

## SNA – SPARSH

### A “Just-in-Time” Fund Release Mechanism for Centrally Sponsored Schemes through RBI e-Kuber Platform

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#### ABSTRACT

The SNA-SPARSH model (समयोचित प्रणाली एकीकृत शीघ्र हस्तांतरण) is a real-time integrated fund transfer mechanism initiated by the Government of India to improve efficiency and transparency in public fund management. Operationalized through collaboration between the Department of Expenditure, Reserve Bank of India (RBI), Public Financial Management System (PFMS), and State Integrated Financial Management Systems (IFMIS), the system ensures "Just-in-Time" release of funds. The SNA-SPARSH model minimizes idle funds, reduces dependency on borrowings, and brings fund transfers under the Consolidated Fund mechanism for both Centre and States.

#### I. INTRODUCTION

The Department of Expenditure, Government of India, introduced the implementation of the SNA-SPARSH model in the year 2023 (Annexure 1). This initiative targets better cash management under Centrally Sponsored Schemes (CSS), where both Central and State Governments contribute funds in a predefined ratio. State Nodal Agencies (SNAs) are responsible for implementing these schemes at the ground level.

Traditional fund flow mechanisms often result in funds lying idle in the accounts of implementing agencies, leading to inefficiencies in expenditure and mismatches in cash management. The SNA-SPARSH model addresses these concerns by facilitating real-time fund disbursement based on actual expenditure claims.

#### II. OBJECTIVES OF SNA-SPARSH

- Ensure efficient public expenditure management.
- Reduce float funds outside Consolidated Fund accounts.
- Eliminate bulk fund transfers to SNAs.
- Decrease reliance on Ways and Means Advances (WMA) or short-term borrowings.
- Minimize idle balances in bank accounts of implementing agencies.

#### III. CURRENT FUND FLOW MECHANISM

The traditional process involves the transfer of the central share from the Central Government to the State Government through the RBI. The States then release these funds, along with their share, to the Implementing Agencies (IAs). However, this results in:

- Transfer of balances outside the Consolidated Fund.
- Mismatched cash balances in the RBI account.
- Idle funds pending final utilization.

#### IV. ALTERNATE FUND FLOW MECHANISM THROUGH RBI E-KUBER SNA SPARSH

Under the new mechanism:

- Fund release is contingent on actual expenditure and claim submission.
- PFMS sends the e-payment file to RBI e-Kuber.
- RBI credits the Central share to the State Government account.
- Funds are disbursed directly to beneficiaries using NEFT/RTGS via e-Kuber.

This ensures “Just-in-Time” fund transfers and improved financial accountability.

#### V. STAKEHOLDERS AND ENTITIES INVOLVED

- Central Ministries
- PFMS Units (Puducherry / New Delhi)
- RBI (e-Kuber Platform)
- State Government Departments and IFMIS
- State Nodal Agencies (SNAs)

#### VI. ROLES AND RESPONSIBILITIES

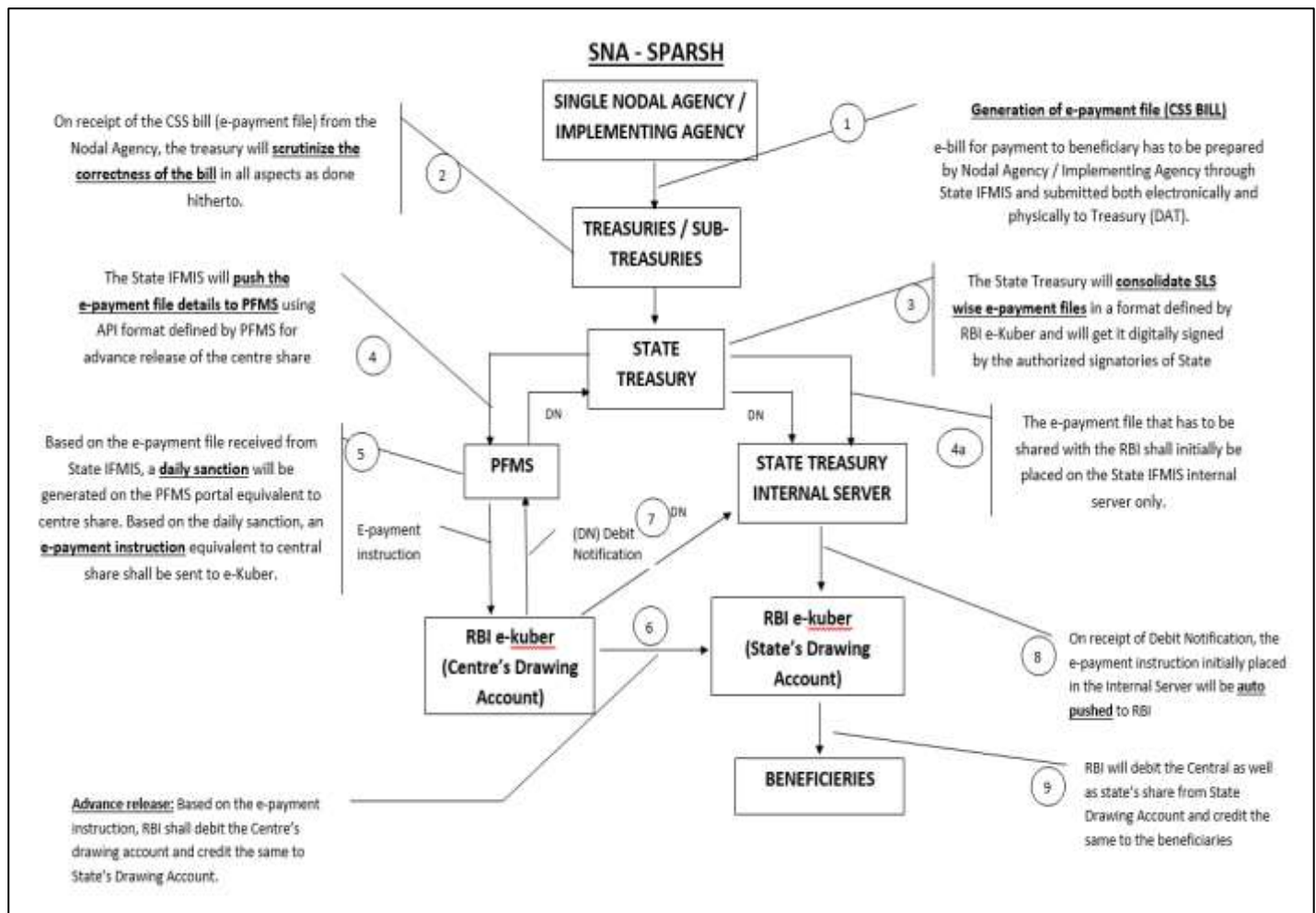
##### State Government Departments

- Designate SNAs per scheme.
- Open State Linked Scheme (SLS) accounts in RBI.
- Maintain center-state fund-sharing ratio.
- Map all relevant SLS components and ensure budget linkage.

##### DAT, PFMS and RBI

- Ministries issue a "Mother Sanction" for fund limits at the start of the financial year.
- DDOs generate bills using PYeBILLS and submit to DAT.
- DAT sends payment files to PFMS before 3:00 PM daily.
- RBI processes fund disbursement to beneficiaries upon DN receipt from PFMS.

## VII. PROCESS FLOW FOR SNA-SPARSH



## VIII. SECURITY IMPLEMENTATIONS

To ensure secure data exchange, the following measures are adopted:

- Password-based authentication (with encryption)
- IP validation
- HTTPS for secure communication
- Data encoding and digital signature verification

## IX. INTEGRATION POINTS IDENTIFIED BETWEEN PFMS AND STATE IFMIS

The system integration uses APIs to enable smooth communication between PFMS and State IFMIS. Key integration points include:

- Sharing Mother Sanction details.
- Submission of payment file data.
- Receipt of debit notification.
- Budget and account head-wise fund information.
- Scheme component configurations and fund-sharing ratios.
- Beneficiary and vendor master data.

vii.Reconciliation services.

## X. API SPECIFICATIONS

PFMS APIs are RESTful web services and will follow secure protocols for data exchange and integrity.

## CONCLUSION

The SNA-SPARSH model represents a significant shift in public financial management by ensuring real-time, need-based fund transfers and strengthening financial governance. By leveraging RBI's e-Kuber platform and PFMS integration, the model reduces fund idling, enhances transparency, and ensures optimal use of public resources. Successful implementation will require close collaboration between Central Ministries, State Governments, PFMS, and RBI, along with robust security and IT infrastructure.

## REFERENCES

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