Welcome Address
COMPREHENSIVE FINANCIAL MANAGEMENT SYSTEM

• CFMS is an application for processing of all Financial Activities of the AP State Government.

• It automates all Financial Processes of the following:
  
  – Preparation of Budget;
  – Release and Distribution of Funds;
  – Incurring of Expenditure;
  – Preparation and submission of Bills by DDOs;
  – Processing /Audit of bills by treasuries;
  – Payment process; Collection of Receipts;
  – Preparation of Accounts;
  – Maintenance of PD Accounts;
  – Processing of Leaves;
  – Management of HR events;
  – Maintenance of e-Service Book;
  – Maintenance of electronic data, etc.,

• The Government of Andhra Pradesh has entered into a service agreement with the SAP India Pvt. Ltd. for implementation of CFMS.
• Andhra Pradesh Centre for Finance Systems and Services (APCFSS) which is a corporation under Finance Department will monitor the development, deployment and maintenance of CFMS program.

• HRMS module of CMFS will automate all processes relating to:
  - entire monetary and non-monetary entitlements of the employees
  - assessment of vacancies
  - recruitment authorization
  - preparation of panels for promotion
  - issues relating to Pay fixations
  - revisions of Pay scales
  - maintenance of electronic Service Registers
  - generation of Pay rolls
  - timely payment of Retirement benefits
  - timely release of Increments

• HRMS module of CFMS program is a critical component and the important requirements are:
  • Establishing State Wide Structure of all the offices
  • Identifying employees in the Positions
  • Identifying Vacant Positions
  • Maintenance of Office Hierarchy and related hierarchies
COMPREHENSIVE FINANCIAL MANAGEMENT SYSTEM

• For implementation of CFMS program the Government has issued orders vide G.O.Rt.No.2067, Finance (IT) Department, dated 26.10.2017 to collect the following data (In 3 parts) in mission mode by all the offices on or before 10-Nov-2017.

Part-I: Metadata of the unit and the Organizational hierarchy
Part-II :Designations, posts, employee positions and the details of other categories of personnel engaged in the unit:
Part III: Mapping of Services rendered by the department to the relevant Head of Accounts for appropriate classification of transactions.
Part-I and Part-II relates to all the offices/subordinate offices of the Government whereas the Part-III has to be filled only by the Heads of the Department.

• The data should be captured in respect of the following category of employees (In addition to the regular State Govt. employees):
  • Grant-in-aid employees
  • Adhoc personnel
  • Honorary workers
  • Work charged staff
  • Contingent employees
  • Contract personnel
  • Outsourcing personnel
  • All other miscellaneous functionaries
Project History

- **Re-start of CFMS**
- Go-live of budget distribution
- Business Process walkthrough in CFMS
- BBP signed-off for expenditure and receipt track

- Development continued
- Unit Test
- Fixing of Issues

- Integration Test
- UAT

- Go-live of complete budget management
- Go-live of Receipt Track
- Training
- Cut over

**DEC 2016**

**Apr-June 2017**

**Aug 2017**

**Dec, 17-Jan, 18**

**Feb-Mar 2018**

**Apr 2018**
Process Overview & System Demo
Expenditure Process List

- Bill Preparation
- Bill Submission
- Bill Approval
- Bill Payment & Reconciliation
- PD Process
- Refund & Re-Payment
- AC Bill & DC Bill
- Accounting & Reporting
Expenditure: Process Overview (Recap from BPD)

Bill Category:
- Contingent bills
- Work Bills
- Grant-In-Aid Bill, etc.

Bills created in CFMS system with direct user input

Bills generated in SAP screens through integration

- SAP Bill Entry Screen

Vendors/Contractors
Employees
Citizens

Payment disbursement for bills processed in CFMS

E-Kuber banking system

Department Database

SAP S/4-HANA

Bill Preparation
Bill Preparation, Submission & Processing (Approval)

Bill Preparation:
- Bill created in CFMS
- SAP
- Document Scanned and Attached
- Processors Auto Selected as per WFC
- Bill send to checker in CFMS

Bill Submission:
- Checking of Bills
- Send to DDO
- Verify & Submit
  - Budget Checked
  - Digital Signature

Bill Approval (TO/PAO):
- Payable documents generated in CFMS
- Automatic accrual accounting
- Pre-Audit
- As per specific guidelines
- L4 Authorisation

Activities:
- Bill No. generated
- L1 Scrutiny (DTA,DWA)
- L2 Scrutiny (DTA,DWA)
- L3 Approval STO/ATO/APAO/PAO
  - Digital Signature
- Bill Rejection
Key Process Change & Digitization

- Budget Control
- Biometrics (AADHAR)
- Digital Signature (e-Mudra)
- FIFO
- Payment disbursement & e-Kuber
- Automated & Real-Time Accounting
- Single System for Bill processing
Key Process Change- Bill Preparation

- Pre-defined office workflow
- Rationalisation of Bill Forms
- Single number for bill (No token number)
- Single invoice Single bill rule for all type of bills
- Refinement of check list and validation with system control
- Automation in derivation of HoA
- Master Data validation and control
- Scan document attachment (*PDF)
- Digital Signature
- Biometric authentication
- Maker is only authorized to change the bill details
- Pre-Audit in CFMS system
Key Process Benefits - Bill Preparation

- Unified system approach for bill preparation across departments
- System driven workflow & visibility of real-time status of bill
- Auto derivation of HoA/HoA rules
- Tracking option of bills
- Better screen control and rules
- Refined & auto derivation of checklist
- Integration with challan and reference bills
- Control of maker, checker & submitter by HOO
- No physical movement of bills
Key Process Change- Bill Submission

- FIFO in bill processing
  - All levels (Maker, Checker, Submitter)
- Digital Signature
  - All level for DS on bill
  - DDO signature on attachment
- Check list log
- Online notings with history
- No change allowed in bill details
- Active budget control
- SMS Intimation to beneficiary
Key Process Benefits - Bill Submission

- History of bill process
- Tracking of bill
- FIFO in bill processing
- Digital Signature
- Check list log
- Online notings with history
- Active budget control
- No physical movement of bills
- Auto routing of bills to Treasury/PAO

Digital signature on bill
Digital signature on attachments
Key Process Change- Bill Approval

- Auto active budget control & available budget display in real-time
- No physical movement of document
- FIFO in bill processing
  - All levels (Auditor, Verifier, Approver, Pre-Checker, Authoriser)
- Digital Signature
  - All level for DS on bill
  - PAO/APAO signature on attachment
- Check list log
- Online notings with history
- No change allowed in bill details
- Auto Integrated with accounting posting
- Pre-Audit process mapped in CFMS
Key Process Benefits- Bill Approval

- Automated Budget control
- FIFO in bill processing
- Digital signature
- Check list log
- Online notings with history
- Auto Integrated with accounting posting
- Pre-Audit process mapped in CFMS
Key Process Change- Bill Release for Payment

- Statewide beneficiary liability and fund display
- Finance Cash Management Guideline
- FIFO in payment release
- Biometrics Authentication on Payment Release
- Auto allocation and release
- History of document change/approval in CFMS system
Key Process Change- Payment Disbursement to Beneficiary

- No CINB/Agency Bank for payment processing
- Central Team for all payment processing and reconciliation
- Biometrics Authentication-Reviewer & Approver
- Server to Server digital signature and encryption
Key Process Benefits - Payment Release & Processing

- Visibility of cash position and commitment of submitted bills
- Ease of disbursement process (No CINB Account)
- Highly secured and integrated interface with RBI’s e-Kuber
- Auto reconciliation of bill and payment
- Faster process execution
- Online & real time submission for re-processing of failed payments
- Auto scroll reconciliation and scroll report
- Vendor ledger with bill and payment details
- Online visibility of bill payment status
- RBI IFSC codes maintained and validated during bill creation/vendor master
Key Process Change - Public Deposit Account

- Discontinuation of PD Portal. PD process will be managed in CFMS system
- No physical treasury cheque for PD disbursement
- No LOC issuance
- All disbursement will be through NEFT of e-Kuber
- Scheme wise balance in CFMS (Under discussion)
- PD Administrator and processors master data in CFMS
- Workflow configuration for PD process
- Biometrics Authentication & Digital Signature
- Auto lapsing of balances
- Real time integration with bill adjustment and challan deposit
- Real time digital reporting in CFMS
Refund and Re-Payment
Refund Process: How it works and CFMS (Recap from BPD)

**Receipt**
- IGRS e-Stamp
- Wrong (excess) calculation of remittance to govt.
- Wrong HoA remittance
- Challan deposit as per APTC form-10

**Occurrence of Refund Case**
- Cancellation of registration
- Correct value calculation post deposit of remittance
- HoA where no alteration memorandum possible

**Refund Process**
- Citizen claims refund
- Refund sanctioning authority’s authorization
- Claim the refund using APTC form-62
- Beneficiary list attached

**Challan Table**
- E-Challan
- Challan print & deposit in bank

**Challan Management**
- Accounting
- Bill Management
- Reporting

**SAP S/4-HANA**

**CFMS**
- Integrate with challan number
- Validate the HoA, DDO code & amount
- Attach beneficiary as one time beneficiary
- Automatic accounting on approval of bill

Expenditure
BPD page no-7
Re-Payment of Deposit: CFMS (Recap from BPD)

A
- Own Collection
- Citizen
- Taxes
- Devolution (Own Source)
- Grants
- Loans

B
- Revenue Deposits
  - Caution Money
  - Fines
  - Security Deposits
  - Earnest Money Deposit
  - Election Deposits
  - Civil Court Deposits

C
- Deposits (Grants)
  - Central Govt. Schemes
  - State Govt. Schemes
  - Loans

E-Challan
Challan print & deposit in bank
Challan Table

SAP S/4-HANA

- Integrate with challan number
- Validate the HoA and DDO code
- Attach beneficiary as one time beneficiary
- Automatic accounting on approval of bill

Form-64
AC Bill and DC Bill
AC Bill vs DC Bill: To be in CFMS (Recap from BPD)

**AC Bill**
- Used for contingent heads
- Drawls under T.R.27
- Form-57 used
- DDO is the beneficiary

**DC Bill**
- Detailed bill after AC bill
- List of beneficiary attached
- Amount details by beneficiary attached
- Visibility of AC bill list and pending DC bills

- Bill processed in CFMS (Expense Accounting Posted)
- Bill processed in CFMS
- Challan deposit in CFMS (Receipt Accounting Posted)

- Separate screens for AC Bill & DC Bill
- In DC Bill, the AC bill and Challan number will be integrated
- Rules will be built for the validation of the amount on the DC bill screen
- DC bill will be only processed for approval.
- No accounting effect will be in CFMS as accounting taken place during AC bill and refund during challan deposit
Key Process Change- AC & DC Bill

- Separate bill entry screen for AC & DC Bill
- AC Bill & DC Bills are system integrated
- Only 2 AC open bills are allowed as per GO
- Unspent amount deposited for AC bill auto validated and integrated with DC bill
- AC Bill wise DC Bill submission
Accounting and Reporting
Accounting Entries – Expenditure Process & Reconciliation with RBI DN

On Bill Approval by PAO, following accounting entry is posted

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>Expenditure</td>
</tr>
<tr>
<td></td>
<td>2xxxxxx…</td>
</tr>
<tr>
<td></td>
<td>60000</td>
</tr>
<tr>
<td>Cr</td>
<td>Vendor</td>
</tr>
<tr>
<td></td>
<td>Vendor Code</td>
</tr>
<tr>
<td></td>
<td>60000</td>
</tr>
</tbody>
</table>

On Reconciliation of DN received from RBI

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>Vendor</td>
</tr>
<tr>
<td></td>
<td>Vendor Code</td>
</tr>
<tr>
<td></td>
<td>60000</td>
</tr>
<tr>
<td>Cr</td>
<td>RBD</td>
</tr>
<tr>
<td></td>
<td>8675</td>
</tr>
<tr>
<td></td>
<td>60000</td>
</tr>
</tbody>
</table>

The above payment document is shown on Payment side of Day Book & Classified Register for the day.
Failed Payments - Accounting Entries

On receipt of Rectification Note (RN) from RBI, the following accounting entry will be posted

<table>
<thead>
<tr>
<th>Dr</th>
<th>RBD</th>
<th>8675</th>
<th>1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cr</td>
<td>Suspense</td>
<td>8658</td>
<td>1000</td>
</tr>
</tbody>
</table>

After rectification of failed transaction by DDO & approved by PAO, the corrected failed transaction gets included in Payment file sent to RBI. Following entry will be posted

<table>
<thead>
<tr>
<th>Dr</th>
<th>Suspense</th>
<th>8658</th>
<th>1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cr</td>
<td>Vendor</td>
<td>Vendor code</td>
<td>1000</td>
</tr>
</tbody>
</table>

On subsequent receipt of Debit Note (DN) from RBI as successful payment to Beneficiary, following entry is posted

<table>
<thead>
<tr>
<th>Dr</th>
<th>Vendor</th>
<th>Vendor code</th>
<th>1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cr</td>
<td>RBD</td>
<td>8675</td>
<td>1000</td>
</tr>
</tbody>
</table>
Key Process Change - Accounting & Reporting

- Auto scroll reconciliation with e-Kuber
- Scroll confirmation by central team with e-Kuber
- Unified Day Book & Classified Register across DTA, DWA & PAO(C)
- Real-time generation of Day Book
- Intermediary MH 8782 gets discontinued
- Day Book Closure confirmation will be done by STO/ATO/DTO
- Month End digitized data transfer to AG will be done with captured details of Digital Signature
Key Process Benefits - Accounting & Reporting

- Integrated receipt, expenditure and accounting process
- Accounting reporting on real-time
- Hierarchical accounting reports from state level until beneficiary level
- Facilitates faster day and month end closure
Thank You!