



6.4.3 Institutional Strategies for Mobilization of Funds and the Optimal Utilization of Resources

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K S R INSTITUTE FOR ENGINEERING AND TECHNOLOGY

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Financial Policy

K S R INSTITUTE FOR ENGINEERING AND TECHNOLOGY

FINANCIAL POLICY

Effective management of financial resources is done through budget planning and monitoring.

1. Budget Policy

The Budget proposal for every academic year is prepared by the individual departments as per the guidelines given by the Management and the Principal. The collective budget proposals are scrutinized by the Central Purchase Committee at the college level and further taken to Finance Committee and Governing Council for approval and sanction. Once it is sanctioned, the Principal will issue the budget order.

At KSRIET, every year in the month of April, the Principal asks the Heads of the Department, College Administrative Office, Examination Section, Library and other central departments, to prepare the budget estimate for the next academic year. The estimates of the budget from the departments will have provisions under following heads,

- | | |
|---|--------------------------------------|
| (a) Lab Equipment | (h) Books & Journals |
| (b) Lab Consumable | (i) Research & Development |
| (c) Lab Maintenance | (j) Stationery and other consumables |
| (d) Seminars / Conferences / FDP/Others | (k) Display charts & Models. |
| (e) Guest Lectures | (l) Training and Placement |
| (f) Industrial Visits | |
| (g) Sports | |

Apart from the budget requirements of the departments, the following budget estimates are obtained from the Central Offices.

(a)	Educational & General	The education and general budget funds the general instruction, administration, admission, and public service operations of the institution.
(b)	Auxiliary Enterprise Budget	Includes budget for various student support services offered by the institution, including transport, facilities management, IT services, etc.
(c)	Student Activities	Budget estimates for organizing various student activities, including cultural events, graduation day, annual day, student organizations (NSS) & Sporting events are prepared under this head.
(d)	Examination Expenditure	Various annual estimates are prepared for conduct of continuous assessment examinations, including, exam related stationery, infrastructural recruitments etc.

- The budget estimates from all these sources are collected and grouped to prepare the consolidated Budget Estimate of the institution.
- The same is submitted to Finance Committee and Governing Council for approval.
- The Finance Committee and Governing Council, after careful examination, approve the budget for the Academic Year.
- The accounts department, on receiving the approved budget estimates from Finance Committee, prepares the schedule for the release of payments, in consultation with the department heads.
- The sanctioned budget is released, as per the schedule, for accomplishing the specified goals.
- The concerned authorities have to submit the utilization certificate / bills for the budget released, within 14 days from the release of the budget.
- Further, all the departments are sanctioned an amount Rs. 10,000 as Imprest Cash, for meeting emergency requirements in the department. The account is replenished as and when the bills for the prior sanctioned Imprest are settled.

1.1 Budget - Institute Level

- The budget for the institution is a consolidated budget of all functional departments including academic departments, placement, accounts, library, purchase, Hostel, physical education, transport and maintenance.
- The projection given by the individual departments are scrutinized and considered for arriving at the institution level budget.
- The consolidated budget at the institution level is submitted to the Governing Council for approval
- Upon approval by Governing Council, the budget is released for utilization and accounting Institute level budget process is shown in Fig. 1

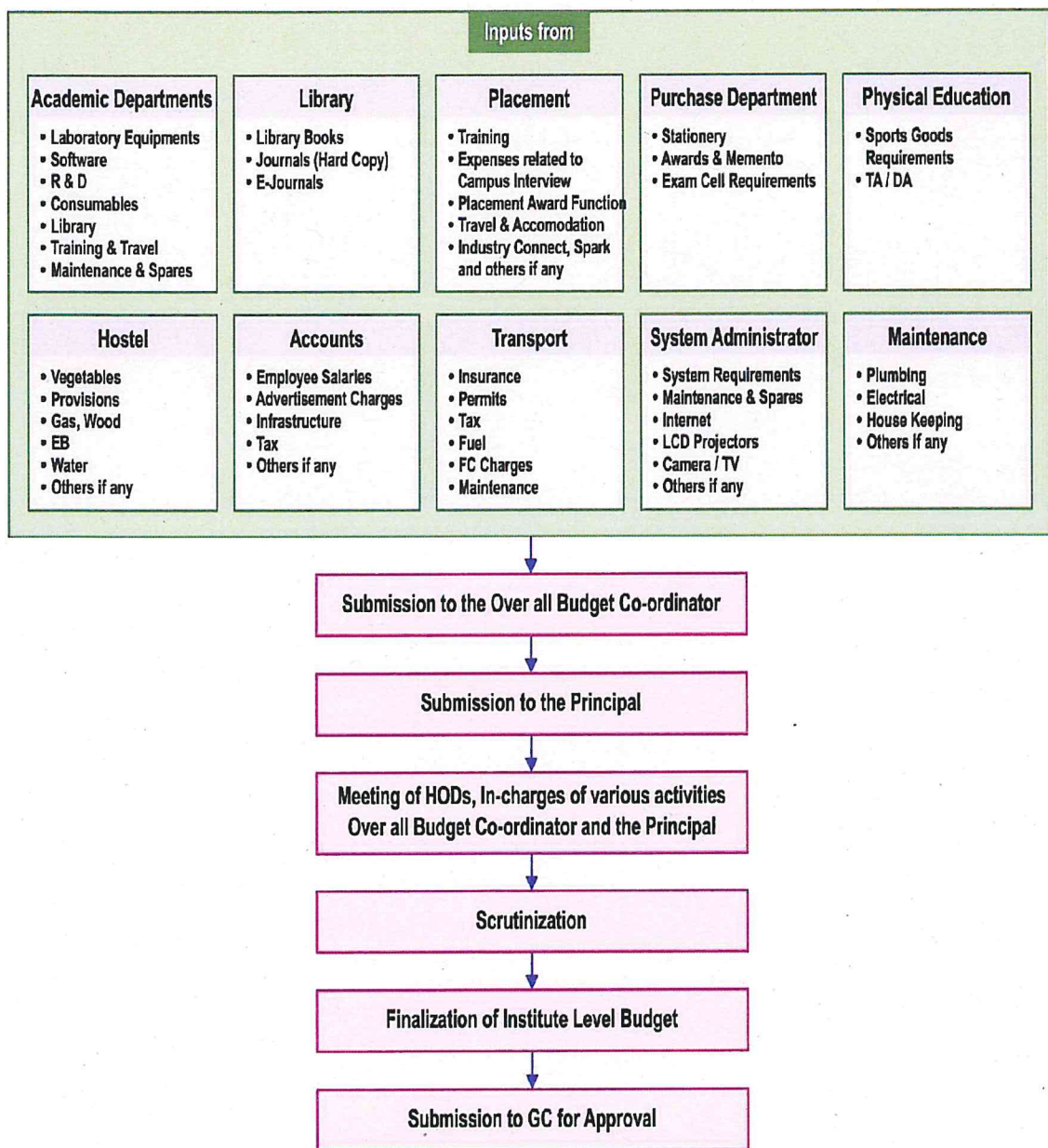


Figure 1 Institute level budget process

1.2 Utilization of allocated funds - Institute Level

- The approved budget is utilized by the heads of various functional departments in line with their proposed plan
- The departments are free to utilize the budget to their approved level of delegation. For any expenses above the delegated powers, they raise a proposal, get the same approved by the Principal and utilize.
- Proper utilization of the budget in line with the financial delegation is also verified by the Purchase and Accounts Departments, during the procurement and payment activities.
- Any unbudgeted expenses need prior approval from the management and/or the trust.

1.3 Budget - Department Level

- The department level budget process shown in the figure 2.
- Inputs are collected from laboratory in-charges, research coordinator, library in-charge and association in-charges.
- The projections given by the individuals are collected, scrutinized and considered for department level budgeting.
- Additional equipments needed for the laboratories are considered based on the curriculum revision and appropriate budget is arrived
- Programs and events are planned for the full academic year and detail budget for conducting these events are forecasted for deriving the budget.
- Additional expenditure to be made is also considered for finalizing the budget. Finalized budget is submitted to the principal through Overall budget coordinator for final approval.

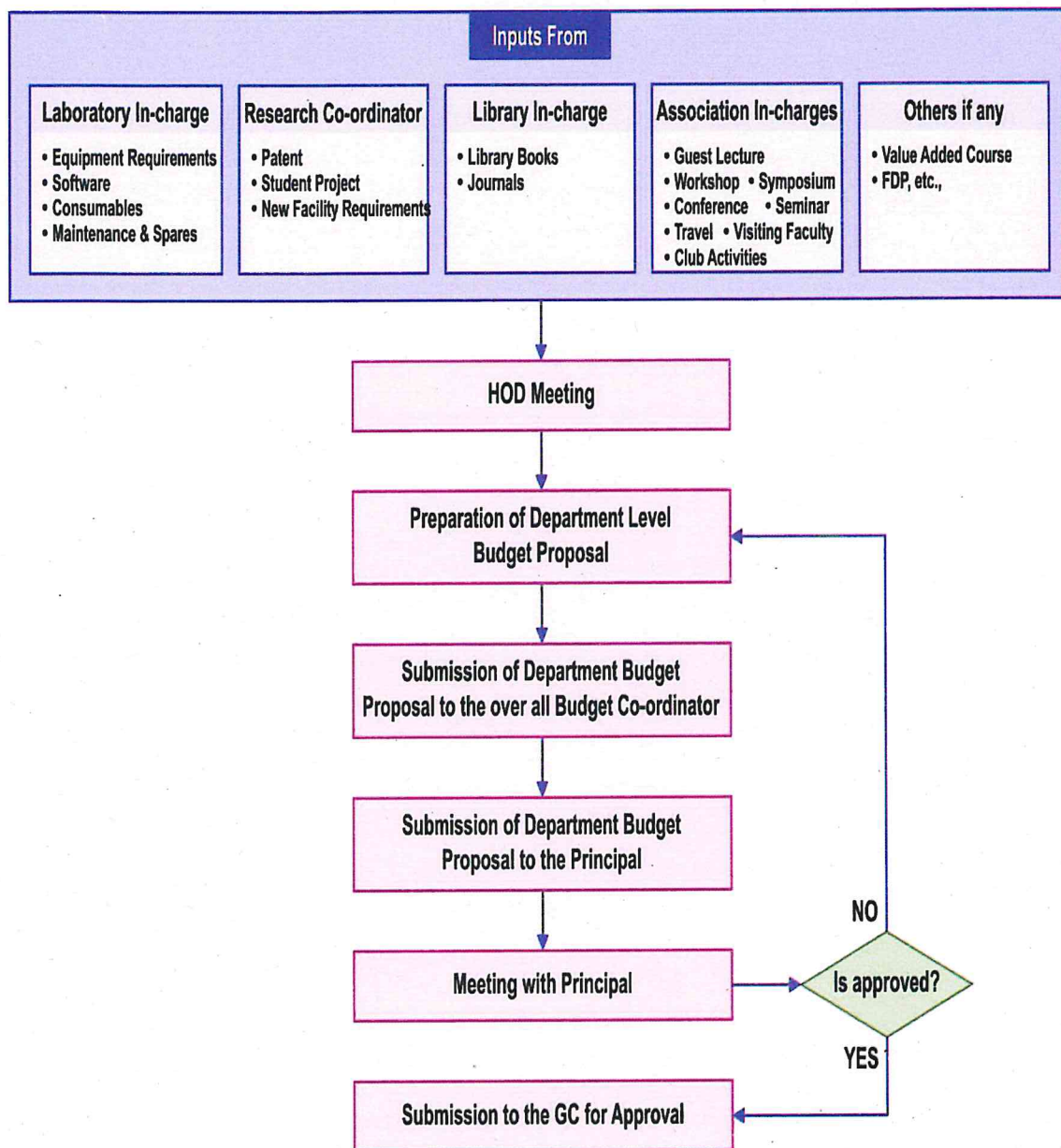


Figure 2 Department Level budget process

1.4. Utilization of allocated funds- Department Level

- Since the budgets are arrived from the individual laboratory level and by incorporating all the expenditures, the variance in budget and utilization is always minimal.
- Any rise in expenditure is closely monitored and necessary control measures are taken to keep the expenditure within the limits.
- Any unbudgeted expenses need prior approval from the management before spending
- Detailed utilization reports are to be maintained in the department.

1.5. Utilization of Budget for Laboratory:

After approval of the proposed budget by the Governing Council, HOD discusses with the staff members regarding requirement for new lab equipment and upgradation of lab equipment and consumables required for the laboratory. The process followed for spending the budget allocated for Laboratory is as given below:

- Details of the required equipment and consumables along with supplier details are provided by the Laboratory In-charges to the Purchase Department
- Purchase department obtains quotations from various suppliers and scrutinizes the quotations for price, payment terms, after sales service etc. Where required, the Purchase Department holds discussions with the suppliers and prepares a comparative statement.
- Based on the comparative statement provided by Purchase Department, the HOD raises the Purchase request which is approved by the Principal and a Purchase Order is released on the supplier by the Purchase Department.
- The supplier delivers the equipment and installation and commissioning of the same is carried out.

1.6. Utilization of Budget for Faculty Development:

- Considering the importance of constant upgradation of knowledge and skills among the faculty members, the institution allocates program level budget for Faculty Development. Following is the process adopted for allocation and utilization of budget for Faculty Development Programs.
- At the commencement of the academic year, the faculty development program requirements are identified at the program level, considering the industry trends and requirements.
- Staff members are encouraged to attend Faculty Development programs in other institutions and programs organized by the industry. Expenses related to registration fee, travelling, boarding and lodging for outstation programs are sponsored by the institution.
- In addition, Faculty Development Programs are also conducted by the Department in the college premises and the budget is utilized for meeting out expenses related to such Faculty Development Programs.
- Staff members are also encouraged to publish their technical papers in leading journals and are rewarded suitably when their technical papers get published.
- Expenses related to patent filing of innovative ideas of faculty members are sponsored by the management

1.7. Utilization of Budget for Student Development:

To motivate the students, several initiatives have been implemented with awards and rewards for them. The following are some of the expenses that are spent on student development for which budget allocation is made every and utilized through the year.

- Financial support for innovative projects taken up by the students
- Sponsoring students for certification courses
- Conducting training related to placement for students
- Participation fees for contests/conferences/symposiums/seminars
- Expenses related to patent filing of innovative ideas of students

2. PURCHASE POLICY

- Any designated user can raise a purchase indent on behalf his/her department
- Any indent has to be approved by the respective department head
- HoD has the authority to approve/reject the purchase indent
- HoD has the access to modify the quantity of the indented item
- HoD approved purchase indents will be scrutinized for budget approval and availability of the item by the purchase manager
- Wherever budget approval is not there purchase manager can reject the indent
- In case partial quantity is available, purchase manager can modify the indented quantity
- All the purchase manager approved indents will have to be finally approved/rejected by the Principal based on stock availability, budget approval and other considerations
- For all the principal approved indents purchase assistant will raise purchase order based on quotation received from the approved vendor
- All the purchase orders raised will be scrutinized by the purchase manager for the agreed rate and wherever found different will have to be reconciled before approving the purchase order
- Physical copy of the purchase order is printed and duly signed by the principal before sending it to the vendor
- On receipt of the goods purchase manager shall verify the receipts against the requirements specified in the purchase order and on satisfactory receipt of goods, Goods Received Note will be generated
- Materials supplied against purchase order and supported with goods received not will be taken into stock
- Payment shall be made for all successful supplies by means of cheque duly signed by Chairman/Secretary
- Any bad supplies will be intimated to the vendor immediately and a replacement is sought
- Frequent bad supplies by any specific supplier warrants block listing of the vendor and no more future buying from the vendor will happen
- An approved vendor list shall be maintained in the department

3. DELEGATION OF FINANCIAL POWERS

Financial power is delegated to the Principal and Heads of the Departments.

Financial Limits of Non-Plan Scheme	Competent Authority to Approve the Scheme
Upto Rs.120000 per Annum	The Principal
Upto Rs. 24000 per Annum	Heads of Department

- The Principal has the financial power for sanctioning servicing of equipments, calibration of equipments, purchase of consumables, stationery, minor equipments as per the requirements given by HoDs after getting quotations from the vendors. HODs have the power to procure consumables required for their lab within their approve financial limits.

4. FINANCIAL POLICY FOR RECEIPTS

- Fees

Fee will be collected along with the Book fees, Value added course fee, Placement training fee, Transportation fee, Hostel fee and any other fee (whichever is applicable) at the beginning of every academic year.

Will be accepted either in the form cash/cheque/DD. Students can also pay fee by using their Debit or Credit card. Receipts shall be generated and issued immediately.

Fee collected till 4.00 p.m. in the evening shall be deposited in the bank account on the same day. Fee collected beyond 4.00 p.m. shall be deposited on the following working day. During the bank holidays the fee collected shall be deposited on the subsequent bank working day.

- Exam Fees

Fees will be collected in the form of cash or through bank transfer. Money collected shall be remitted in to college bank account. On completion of payment of exam fee by all the students or on the day of deadline declared by University, whichever is earlier a DD for entire exam fees shall be sent to the University.

- **Scholarships/Aids**

Any scholarship due for the student will be maintained as due from the student and will get nullified when the college receives the money from the authorities/students.

- **Seminar/Workshop/Conference**

Any expenses incurred for these events shall be accounted separately under the corresponding department and any sponsorship money/ Registration fee collected will also be accounted against the same account. Expenses will be paid through the coordinator of the concerned event in the form of cash. Any excess amount spent over the income generated through the sponsorship/ Registration fee will be borne by the college. Any excess income over the expenditure will be accounted against institution's miscellaneous income account.

- **Entrepreneurship Development Cell (EDC)**

All the funding received from agencies like EDI and expenses incurred for the events conducted under EDC shall be accounted separately and the financial transactions are carried out through dedicated bank account.

- **Research Grants**

Any Research grants received by the institution shall be handled through a separate bank account and all the financial transactions shall be done under this account through bank transactions only.

- **Fine/Penalties**

Any fine/penalty collected from students in case of loss of library books, loss of ID card, loss of Hall Ticket will be accounted under miscellaneous income account and the students shall be issued with receipts.

- **Salary**

Generally salary will be paid into employees bank account directly on or before first working day of every month. For employees joined during that month and employees do not have bank account salary will be paid as cash with duly acknowledged vouchers.

Income Tax, Professional Tax, Provident Fund and any other statutory deductions shall be done as per the governing laws and regulations. Such deducted amount shall be remitted to the respective authorities/bank accounts.

- **Wages**

Wages are paid as cash for those who are employed on a temporary basis/ short term assignments to carry out petty/ maintenance works.

Tax Deducted at Source (TDS) shall be deducted at the time of payment and such deductions would be remitted to the concerned authority's bank account.

- **Vendor payments**

Payments are made against the invoices of the vendors. Payments are normally made by cheques and wherever the amount is less than Rs.20,000 (for small vendors) and vendor does not have a bank account cash payments are made.

- **Statutory Payments**

Statutory payments like Property tax, University Affiliation fees etc. are paid through our bank account/cheques/ DD to the appropriate authority as required.

- **Other operational Expenses**

Such incidental expenses will be paid through cheque/bank account after deducting applicable taxes.

All expenses which are below Rs.5,000 can be approved by the respective department Heads other expenses are to be approved by Principal/Chairman in case of mode of payment is cash.

All the expenses that are to be paid by cheque shall be signed by Chairman/Secretary.

All cash payments shall necessarily be supported by a cash voucher.

- **Reporting**

Monthly income and expenditure statements can be viewed by the management through our ERP software solution.

Account department shall prepare annual income expenditure statement and submit the same to the auditor's office once approved by the management.

At the end of June every year, Form 16 shall be generated for all the staff members and issued to them.