**APPROACH PAPER FOR REVIEW OF EPAYMENTS AND ERECEIPTS**

**Introduction**

 During the last decade, the Government of India and many state governments have tried to use the power of Information Technology in improving their work. The paper based system has gradually transitioned to an electronic one in many areas. At first, Information Technology was used to make information available to the people and then gradually ePayments and eReceipts were introduced. Virtual Treasury is now becoming the norm in many state governments where most of the Tax Revenue and some portion of Non Tax Revenue has started coming in through the e-mode.

 In Government of India, eReceipts started in the field of Tax Revenue in the year 2005 and over the years almost 90% of Tax Revenue is now collected as eReceipts. In respect of Non Tax Revenue Collections through the e-mode, the progress however has not been as good in the Central Government, as it has been in many states. Most of the Non Tax Revenue collections, except for MCA21, DGFT, DIPP, UPSC/SSC Examination receipts, Patents, Trademarks and Passport Receipts, are not yet through the e-mode in GOI. It is perhaps as a consequence of less attention being given to Non Tax Revenue receipts that their forecasting and budgeting is also very rudimentary.

 The example of UPSC Examination receipts has shown that, even though in monetary terms, the receipts are not of high value ( approximately Rs. 90 Crores), the availability of e-mode gives considerable convenience to the payers because of the following:

* eReceipts are 24X7 facility and the payments can be made from anywhere at any time of the day
* On line filling of single challans facilitates minimum data entry
* Instant Online receipts are available.

 The advances in the field of eReceipts have been matched by advances in the field of ePayments. Though the dream of making Government of India Cheques obsolete, has not yet been achieved, still in terms of percentage, more than 90% payments of Government are now being made through ePayments.

 Government is the biggest customer of banks in India, and with the above numbers, it has definitely contributed to improving the Technological Intensity of banking in India. This in turn has led to considerable modernization of the Indian banking sector. The government has also saved through reduction in cash float and transaction costs and more satisfaction to public through timely ePayments. The weaker sections of the populace have also benefitted through Direct Benefits Transfer Schemes, which are only possible through the e-mode.

**Action Plan**

 With all kinds of payments and receipts happening through the e-mode as well as the manual route, it is time that data is collected about the Receipts and Payments which are still in the manual mode and study how these can be made electronic. The requirement is urgent for Non Tax Revenues as most of these receipts are still in manual mode. Apart from the cost savings through reduction of cash float, these receipts, when converted to e-mode will also offer more convenience to public.

 As a part of the exercise for modernization of collection of Non Tax Revenues of Government of India, FMRRS proposes to review all such receipts, identify those which are still manual, and make suitable recommendations for converting them to e-mode.

 Similar to eReceipts, many payments are still happening manually. FMRRS also proposes to identify all these kinds of different payments and give recommendations on how these can be made electronically.

 FMRRS Consultants have been dealing with all payments and receipts in Government of India and thus have enough expertise in the field to identify the various kinds of receipts and payments and give suitable recommendations.

**Methodology**

 The methodology followed for identification of eReceipts will be to first collect information about all receipts being collected by the civil ministries through their accounts. The accounts details will need to be seen at the detailed head level and where necessary, the PAOs consulted about the nature of receipts. Presently the eReceipts are coming in through the various gateways of the collecting banks and not through Government ePayment Gateway (GePG). In such cases, it is the PAOs who will be able to confirm as to which receipts have come through the e-mode and which ones are through the manual mode.

 In respect of ePayments, almost all the ePayments are happening through the GePG except the central releases to states, for which the CGA’s server is linked to the RBI’s server. By looking at all kinds of payments through their object level bookings and the payments which have passed through GePG, it will be found out as to what payments are still on the manual mode.

**Envisaged Outputs and Outcomes**

 All receipts (including Non Tax Revenue Receipts) and payments will be reviewed. The expected outcomes will be the following:

Outputs

* Identification of various kinds of receipts which are not yet on e-mode
* Identification of various kinds of payments which are not yet on e-mode
* Recommendations on how the above Receipts and Payments can be converted to e-mode.

Outcomes

 The outcomes from the exercise are expected to be on the following lines:

1. Better and timely collection of Non Tax Revenue receipts
2. Reduction in financial costs due to reduction in cash float
3. More convenience to the public following the extension of eReceipts and ePayments
4. eReceipts and ePayments mean better reconciliation and lead to better and more accurate accounting.

 Experience of various governments in India, has shown that, once the areas are identified for conversion to e-mode, it is thereafter an achievable reform and gives benefit to all stakeholders.