

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. 12908 /F., Dt. 15.04.2017
FIN-TRY-MISC-0032-2012(Pt.)

From

Shri Tuhin Kanta Pandey, I.A.S.
Principal Secretary to Government

To

**All Principal Secretaries/
Commissioner-cum-Secretaries/
Secretaries to Government/
All Heads of Department/
All Collectors.**

Sub: **Point of Sale (PoS) devices - Mobile PoS, AEPS Device in Government Offices - Assessment of Demand.**

Sir,

I am directed to say that all Government Offices will be enabled to receive digital payment of all kinds including net banking, debit and credit cards and Aadhaar - based payments in the next financial year.

Accordingly, the following process for procurement and installation of PoS devices is to be adopted for accepting digital payments in the form of cards (Debit / Credit) and Aadhaar based payment in the departmental counters:

- i) Head of Offices are to assess the requirement of **PoS devices** (either fixed line PoS or mobile PoS) in their counters and move their respective Heads of Departments who in turn will place a request to the Administrative Department to make an indent to the Director of Treasuries & Inspection indicating the name of the preferred Bank, if any. Since these are Government receipts, the Agency Banks of Reserve Bank of India as mentioned in **Annexure-I** are only authorised to provide the devices for digital payment.
- ii) The required information may be furnished to the Directorate of Treasuries as per the **Annexure-II**. Upon requisition of the devices, the Bank shall supply the PoS devices to the Head of Office and install the same at the desired places. The Head of Office / DDO will ensure the required infrastructure including

internet connectivity, telephone, personal computer, sim card as the case may be.

- iii)** The Agency Bank will supply the device in terms of the consolidated requisition of the Director of Treasuries & Inspection to the concerned offices and intimate the Directorate of Treasuries about the supply of such devices along with machine identity number for monitoring payment of merchant discount rate & payment of rentals on the devices installed in the Government Offices.
- iv)** Draft guidelines for operationalizing digital payment of Government dues are enclosed for comments or suggestions, if any.

I would, therefore, request you to issue necessary instructions to the Subordinate Offices to assess the requirement of PoS devices and furnish the consolidated indent to the Director of Treasuries & Inspection as well as comments / suggestions on the draft guideline by 30th April, 2017.

Yours faithfully,



Principal Secretary to Government

List of Agency Banks

1. Allahabad Bank
2. Andhra Bank
3. AXIS Bank
4. Bank of India
5. Canara Bank
6. HDFC Bank
7. ICICI Bank
8. IDBI Bank
9. Indian Bank
10. Indian Overseas Bank
11. Oriental Bank of Commerce
12. Central Bank of India
13. Punjab National Bank
14. State Bank of India
15. UCO Bank
16. United Bank of India
17. Union Bank of India

Annexure-II**Requisition for supply and installation of digital payment devices**

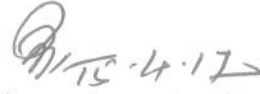
Name of the Administrative Department _____

Name of the preferred Banks, if any _____

Name of the office with location	Type of device to be installed (fixed line PoS or mobile PoS)	No. of devices required

Memo No. 12909 /F., Dt. 15.04.2017

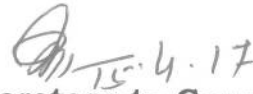
Copy forwarded to the Principal Accountant General (A&E), Odisha for favour of information.



Additional Secretary to Government

Memo No. 12910 /F., Dt. 15.04.2017

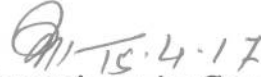
Copy forwarded to the Regional Director, Reserve Bank of India, Bhubaneswar for favour of information & necessary action.



Additional Secretary to Government

Memo No. 12911 /F., Dt. 15.04.2017

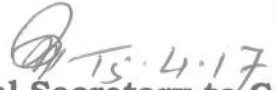
Copy forwarded to the Convenor, State Level Banker's Committee/State Controlling Heads of Banks listed in the Annexure for information & necessary action.



Additional Secretary to Government

Memo No. 12912 /F., Dt. 15.04.2017

Copy forwarded to All Officers and Branches of Finance Department for information & necessary action.



Additional Secretary to Government

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. _____/F., Dt. _____
FIN-TRY-MISC-0032-2012(Pt.)

OFFICE MEMORANDUM

Sub: Operational Procedure for collection of State Government Receipts through Point of Sale (PoS) devices - Mobile PoS, AEPS Device in Government Offices to receive digital payment of all kinds.

All State Government Agencies will be enabled to receive digital payment of all kinds including net banking, debit and credit cards and Aadhaar - based payments in the next financial year.

2. Accordingly, guidelines have been issued with regard to procurement and installation of PoS devices for accepting digital payments in the Departmental/Agency counters. Now Operational Procedure for collection of State Government Receipts through Point of Sale (PoS) devices - Mobile PoS, AEPS Device in Government Offices.

3. These machines would be connected to a designated account of the Agency Banks who have supplied the devices to the Departmental Officer and funds swiped through these devices will land up at this account. Upon submission of e-Challan generated from Treasury portal, the concerned Agency Bank would be required to transfer the fund amount from this designated account as per the request of the Departmental Officer to the Government account maintained in the Reserve Bank of India by the State Government.

4. **Digital payment solution from multiple Banks :**

In order to ensure redundancy in the arrangement for acceptance of digital payment, it is advised that the Departmental Offices may use payment solutions and devices from two different Agency Banks. The Departmental Officer may also have digital solutions from one Bank with facility for at least two devices in order to ensure backup in case of any mechanical failure. The list of Agency Banks is attached in **Annexure**.

5. **Opening of designated Bank account :**

The devices accepting the digital payment will be linked to a designated Bank account maintained in the Bank branch who has supplied the device/(s). However, if the same Bank supplied multiple devices for accepting digital payments, all the devices should be linked to only Bank account in the designated Bank. In case, digital payment devices are from two different Banks, the DDO will have two different Bank accounts in designated Banks. However, Departmental Officer should not have more than two accounts as this will cause additional burden for the purpose of reconciliation with Bank account.

6. **Charges for installation of devices:**

The Agency Banks have communicated to the Finance Department that there will be no supply and installation charges for the devices to be installed in Departmental counters for accepting digital payment. However, there will be rentals for various devices. The rentals will be centrally paid to the Bank by the Directorate of Treasuries and Inspection along with Merchant Discount Rate (MDR).

7. **Merchant Discount Rate (MDR) and other charges in respect of Digital payments :**

(i) **Debit Card :**

In case of payment is made through Debit Card, the State Government will absorb the charges relating to MDR provided the transaction value is less than Rs.10,000/-. Banks will claim the MDR charges to the State Government by submitting monthly / quarterly claims to the Directorate of Treasuries and Inspection. The Cyber Treasury Officer will verify the claim submitted by the Bank by using the IFMS, Odisha's interface. However, till the data is available in the IFMS and necessary arrangement electronic verification of claims are in place, Cyber Treasury Officer will use the concerned Bank's portal to verify the correctness of charges claimed by it before making the reimbursement of the MDR to the Bank. Necessary user credentials as required would be provided by the Bank to the Cyber Treasury.

8. **MDR for payment made through Debit Card exceeding Rs.10,000/- :**

The MDR charges will be borne by the taxpayer in case the payment exceeds Rs.10,000/-. Agency Bank supplying digital devices will configure the devices accordingly in order to ensure that the MDR is charged to the taxpayer's account. Under no circumstances, the MDR shall be recovered from the designated Bank account maintained specifically for the purpose of receiving digital payment.

9. **MDR for payment made through Credit Card:**

The MDR for all Credit Card based payments will be charged to the taxpayers/citizens.

10. **Rate of MDR:**

The rate of charge in respect of MDR will be governed by the guideline issued by the RBI from time to time in this regard.

11. **Centralized MIS to the Cyber Treasury:**

The Banks supplying the digital devices to various Government offices and agencies will intimate the Directorate of Treasuries, machine ID and the place in which the same has been installed. The Banks will provide a consolidated MIS in respect of the receipts made through these devices for the State Government offices to the Cyber Treasury. The Cyber Treasury using an electronic system will import manually or through an automated process, the MIS of the Bank in respect of receipt made using the digital devices. Information that would be contained in the MIS will be worked out between the Cyber Treasury and the Agency Banks. Based on the transaction details, the Cyber Treasury will work out the MDR

and other rentals due to a Bank at the end of a quarter and on receipt, a claim from the Bank shall verify the claim and reimburse the claim after drawing the money from the Treasury. In this regard, the Directorate of Treasuries will provide necessary assistance to the Cyber Treasury for settlement of the MDR and rental claimed by the Agency Banks.

12. Policy on refund before the Digital receipt is credited to the Government Account:

At the time of making payments made in the Departmental counters, if by mistake or due to ignorance, a payment is made more than once using the card and the Departmental Officer is intimated about such payment either by the payer or at the time of reconciliation, the amount may be refunded back to the payer by giving a request to the Bank branch in which the designated account of the device is maintained and before the amount is remitted to Government Account.

13. Policy on refund after the Digital receipt is credited to the Government Account:

In case a refund is sought by the taxpayer after the payment is credited to the State Government account by Departmental Officer using the Treasury challan, the request regarding refund of such money will be examined by the Departmental Officer and a refund order may be issued by the Head of Office for drawing the refund from the Treasury using the Bill No. 42 of the Treasury Code. For making such refund, the DDO of the Departmental Officer will seek the beneficiary Bank details from the depositor and submit the claim to the Treasury for making payment to the bank account of the beneficiary.

14. Operating Procedure:

The operating procedure for the citizens, officials manning the Departmental counters, Head of Office/ DDO, Agency Banks in which the current account of the Departmental Officer is maintained, Reserve Bank of India, Cyber Treasury for recording the receipts through PoS machines, accounting & reporting of these receipts are outlined below:-

14.1 The Citizens-Payers:

To pay any tax and non-tax revenue or including fees, service charges etc., the citizens/ payers shall approach the concerned Departmental counter for payment of the charges to the State Government Department / Agencies using the credit / debit card in the PoS machines and other devices. After the payment is successful, the payer will receive money receipt along with the customer / payer copy generated from the PoS machine as a proof of payment.

14.2 Departmental counters:

For payment of tax & non revenues including fees, service charges etc., the citizen will go to the designated Departmental Office/ Counter and may opt for payment through Debit card against bill or demand raised by the Department or make the payment to avail any paid service.

- 14.2.1 The person in charge of the Departmental counter will ask for Debit/Credit card of the payer and swipe the card and enter the amount required to be paid against the particular demand/ bill or charges for availing of any service in the PoS machine. The depositor will be asked to enter his PIN number to complete the transaction. Along with the payer's copy of the receipt generated by the PoS machine, the Departmental Officer will also issue a money receipt in the prescribed form supplied by the Director, Printing, Stationery and Publication, Odisha or a system generated money receipt as the case may be as proof of payment under his signature. The merchant/receiver's copy of the receipt generated from the PoS machine will be preserved along with the counter foil of the money receipt and recorded in the Collection Register on daily basis and also taken to the Cash Book. The amount so collected will be parked in the designated account of the Head of Office/DDO maintained for such digital devices.
- 14.2.2 On each day at a particular time, say after close of the counter the person-in-charge will prepare an item-wise aggregate collection made with reference to the money receipt numbers and send a consolidated report to the Head of Office/ DDO.

14.3 Head of Office/ Drawing & Disbursing Officer:

The Head of Office/ Drawing & Disbursing Officer will aggregate the item-wise receipts from different counters and prepare a consolidated item-wise statement of collections made for each day and generate account head-wise challan from the Treasury portal and present the same in the Agency bank in which the designated account is maintained along with a debit slip/ cheque with an endorsement 'Pay yourself' for debiting the current account and simultaneous credit to the State Government account. Treasury Portal will also provide facility for payment through RTGS/NEFT from the designated account to the Government Account maintained in R.B.I, Bhubaneswar. MIS for the receipt transactions of the Head of Offices/ DDO can be downloaded from the Treasury portal for verification and reconciliation of the remittances made from the current account to the State Government account against the respective Treasury Reference ID of e-Challan.

14.4 Agency Bank Branch in which the designated account is maintained:

The concerned Agency Bank will furnish original challan to the Head of Office/ DDO indicating the bank transaction ID generated from the Core Banking solution of the Bank and report the transaction to the e-Kuber system of Reserve Bank of India through the designated e-Focal Point branch of the Cyber Treasury.

14.5 e-Focal Point branch of the Cyber Treasury:

The e-Focal Point branch of the Cyber Treasury will submit the electronic scroll for the receipts made through PoS machine and other devices and remitted from the designated account of the DDO to the Cyber Treasury through the e-Kuber system of RBI for accounting of the transaction.

14.6 Role of Cyber Treasury:

On receipt of the e-Scroll from the e-Kuber system of RBI, the Cyber Treasury will account for the amount remitted from the current account of the DDO.

Reporting and accounting of these e-Transactions will be governed by Finance Department O.M. No. FIN-TRY-RULE-0016/2012(PT)-24108/F, dated 27.06.2012.

15. Date of Operation to be notified by Finance Department

These instructions are issued for the guidance of all stake holders to make necessary arrangements like supply and installation of PoS machines, familiarisation of the officials in charge of counters with the operating procedure of the devices, opening up of bank accounts for adoption of digital payments through PoS and other devices, protocol for sharing of MIS, accounting, reporting and reconciliation of the amount collected through the devices and remitted to Government Account. Concurrence of Principal Accountant General (A&E) Odisha and Reserve Bank of India with regard to accounting, reporting, payment and settlement mechanism envisaged in this Office Memorandum will be obtained separately. After obtaining their concurrence and ascertaining the readiness of the banks and the user offices, the date of commencement of operation of the PoS and other devices for collection of Government dues would be notified.

By order of Governor

Principal Secretary to Govt.