



ABSTRACT

BUDGET – Classification of Accounts – Restructuring of Head of Account – Integrated Financial and Human Resources Management System – Restructuring – Orders – Issued.

FINANCE [BUDGET GENERAL- II] DEPARTMENT

G.O.(Ms). No.85

Dated : 04 .03.2019
விளம்பி வருடம், மாசி - 20,
திருவள்ளூர் ஆண்டு 2050.

Read:-

1. G.O.Ms.No.148, Finance (BG.II) Department, dated 31.3.2000.
2. G.O.Ms.No.400, Finance (T&A-III) Department, dated 10.10.2013.
3. G.O.Ms.No.106, Finance (T&A-III) Department, dated 31.03.2016.
4. Legislative Assembly Secretariat, Lr.No.812/2019-6, LAS (EC), dated 11.02.2019.

* * * * *

ORDER:

The Government had conceived the idea of an Integrated Financial and Human Resources Management System (IFHRMS) and issued suitable administrative sanctions in the Government Orders second and third read above. The IFHRMS will be at the core of transformation of the way in which the public finances are managed by the State. The IFHRMS shall take care of activities of the budget and treasury functions to a larger extent by bringing the Finance Department, Treasuries Department and other departments online and ensuring real time updating of the Government financial transactions.

2. As part of standardization and bringing in structural uniformity in the accounting codes under the IFHRMS project and at the same time to derive maximum values for analytical and decision making purposes, a few new concepts and minor modifications have been introduced in the Heads of Accounts structure, at various levels. A new concept of Group Code is introduced in the Data Processing Code Structure. These are all explained with suitable illustrations in the Annexure-I to this Order.

P.T.O.

3. In the Estimate Committee Meeting held on 28.01.2019, the above changes both in concept as well as in structure of the Head of Account were approved, as communicated in the reference fourth read above. This new system will take effect from the financial year 2019-2020.

4. This new system has been incorporated in the budget documents for 2019-2020. Accordingly, wherever non-standard sub-detailed heads existed in the old system, they have already been replaced by standard sub-detailed heads. The correlation between the old head of account and the new head of account has been provided as separate booklets of four volumes for ready reference by the drawing and disbursing officers and the Treasury Officers / Pay and Account Officers. The complete set of correlation will be uploaded in the Government web-portal for reference.

5. The Heads of Departments and other Estimating Officers, are requested to take note of these changes and issue suitable instructions to their subordinate controlling and drawing officers to follow the appropriate revised head of accounts. All Heads of Departments are also to note that the Revised Estimates for 2019-2020 and Budget Estimates for 2020-2021 onwards will be required to be furnished using the revised head of accounts.

(BY ORDER OF THE GOVERNOR)

K. SHANMUGAM

ADDITIONAL CHIEF SECRETARY TO GOVERNMENT

To

All the Departments of Secretariat, Chennai -600 009.

All Heads of Departments.

The Principal Secretary/Commissioner of Treasuries and Accounts,
Chennai-35. (10 copies each)

The Director, Government Data Centre, Chennai-25.

All District Treasury Officers, (3 copies each).

All Pay and Accounts Officers, (3 copies each).

The Accountant General (Audit-I), Chennai-18. (10 copies each)

The Accountant General (A&E), Chennai -18. (10 copies each)

The Residential Audit Officer, Chennai – 9. (3 copies each)

All Sub-Treasury Officers.

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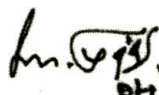

All Officers of Finance Department, Chennai – 600 009.

(incl. those are on Deputation / Foreign Service)

All Sections in Finance Department, Chennai – 600 009.

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ANNEXURE

Concepts and Changes in Head of Account Structure for IFHRMS

A) Group Code

In the current six segment Head of Account structure with 15 digit Data Processing Code, the coding starts from Major Head (4 digit numeric), Sub-Major Head (2 digit numeric), Minor Head (3 digit numeric), Group Nomenclature (no code), Sub-Head (two digit alpha), Detailed Head (2 digit numeric) and ends with Sub-Detailed Head (2 digit numeric including the check digit as the last code). In IFHRMS, it will be a 16 digit DP Code, with the introduction of a new Group Code for classification of Receipts and Expenditure, the additional digit being prefixed to Detailed Head/ Sub-Detailed Heads. The Group Code Classification is as below:

Group Digit	Group Description
1.	Central Receipts (SCT & GIA)
2.	State Resources (Tax, Non-Tax and Capital Receipts)
3.	Revenue Expenditure
4.	Capital Expenditure
5.	Loans and Advances
6.	Public Debt
7.	Contingency Fund
8.	Public Account

Few examples are:-

Detailed Head '01 Salaries' will be displayed as '301 Salaries'

Detailed Head '18 Maintenance' will be displayed as '318 Maintenance'.

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B) Removal of Check Digit Code and expanding Sub-Detailed Head Code from single digit to double digits

With end-to-end computerization envisaged under IFHRMS, starting from RE/ BE preparation to allocation of budgetary appropriation, raising of Bills for incurring expenditure and remittance of e-challan, all facilitated with selection of pre-loaded heads of accounts set, based on which the further accounting will also happen, the need for maintaining the 'check digit' in the DP Code is obviated. Hence, in its place, it is planned to have a double digit Sub-Detailed head (SDH) code instead of currently used single digit. This will help to create SDH upto '99' from the present restriction of upto '9' only.

C) Bringing in 'Voted' and 'Charged' classifications under the Head of Account structure

All non-salary items of expenditure is to be distinguished as 'Voted' and 'Charged' based on the head of account structure and brought in at Sub-Detailed head level. For this purpose, the sub-detailed heads for 'Voted' will have a sequence of '01 to 49' and the corresponding sub-detailed heads for 'Charged' will be sequently represented from '51 to 99'. In the case of salary items of expenditure, the distinction between 'Voted' and 'Charged' expenditure will be at Sub-Head level only.

D) Categorization of Head of Account Code

The new 16 digit Head of Account code in IFHRMS will be shown in two categories, i.e., the first 11 digits from Major Head to Sub Head will be forming the first category which is called as 'Scheme' and the remaining last 5 digits comprising Group, Detailed and Sub-Detailed Heads will be the second category known as 'Objects'. Further, the Demands for Grants Budget Publications will be numbered in 3 digits from the present 2 digits and there is no change in the 2 digit code for Head of Department in the same Budget publications. For example, the Code for the Demand for Grant Agriculture will be published as '005' instead of the present '05' and there is no change in the suffixing Head of Department Code. For instance, 'Director of Agriculture' which will be shown as '00502' instead of '0502'.

In addition, all Demand Numbers will have default Head of Department Code as '01', wherever such code is currently marked as '00'. For example, Head of Department Code for Demand No.50 is currently displayed as

'50 00 Pension and Other Retirement Benefits', whereas under IFHRMS, it will be shown as '50 01 Pension and Other Retirement Benefits'.

E) New Sets of Detailed and Sub-Detailed Heads

Currently, a single set of standardized Detailed and Sub-Detailed Codes/ Heads are used for both Revenue and Capital Expenditure. But, there are no such pre-defined Detailed and Sub-Detailed Heads in respect of Revenue Receipts, Loans and Advances, Public Debt and the Public Account Heads and the non-standard ones have been used wherever required. Now, a standard set of Detailed and Sub Detailed Heads have been created for Revenue Receipts, Loans and Advances, Public Debt and Public Account Heads.

F) Default Sub-Detailed Heads

In order to have uniformity and proper correlation between Detailed and Sub-Detailed Heads, it has been decided to introduce Sub-Detailed Head '01' below all the Detailed Heads where there is no Sub-Detailed Head and which is marked as '00' currently. Initially, the nomenclature of the new Sub-Detailed Head '01' will be the same that of the Detailed Head. This change is also included in the new sets of Detailed and Sub-Detailed Heads under IFHRMS.

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