

# **Finance Policy**

#### **Introduction:**

The finance policy of Mary Matha Arts and Science College, Mananthavady is to monitor and control financial transactions and accounting procedures of the Institute for efficiency and transparency. It will monitor expenditure incurred on various items through the Internal Audit Committee, maintaining proper books of accounts, acquisition and Dead Stock Register, external audit by Chartered Accountant appointed by the Management. It shall apply to the conduct of all the financial affairs of the institute. All the academic and administrative departments, responsible persons (Principal, Bursar and Office Superintendent) are required to comply with the financial policy of the Institute

# **Objectives:**

- 1. To ensure timely budget approval, allocation of funds, its judicious expenditure (as per approval) and auditing.
- 2. To make financial transactions, accounting procedures effective and transparent

## **Procedures**

# **Budget:**

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

#### **Receipts:**

- All money received either as fees, dues, or miscellaneous shall be credited into the institute account without any delay.
- No duplicate 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.

# Mary Matha Arts & Science College



Mananthavady, Wayanad, Kerala

Re-accredited by NAAC with B++ Grade, CGPA 2.85 (III Cycle)

# **Education for total liberation**

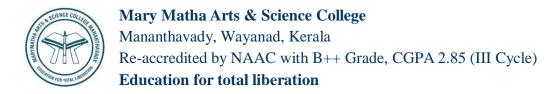
- An account of the receipt books, forms, prospectus and similar articles having money value brought to the stock of the institute shall be maintained in the prescribed forms.
- Each receipt book shall bear a certificate stating number of receipts contained in each. book and certified by the head of the institute on the 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 department concerned and
  then the Internal Audit Committee. The Internal Audit Committee shall recommend the
  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, VPP etc.).
- All departments and the 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 emergency 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 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.
- Administrative department and principal shall have power to expend Rs. 500 and Rs. 5000 respectively in cash.



#### **Purchase Committee:**

There shall be a Purchase Committee for every purchase more than Rs. 5000. The composition of the Purchase Committee shall be as per norms of the State Government prescribed for HEI. The composition shall be:

- 1) Principal of college/Director of Institute Chairman
- 2) One representative of the management Member
- 3) One teacher from Commerce Department Member
- 4) One teacher from Science Department Member
- 5) One non-teaching employee (from finance section) Member

In addition to above, HODs of departments for which purchases are made shall be invited as invitee.

#### **External Audit:**

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

## **Scholarships**:

Scholarships of students shall be credited to their account within one month after the receipt of installment from the State/Central government. Investment Policy:

## **Investment Policy:**

An investment policy may be adopted by CDC after approval of the management for surplus funds (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 will 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