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NAAC Accredited

Policy No.4 FINANCE POLICY

	Policy Title	Finance Policy
1.	Financial Policy number (2019-20)	Functional Area: Finance Criterion: 4,5&6
2.	Brief Description of the Policy	To Ensure timely budget approval, allocation of funds, its judicious expenditure (as per approval) and auditing.
3.	Drafting	Principal, IQAC
4.	Policy applies to:	Administration and Finance
5.	Effective from the date:	20/06/2019
6.	Approved by:	College development Committee, management
7.	Responsible authority	Principal
8.	Superseding Authority	Management
9.	Last reviewed/ Updated;	NA
10.	Main Objectives of the policy	To make financial transactions, accounting Procedure effective and transparent
11.	References for the policy	1. Maharashtra Universities



Introduction:

This policy is to monitor and control financial transactions and accounting procedures of the Institute for efficacy and transparency. The Policy aims at getting approval to the budget by the CDC and management at least one month before commencement of next financial year and allocation of funds to different departments, judicious expenditure of funds, standard procedures to be followed while making financial transactions. It will also monitor expenditure incurred on various items through Internal Audit Committee, maintaining proper books of accounts, acquisition and dead stock register, external audit by Chartered Accountant appointed by the CDC/ Management.

Policy Statement:

To ensure timely budget allocation, judicious expenditure of funds, monitor expenditure incurred on various heads and auditing It shall apply to the conduct of all the financial affairs of the institute. All the academic and administrative departments, responsible persons (Principal, Bursar, Registrar, and Office Superintendent) are required to comply with the financial policy of the Institute and shall exercise high degree of vigilance in respect of Payments and Receipts of institute.

Definitions:

- i. Bank means any Nationalised Bank, Schedule Bank or Cooperative Bank in which the funds of the institute may be kept
- ii. Budget means a statement indicating probable income and expenditure of a financial year approved by the appropriate authorities.
- iii. CDC means College Development Committee constituted as per Maharashtra Public University Act 2019.



- iv. 'Management' means Governing Body of the Trust.
- v. 'Financial Year' means year beginning with 1st April and ending with 31 March of the following calendar year.
- vi. 'Internal Audit Committee' means a committee appointed by the principal for monitoring judicious expenditure of funds and to follow standard operating procedures (approved by the Principal/Management).
- vii. 'HOD' means a person designated as Head of Academic Department.
- viii. 'Purchase Committee' means a committee constituted by the principal as per Govt. of Maharashtra norms.
- ix. Other terms their usual meaning.

Procedures;

Budget:

- All Departments shall inform the principal about their requirement by 30 November of the current year.
- Registrar/O.S.in consultation with the Principal shall prepare budget for the ensuing year by 31 December of current year. The Principal shall place the budget in a meeting of the CDC for its Budget approved by the CDC shall be final and to the Management it is final approval. This process shall be completed by the end of February of current financial year
- After getting final approval from the management, the Principal inform all concerning departments about budget allocation before 31st March of current year.
- Supplementary budget may be prepared for items not covered in main budget. Same process should be followed for approval of Supplementary budget.



Receipts:

- All money received either as a fee, dues, or miscellaneous shall be credited into institute account without any delay.
- No duplicate copy of a receipt for money received or of a bill or other document for which money already paid, shall be issued if the original is lost. Instead, a certificate may be given, after verification of the loss, that on a specified date a certain sum on a certain account was received from or paid to a certain person/agency/firm.
- An account of the receipt books, forms, prospectus and similar articles having money value brought to the stock of the institute shall be maintained in the prescribed forms.
- Each receipt book shall bear a certificate stating number of receipts contained in each book and certified by the head of the institute on reverse side of the front cover page.
- Only one receipt book at a time shall be issued to the collection staff.

Payments:

- All payments, except for petty contingencies, minor purchases or repairs, shall be made through cheque only.
- All bills presented for payments shall be first examined by the concerned department and then Internal Audit Committee. Internal Audit Committee shall recommend bill for final payment only after its thorough satisfaction that the proper procedure laid down by the institute has been followed for the purchases, major repairs & construction work undertaken by the institute. A register of such bills shall be maintained indicating Agency name, Bill no., Brief



particulars of items, Date of payment and Payment mode (Cheque, RTGS, NEFT, DD, and VPP etc.).

- All departments and Internal Audit Committee shall ensure that all expenditure incurred conform to the relevant provisions made in the budget and in a judicious manner.
- If an exigency occurs, expenditure may be incurred over & above the budgetary provisions after prior approval from the management.
- A voucher may be prepared for money paid in cash
- The Accounts and Financial record of the institute shall be maintained in proper forms and register.

Sanctioning procedure and Procurement:

- For recurring expenses on procurement or repairs (on books, chemicals, equipment, furniture & IT related), the concerning department (after consultation and discussion in the departmental meetings) shall obtain pre sanction from the principal For administrative unit, application for pre sanction shall be forwarded by the Registrar, OS or In charge of that department.
- For non-recurring expenses (one time) prior approval of the CDC and subsequently of the Governing Body shall be necessary.
- For purchase of items costing Rs. 50,000 & above, notice/advertisement inviting tenders shall be given in at least two regional News Papers. For other, the process of inviting 3-4 quotations shall be followed.
- Tenders quotations shall be opened in Purchase Committee meeting, notice of which shall be given at least one week before the date of meeting. In case of exigencies 3 day notice may be sufficient. Generally lowest tender/quotation shall be selected. Reasons shall be for not selecting lowest tender/quotation



- A copy of order for supply to stores shall be given each to the concerning department, Account Section and Internal Audit Committee.
- Administrative department and principal shall have power to expend Rs. 500 and Rs. 5000 respectively in cash.

Purchase Committee:

There shall be Purchase Committee for every purchase more than Rs. 5000 the composition of Purchase Committee shall be as per norms of the State

Government prescribed for HEI. The composition shall be

- | | |
|--|----------|
| i. Principal of college/Director of Institute | Chairman |
| ii. One representative of the management | Member |
| iii. One teacher from Commerce Department | Member |
| iv. One teacher from Science Department | Member |
| v. One non-teaching employee(from finance section) | Member |

In addition to above. HOD of department for which purchase are made shall be invited as invitee.

External Audit:

External audit shall be completed before 30 June every year from a professional person appointed by the management.

Scholarships:

Scholarships of students shall be credited to their A/C within one month after the receipt of instalment from the State/Central government.

Investment Policy:



An investment policy may be adopted by CDC after approval of the management for surplus fund (if any) of self-financed courses.

Stock Verification:

Stock verification of every department shall be carried out by stock verification committee appointed by the principal in the month of April every year and its report be placed in the meeting of CDC.

Forms:

- Request for permission to procure
- Form of Invitation of Quotation
- Comparative statement format
- Order for supply of stores
- Format of notice of meeting of Purchase committee
- Form for repairing
- Instrument Logbook format
- Format for stock of receipt books, other forms and articles having money value

Guidelines:

Code of Account of University, Purchase Committee, and UGC guidelines

Other resources

Insurance policy

Depreciation policy

History:(Any kind of revision/ changes expected):



Revision changes are expected with change in financial rules of the university state government or by the governing body of the institutions

Key words: Budget approval, Allocation of funds, judicious expenditure and Auditing.

KPI's

- i. What is the date of intimation of requirement by various departments?
- ii. What is the date of preparation of budget?
- iii. What is the date of approval of budget by the CDC?
- iv. What is the date of final approval by the governing body?
- v. What is the date of intimation of approved fund allocation to various departments
- vi. Number of instances wherein SOP is not followed.
- vii. Account Heads in which expenditure is incurred below and above budgetary provisions and their percentage
- viii. Whether cheque register is properly maintained.
- ix. Whether bill register is properly maintained.
- x. Whether receipt register is properly maintained.
- xi. Whether expenditure register properly maintained.
- xii. Whether measurement book is properly maintained.
- xiii. Whether books of accounts (cash book, ledger) are properly maintained.
- xiv. Whether stock books (movable and immovable) are properly maintained.
- xv. Details of expenditure for which budgetary provision wasn't made.



- xvi. What is the percentage of amount of supplementary budget to the initial budget?
- xvii. Details of expenditure incurred on disallowed items.
- xviii. Instances (number) wherein payment was delayed.
- xix. What is quarterly average of expenditure?
- xx. Details of objections raised by Internal Audit Committee.
- xxi. Whether instruments log book, record of maintenance are properly maintained
- xxii. Whether Insurance dues are timely paid.
- xxiii. Whether AMCs are timely reviewed and renewed.

Form No. FI

Request for permission to procure

Name of the College:

REQUEST FOR PERMISSION TO PROCURE

To

The Principal/ Director

Following Equipment's /Chemicals / Furniture
/ Other accessories

_____ are required for
_____ Department. The

Budgetary provision under this head of account is
Rs. _____ Prior to this.

Requisition expenditure incurred under this budgetary head is
Rs. _____ balance amount available to expend is

Rs. _____.



S.N.	Particulars	Quantity	Approximate cost	Reason for procurement

You are requested to accord permission to procure above mentioned items.

Date:
HOD

Name & Signature of

Requisition approved, invite quotations.

Not approved because of

Principal/Director

Form No. F2

Invitation of Quotation

Name of the College:

No.

Date

INVITATION OF QUOTATION

To

M/s _____

Dear Sir,

You are requested to quote the rates, prices, the terms and conditions for supplying the following stores to this college by open/sealed quotation so as to reach this office on or before _____. A descriptive catalogue is welcome. The quotations will be opened at _____ p.m. on _____ your representative may be present during the opening of the quotation.

Freight to pay, (4) Warrantee Guarantee (5) Installation etc. The bill will be paid by crossed cheque within 15 days after receipt of ordered items subject to satisfactory inspection/testing/installation/satisfactory performance

