

Janardan Bhagat Shikshan Prasarak Sanstha's
Changu Kana Thakur Arts, Commerce and Science College,
New Panvel (Autonomous)

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Finance Policy

(For Financial Management)

Approving Authority	:	Finance Committee, College Development Committee and Governing Body
Purpose	:	Guidelines for Fund Mobilization
Responsible Officer	:	IQAC coordinator, C.K.T.A.C.S. College, New Panvel
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Associated documents	:	---



Finance Policy

The efficacious functioning of Changu Kana Thakur Arts, Commerce and Science College, New Panvel depends greatly on its well charted out policy on financial management. The functioning, development and ethics of the institution as a centre of excellence is formed and maintained by practicing such a policy. The culture and credibility of the institution is enhanced by judiciously carrying out what has been clearly spelt out in the policy document. Transparency, accountability and fair play are the key principles of financial management at Changu Kana Thakur Arts, Commerce and Science College, New Panvel. The college keeps it closer to its heart to live up to the vision enshrined in the financial policy.

Financial revenue of C. K. Thakur A.C.S. College, New Panvel College comes through two major sources, Government and Non-government. The policy document encompasses the following areas of financial management at the institutional level:

1. General Policies
2. Fund from Government Sources
 - 2.1 UGC / RUSA
 - 2.2 Government Funds
 - 2.3 Grant from the University
 - 2.4 Bank Account mapped with PFMS
3. Fund from Non-Governmental Sources
 - 3.1 Janardan Bhagat Shikshan Prasarak Sanstha, Panvel
 - 3.2 Alumni
 - 3.3 Talent and merit Scholarships
 - 3.4 Concessions to 'Poor Students'
 - 3.5 Project / Fellowship Fund
 - 3.6 Revenue generated from Consultation Service
4. Budgeting and Auditing
5. Procedures
6. Hierarchy of Administrative Approval
7. Revealing the areas to be tapped for additional sources and cost saving areas
8. Book Keeping and Procedures



1. General Policies

- 1.1 C.K.T.A.C.S. College shall raise funds only through fair and ethical means
- 1.2 Fund raising is done only through the designated persons for the said purpose
- 1.3 All financial transactions shall be properly accounted and audited
- 1.4 Financial transparency and accountability shall be maintained
- 1.5 Disbursing of funds for various purposes shall be strictly based on the annual budget
- 1.6 Stake holders shall try to include all major disclosure in the annual budget
- 1.7 All transactions shall be made with permission of respective authorities
- 1.8 Every transaction in accordance with the approved annual budget shall be directly done through the authorized office /person.
- 1.9 Any transaction outside the annual budget shall be done only through the concurrence of the concerned higher authorities of the Sanstha
- 1.10 Money shall be released at the receipt of duly attested requests submitted well in advance by the concern department/person.
- 1.11 Accounts of the expended amount shall be submitted to the authorized office within stipulated period.
- 1.12 Development and maintenance of the institution shall be a major priority in expending the finance.
- 1.13 Any fund collected by the departments shall be through proper procedure and such departments shall keep an account of the same for auditing.
- 1.14 Accounts of the college shall be audited by respective agencies deputed by J.B.S.P. Sanstha, Panvel

2. Fund from Government Sources

- 2.1 UGC / RUSA / DST, etc.
 - 2.1.1 At the beginning of the block plan of five years when the applications are called for, the college shall apply for financial assistance under various schemes such as merged schemes, departmental development fund, general development fund, minor and major research projects, seminars/conferences/workshops, etc.
 - 2.1.2 Once it is sanctioned, the major and minor projects will be carried out by the concerned faculty and its bills and audited statements are handed over to the office and maintained there.
 - 2.1.3 Seminars and workshops shall be the responsibility of the respective departments. Audited accounts of UGC sponsored seminars shall be audited and sent to the UGC within stipulated time after completion of seminars.



- 2.1.4 Purchasing committee consisting of the Principal, HODs, vice-principal, Head of Accounts shall shortlist the equipment's / materials to be purchased. The purchase has to be done in accordance with the purchase guidelines of the government.
- 2.1.5 As per the guidelines of the scheme tender/quotations, Audit statements, utilization certificates and reports have to be submitted periodically, so that, further instalments can be obtained.
- 2.1.6 As per the guidelines of the scheme funds received shall be utilized 100% within stipulated time.
- 2.1.7 Final accounts of the scheme shall be audited. All compliances of the scheme shall be made within stipulated time and settlement letter has to be obtained from the concern agency.

2.2 Government Funds

2.2.1 Salary Grant

- 2.2.1.1 The college shall maintain record of salary grants received and respective disbursements.
- 2.2.1.2 Un-utilised grants shall be deposited immediately to treasury.
- 2.2.1.3 The assessment of the salary grant shall be carried out annually from office of Regional Joint Director, Higher Education, Kokan Region, Panvel
- 2.2.1.4 Assessment queries shall be complied immediately.
- 2.2.1.5 The audit of the salary grant shall be carried out annually from office of Accounts Officer, Higher Education.
- 2.2.1.6 The audit para shall be complied immediately by the college.

2.2.2 Non-Salary Grant

- 2.2.2.1 Presently Non-Salary grants are not paid by govt. but University allow to charge 'Development Fees' from the students for expend on allowable expenses of the college.
- 2.2.2.2 The college shall maintain record of non-salary expenses as per head to head ceilings.
- 2.2.2.3 The assessment of the non-salary grant has carried out annually from office of Regional Joint Director, Higher Education.
- 2.2.2.4 Assessment queries shall be complied immediately.
- 2.2.2.5 The audit of the non-salary grant shall be carried out annually from office of Accounts Officer, Higher Education.
- 2.2.2.6 The audit para shall be complied immediately by the college.



2.2.3 Scholarships

- 2.2.3.1 The eligible students shall be informed for availing various government scholarships.
- 2.2.3.2 The college shall maintain record of scholarships received scheme-wise and student-wise.
- 2.2.3.3 The disbursement of sanctioned scholarship to all student has to be ensured.
- 2.2.3.4 Un-utilised scholarship amounts shall be deposited immediately to treasury.

2.3 Grant from the University

- 2.3.1 The college shall try to avail all the available grants from the university.
- 2.3.2 Administration shall apply for research grant and other grants at the invitation of applications by the university
- 2.3.3 The College shall avail all the NSS grants from the university
- 2.3.4 The College shall avail B.C. Book-Bank Grant from the university
- 2.3.5 After utilizing the same for the specified purposes, the utilization certificates have to be submitted to the university annually.

2.4 Bank Account mapped with PFMS

- 2.4.1 Adhering to the Government norms, Bank Account mapped with PFMS shall be utilized for purchasing allowable items under the respective scheme.
- 2.4.2 The College Development Committee shall be involved in the utilization of the Fund.
- 2.4.3 The fund shall be utilized according to the guidelines of the respective schemes
- 2.4.4 All the expenditure under this account shall be with the approval of the College Development Committee of the college.
- 2.4.5 The details of this account shall be presented in the College Development Committee meeting by the end of the financial year in order to ensure transparency.

3. Fund from Non-Governmental Sources

- 3.1 Janardan Bhagat Shikshan Prasarak Sanstha, Panvel
 - 3.1.1 J.B.S.P. Sanstha Fund is a voluntary contribution depending upon the financial need of the institution.
 - 3.1.2 It shall be available from the Sanstha during the various programmes and requirements.



3.1.3 This fund shall be utilized for the maintenance and development of the library, infrastructure and student welfare programmes, etc. which are required for upgradation and over and above budgetary provisions of the college.

3.2 Alumni Contributions

On special occasions institution can seek contributions from the Alumni

- Jubilee Celebrations
- Building and developmental works
- Organization of seminars/workshops
- Infrastructural up-gradation
- Endowment awards and scholarships

3.2.1 Alumni membership fee shall be collected and maintained by the alumni executive committee

3.2.2 Transcript charge shall be collected from the applicants

3.2.3 Alumni shall be encouraged to organize various programmes to raise funds for the institution

3.2.4 Proper accounts shall be kept by the elected representative of the body

3.2.5 Alumni shall not collect any money without the approval of the college administration

3.2.6 Alumni account shall be presented in the general body meeting

3.2.7 There shall be internal and external audit of the transactions of the alumni fund

3.3 Talent and merit Scholarships

3.3.1 The merit holder students programme-wise and academic year-wise with first and second rank shall be given Scholarships offered by J.B.S.P. Sanstha, Panvel.

3.3.2 The merit holder students programme-wise in first three ranking of University shall be given Scholarships offered by J.B.S.P. Sanstha, Panvel.

3.3.3 The merit holder female students programme-wise and academic year-wise with first rank shall be given Scholarships offered by J.B.S.P. Sanstha, Panvel.

3.3.4 The college shall continue to generate the scholarship fund from various sources so that it can meet the growing requests for assistance

3.3.5 The donors' request for instituting awards and scholarships shall be scrutinized by the management and decision on the same shall be made in tune with the policies of the management



- 3.4 Concessions to 'Poor Students'
- 3.4.1 The college shall forward applications for financial assistance of the financially weak students to J.B.S.P. Sanstha, Panvel
- 3.4.2 J.B.S.P. Sanstha, Panvel shall put remark of concession in fees on these applications by considering the need of the student.
- 3.4.3 These concessions in fees shall be recorded in the fees account of respective students.
- 3.4.4 Financial year-wise statement of programme-wise and student-wise fees concessions shall be maintained by the college.
- 3.5 Project / Fellowship Fund
- 3.5.1 Books, journals and equipment bought for the projects shall be the property of the institution at the completion of the project
- 3.5.2 A project committee consisting of the Principal, Vice-principal, Staff representative and research coordinator shall monitor this programme.
- 3.6 Revenue generated from Consultation Services
- 3.6.1 All the consultancy programmes of the staff shall be considered as consultancy service of the college
- 3.6.2 40% of consultancy income shall be shared with the institution and remaining 60% can be used by the faculty.
- 3.6.3 Out of institute share, 50% shall be allocated for the respective departments, 25% for the maintenance fund and the other 25% shall be earmarked as seed-money for research.

4. Budgeting and Auditing

Budgeting

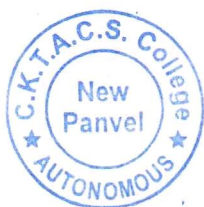
- 4.1 Budget shall be prepared in advance for every financial year and has to get sanctioned by finance committee and approved by the of the College Development Committee of the college.

Internal Auditing

- 4.2 Accounts shall be audited periodically during the financial year from the internal auditors deputed by J.B.S.P. Sanstha, Panvel.
- 4.3 The internal audit queries shall be complied immediately.
- 4.4 The suggestions given by internal auditor shall be strictly followed.

External Auditing

- 4.5 The suggestions given by external auditor shall be strictly followed.
- 4.6 The accounts shall be presented in the College Development Committee meeting periodically for approval.
- 4.7 Final audited accounts with auditor's report shall be presented in the College Development Committee meeting for approval.



- 4.8 Accounts shall be audited at the end of every financial year from the agency deputed by J.B.S.P. Sanstha, Panvel.
- 4.9 The suggestions given by external auditor shall be strictly followed.
- 4.10 UGC and Govt. account shall be audited by the chartered accountant deputed by J.B.S.P. Sanstha, Panvel and AG's office.

5. Procedures

5.1 Budgeting Process

- 5.1.1 Budget Preparation and Monitoring Committee shall be constituted.
- 5.1.2 Projected income and expenses shall be invited from all areas viz.
- 5.1.2.1 Academic Centres;
- 5.1.2.2 Activity Centres – NSS, NCC, Cultural, Sports, etc.
- 5.1.2.3 Administrative Centres
- 5.1.3 Separate annexures shall be provided wherever required.
- 5.1.4 Fees and fines shall be computed on the basis of expected students
- 5.1.5 Each academic fees receipt shall be allocated 100% on respective head of expenses. Diversion of any specific fund is not permitted.
- 5.1.6 Statement of programme-wise receipts and expenses shall be prepared.
- 5.1.7 Common expenses shall be allocated programme-wise on pro-rata basis
- 5.1.8 Classification of receipts and expenses shall be made.
- 5.1.8.1 Employee Cost
- 5.1.8.2 Academic
- 5.1.8.3 Administrative
- 5.1.8.4 Shares and Contributions
- 5.1.8.5 Deposits, etc.
- 5.1.9 Receipts/Expenditure head-wise and programme-wise vertical and horizontal consolidation shall be made.
- 5.1.10 Budget structure shall be dynamic. So that, by changing variables like no. of student revised budget can be prepared.

6. Hierarchy of Administrative Approval

6.1 Academic Expenses

Step No.	Authority
1	Faculty
2	Head of the Department
3	Principal
4	Hon. Chairman, J.B.S.P. Sanstha, Panvel

6.2 Administrative Expenses

Step No.	Authority
1	Administrative head of the Department
2	Office Superintendent / Accountant
3	Principal
4	Hon. Chairman, J.B.S.P. Sanstha, Panvel

7. Revealing the areas to be tapped for additional sources and cost saving areas

- 7.1 Every stake holder of the college shall invent for additional resources.
- 7.2 Cost saving areas are to be identified without affecting quality/quantity/output respectively.
- 7.3 The suggestions are to be put before College Development Committee for approval.
- 7.4 These innovative practices are to be implemented only after getting approval from College Development Committee.

8. Book Keeping and Procedures

8.1 Accounting System

- 8.1.1 Accounting has to be made as per standard norms of government.
- 8.1.2 Accounting shall be maintained with the help of softwares approved by the management.
- 8.1.3 Accounting shall be maintained cash and mercantile hybrid basis.
- 8.1.4 Instructions given by external/internal auditor and Government auditor shall be followed.

8.2 Financial Power of Delegation

- 8.2.1 Miscellaneous expenses viz. travelling, gas cylinder, fuel, etc. can be made through petty cash.
- 8.2.2 All financial transactions shall be sanctioned by Hon. Chairman J.B.S.P. Sanstha, Panvel
- 8.2.3 All financial transactions shall be approved periodically by the College Development Committee.

8.3 Purchase Algorithm / Procedures

- 8.3.1 As per budgetary provisions quotations/e-tenders for required items are to be invited.
- 8.3.2 Comparative statements are to be prepared and authenticated by the Principal

- 8.3.3 The vendor shall be finalised on the basis of brand, service, efficiency, etc. which are applicable to the item to be purchased.
- 8.3.4 The comparative statements are to be put before College Development Committee for approval and decision shall be authenticated by the signature of Hon. Chairman, J.B.S.P. Sanstha, Panvel
- 8.3.5 Purchase/Work order shall be prepared and executed by the Principal
- 8.3.6 Procured items shall be verified by the respective department and shall be recorded in stock register.
- 8.3.7 Purchase bill with remark of entry in stock register and duly signed by head of the department and the Principal shall be forwarded to accounts section for payment procedure.

8.4 Steps for Bills Audit, Passing and Cheque Preparation

- 8.4.1 Bills Audit
 - 8.4.1.1 Authenticity and validity of bill shall be verified by the accountant.
 - 8.4.1.2 After verification, accountant shall obtain approval of the Principal.
 - 8.4.1.3 Accountant shall prepare list of outstanding bills section-wise and date-wise.
- 8.4.2 Bills Passing
 - 8.4.2.1 Hon. Chairman, J.B.S.P. Sanstha, Panvel is authorised for sanctioning of bills for payment.
 - 8.4.2.2 The accountant and the Principal shall provide following information with respect to bills-
 - 8.4.2.2.1 Statement of bills outstanding
 - 8.4.2.2.2 Statement of funds available
 - 8.4.2.2.3 Budgetary provision and its' status for each item
- 8.4.3 Cheque Preparation
 - 8.4.3.1 After getting approval of Hon. Chairman, J.B.S.P. Sanstha, Panvel for payment of bills, accountant shall prepare cheques in the favour of name of vendor.
 - 8.4.3.2 The accountant shall deduct income tax as per applicable rate declared by Income Tax department time to time.
 - 8.4.3.3 While preparation of cheque advances / part payments made to the vendor shall be settled.
 - 8.4.3.4 All cheques shall be crossed and account payee only except cheques drawn for petty cash.
 - 8.4.3.5 Post-dated or blank-dated cheques shall not be issued.



8.5 Vouchers, Accounts Receivables/Payables, Financial Reports, Ledgering, etc.

- 8.5.1 Voucher amounting above Rs.5000/- shall have revenue stamp and shall be signed by receiver, accountant and Principal
- 8.5.2 Purchase bill shall be tax invoice.
- 8.5.3 Overwriting and scribbling on bill/voucher is not permitted.
- 8.5.4 Voucher date shall be of actual disbursement.
- 8.5.5 Financial Reports shall consist-
 - 8.5.5.1 Daily Collection Reports
 - 8.5.5.2 Cash Book and Bank Book
 - 8.5.5.3 Ledger-wise report
 - 8.5.5.4 Receipts and Payment
 - 8.5.5.5 Trial Balance
 - 8.5.5.6 Balance Sheet
 - 8.5.5.7 Notes to Accounts
 - 8.5.5.8 Internal / External Auditor's Report
- 8.5.6 Ledgering
 - 8.5.6.1 Fees ledger heads shall be as per University norms
 - 8.5.6.2 Expenses ledger heads shall be as per accounting norms
 - 8.5.6.3 Hierarchy shall be maintained in group, sub-groups and sub-sub-groups of ledgers for structured output of accounts
 - 8.5.6.4 Mapping of ledgers to Cost centres can be made for getting customised reports.
 - 8.5.6.5 Accounting ledgers shall be same as defined in budget.

8.6 Bank Reconciliation

- 8.6.1 Preparation of voucher entry at the time of actual disbursement
- 8.6.2 Preparation of entry of date of clearance of payment from bank
- 8.6.3 Periodical reconciliation of balance of Bank Book and Bank statement
- 8.6.4 Financial year end reconciliation of balance of Bank Book and Bank statement



Prof. (Dr.) Vasant D. Barhate

Principal

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