

Public Fund Management System (PFMS)

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What is PFMS?

- Considering the diversity and multiplicity of channels through which money is spent/transferred (including through Direct Benefit Transfer), the PFMS is designed to serve the pertinent need of establishing a **common electronic platform for complete tracking of fund flows** from the Central Government to large number of programme implementing agencies, both under Central Government and the State Governments till it reaches the final intended beneficiaries. PFMS thereby enables **real time monitoring** of disbursements and utilization of funds which in turn provides a sound Decision Support System across Ministries and Departments of Government of India as well as all the State and UT Governments.

Features of PFMS

- The PFMS Scheme has been rolled-out by the **Controller General of Accounts (CGA)** at the behest of the Finance Ministry, Department of Expenditure as a cherished Public Finance Management (PFM) reform in the country.
- The ambit of PFMS coverage includes **Central Sector and Centrally Sponsored Schemes as well as other expenditures including the Finance Commission Grants.**
- The improvements brought-out in the Management of Public Funds through PFMS, will have a cascading beneficial impact on the management of State Government Public Finances as well as efficient delivery of Public Services by the States. PFMS, therefore, reflects the true spirit of **Cooperative Federalism** with the Centre and the State Governments combining their efforts to

improve Public Finance Management for ultimate public good.

- **Implementing Agencies** (e.g. statutory bodies, Trusts, Registered Societies, Autonomous Bodies, State Govt. Institutions, Local Bodies etc.) are registered on PFMS for monitoring of bank balances and tracking of fund flow. The bank balances of these agencies can be monitored through PFMS. Presently, 17.9 lakh agencies are registered with their bank accounts duly validated by PFMS- Core Banking Solution (CBS) Interface and used by stakeholders for monitoring purposes.
- The agencies can use **Expenditure-Advance-Transfer modules** (EAT module) for transferring funds or advances to lower level Agencies and e-payments to vendors, employees and beneficiaries for financial MIS. This is an extremely important functional module of PFMS for monitoring the ultimate utilisation of funds.
- Treasury interface, bank interface, integration of DBT is the other modules implemented under PFMS.