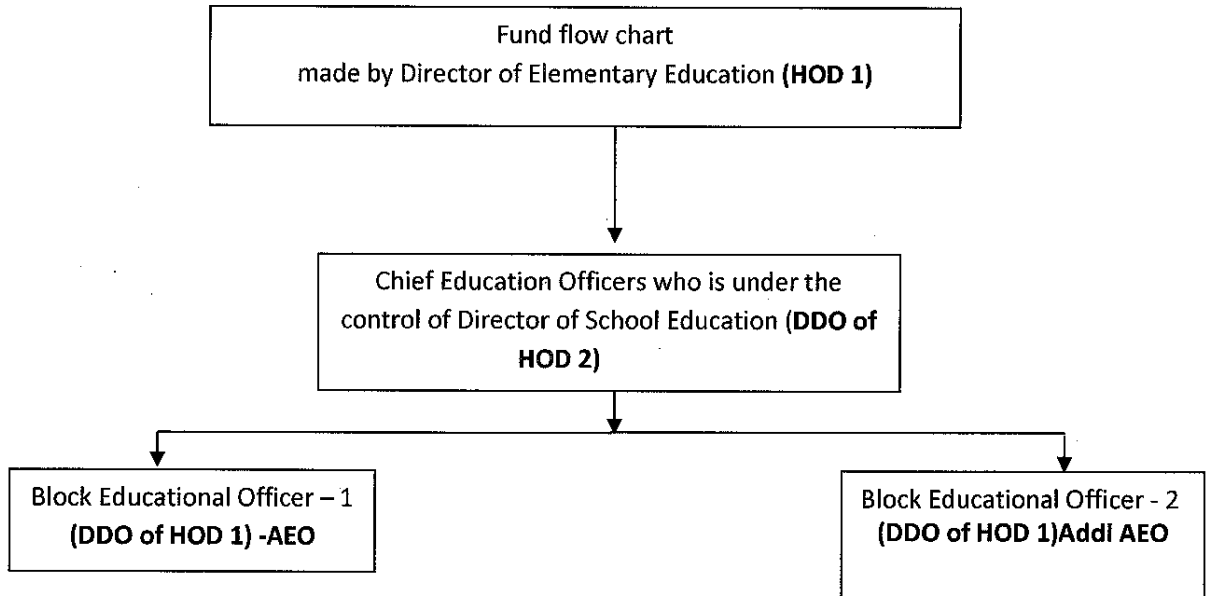
In the current scenario, the HOD transfer the funds to two middle level offices viz., District Programme Officer and PA (NMP). The DPO in turn transfer the funds to the CDPO. Both DPO and CDPO are the DDOs of the concerned HOD whereas; the PA (NMP) belongs to other Department DDO (ie. SW) who is dealing with settlement of bills to Tamil Nadu Civil Supplies Corporation for the supply made under NMP programme.

#### Recommendation

Since, PA (NMP) is a DDO coming under the control of Commissioner, Social Welfare, and therefore for settlement of bills to TNCSC done by PA (NMP), the HoD (ICDS Commissioner) should transfer budget to the district level PA (NMP)s through Budget Transfer mode. For other DDOs under the control of the HOD, distribution by "Own Administrative hierarchy" can be done.

**Example 2:**

**Director, Elementary Education:**



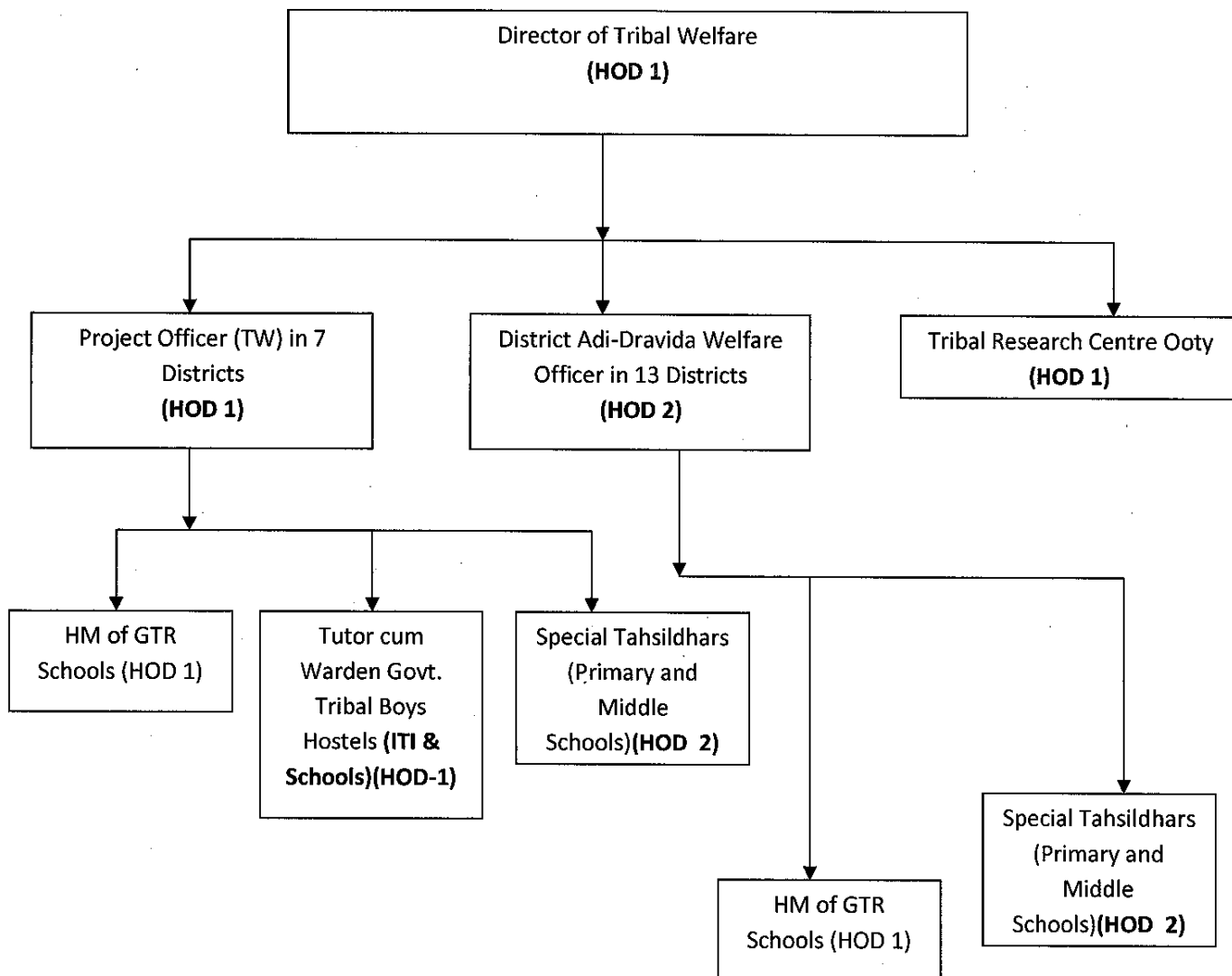
The HoD transfers funds to the CEO at District level who is the DDO of School Education Department. The CEO in turn allocates the funds to the BEO-1 and BEO- 2 at Block level. BEO is the DDO of Elementary Education. They are functioning in the same office and act as separate DDO. Each BEO is looking after more than 100 Schools under their control. Hence at Block level there are 2 DDOs and two offices as per Govt order. As per administrative hierarchy at Block level, 2 DDOs are functioning as two separate office attached with different Treasury Offices.

**Recommendation**

The HOD may transfer funds to the CEOs (who is a BCO under Director, School Education) in the districts through "Budget Transfer" method. The district level CEO may transfer funds to the block level BEOs (who are DDOs under the administrative control of Director, Elementary Education) in his district through "Budget Transfer" mode.

**Example 3:**

**Directorate of Tribal Welfare:**



The HoD transfer the funds to it's own DDO and DDOs of another HoD2 (namely Director, Adi-Dravidar Welfare) both at middle and lower level.

**Recommendation:**

1. HoD may distribute Budget to DDOs under his administrative control through "Own administrative hierarchy" mode. For DDOs who are under the control of other HoDs, the HOD may transfer budget to the district level DADWOs through "Budget Transfer" mode.

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*N. K. Jyoti*  
10/6/19  
SECTION OFFICER.

*GB*  
10/6/19

