



VASANTA COLLEGE FOR WOMEN वसंत महिला महाविद्यालय

Admitted to the Privileges of Banaras Hindu University
Krishnamurti Foundation India, Rajghat Fort, Varanasi - 221 001

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FINANCE POLICY

S.No.	Policy Title	Finance Policy
1	Financial Policy Number (FPN) :	VCW/FIN/2016/02/03
2	Functional Area:	Finance
3	Brief Description of Policy:	To ensure timely budget approval, allocation of funds, its judicious expenditure (as per approval) and auditing.
4	Drafting	Principal, IQAC
5	Policy Applies to:	Administration of Finance
6	Effective from:	2016
7	Approved by:	Management Committee (MC)/ Rajghat Educational Centre (REC)
8	Responsible Authority	Principal
9	Superseding Authority	Manager/ Managing Committee
10	Last Reviewed/Updated:	NA
11	Main Objectives of the policy	To make financial transactions, accounting procedure effective and transparent
12	References for the policy	UGC Guidelines regarding finance and GFR 2017

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 MC/REC 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

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various items through Internal Audit Committee, maintaining proper books of accounts, acquisition and Dead Stock Register, external audit by Chartered Accountant appointed by the MC/REC.

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 department, responsible persons (Manager, Principal, A.O. and S.O. (Accounts)) 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 Nationalized 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. 'REC' means Rajghat Educational Centre.
- iv. 'Management' means Managing Committee/G.B. of the College.
- v. 'Financial Year' means year beginning with 1st April and ending with 31st 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. 'Purchase Committee' means a committee constituted by the Principal.
- viii. Other terms have their usual meaning.

Procedures:

Budget:

- All Departments shall inform the Principal about their requirement by 30th November of the current year.
- A.O./S.O. (Accounts)/Accountant consultation with the Principal shall prepare budget for the ensuing year by 31st December of current year. The Principal shall place the budget in a meeting of the MC/REC for its approval. Budget approved by

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the MC/REC shall be forwarded to the Management for its 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 shall 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 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.
- 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 shall recommend bill for final payment only after verifying that the proper procedure laid down by the institute has been followed. 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, 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/manager.

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- 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, laboratory, 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 A.O./OS or Incharge of the department.
- For non-recurring expenses (one time) prior approval of the REC and subsequently of the MC/Governing Body shall be necessary.
- For purchase of items costing Rs. 25,000/- & above, notice/advertisement inviting tenders shall be given in at least two News Papers, For other, the process of inviting three or more quotations shall be followed.
- Tenders/quotations shall be opened by Purchase Committee in presence of all the members. Generally lowest tender/quotation shall be selected. Reasons shall be given 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.
- Cash transaction of Rs. 10,000/- may be done through Account Section after approval of Principal/Manager.

Purchase Committee:

There shall be Purchase Committee for every purchase more than 25,000/-. The composition of Purchase Committee shall be:

i.	Manager:	Convener
ii.	Principal of the College:	Member
iii.	IQAC Co-ordinator:	Member
iv.	A.O.:	Member
v.	S.O. (Accounts):	Member
vi.	Mr. Manish Tiwari	Member

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- v. Coordinator/Conveners in addition to above/Department Incharge for which purchases are made shall be invited as invitee.

External Audit:

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

Scholarships:

General Scholarship from College: The names are invited from Departments and verified by Scholarship Committee and disbursed to directly to the account of the students. Scholarships of students shall be credited to their A/C within a month.

Government Scholarship: The College students who apply for State/Central Government Scholarship is verified by the college and then verification from District Welfare Committee thereafter Aadhar Based Fund Disbursement in students account.

Investment Policy:

An investment policy may be adopted by REC 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 the Department (in the month of April every year) and verified by A.O.

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

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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/Central government or by the governing body of the Institutions.

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

Key Performance Indicators (KPI's)

- i. What is the date of intimation of requirement by various department?
- 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 department?
- 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.

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- 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. F1

Request for permission to procure

Name of the College:

REQUEST FOR PERMISSION TO PROCURE

To

The Principal/Director

Following Equipment / 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. _____. Balance amount available to expend is Rs. _____.

S.No.	Particulars	Quantity	Approximate cost	Reason for Procurement

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