

**Govt. V.Y.T. PG Autonomous College, Durg**

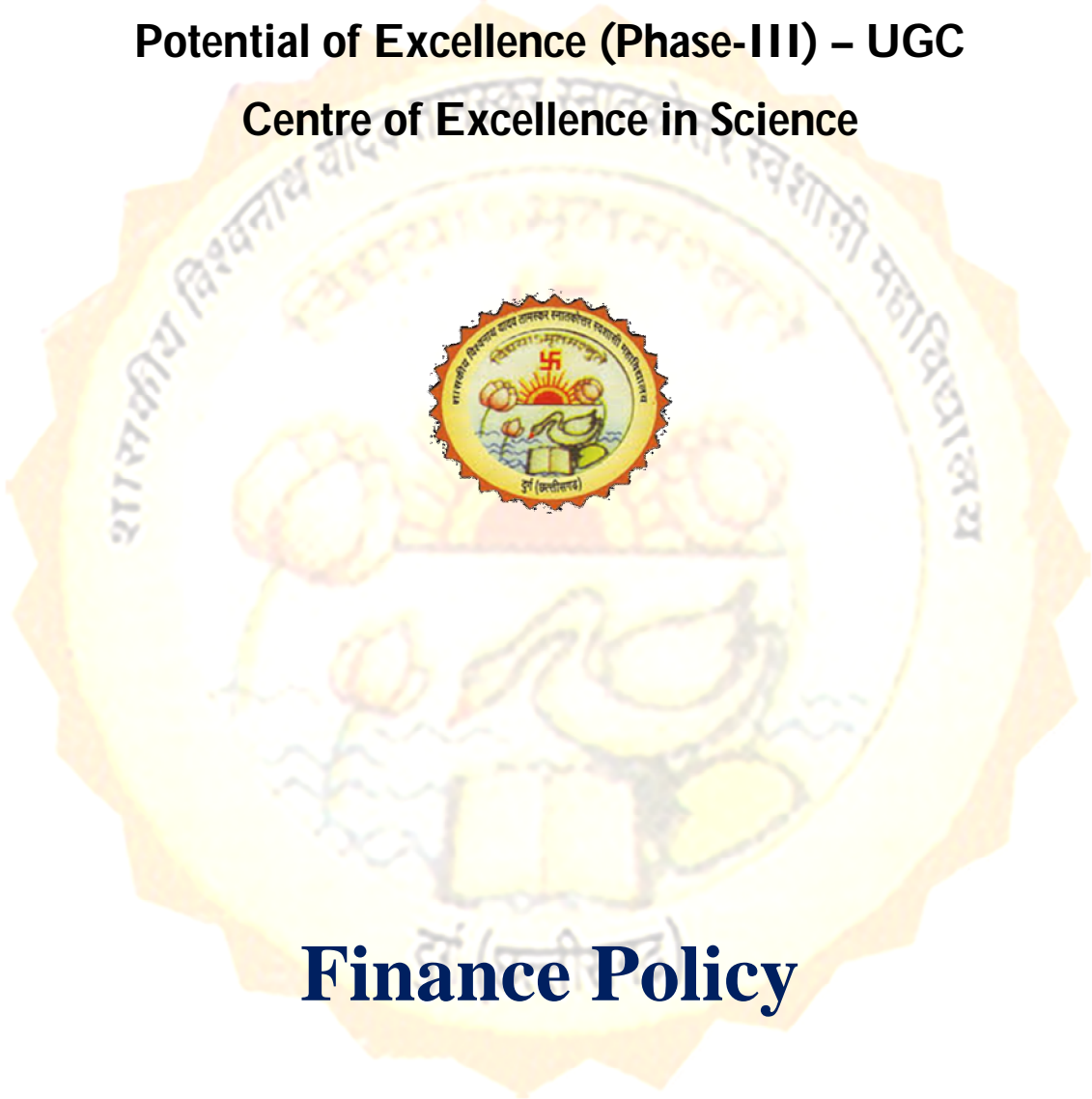


## **Finance Policy**

**Internal Quality Assurance Cell (IQAC)**

**GOVT. V.Y.T. PG. AUTONOMOUS COLLEGE,  
DURG (C.G.)**

**Accredited with A+ grade by NAAC  
Potential of Excellence (Phase-III) – UGC  
Centre of Excellence in Science**



**Finance Policy**

## **FINANCE POLICY OF THE COLLEGE**

The finance policy is evolved by the institution for optimum use of resources for the achievement of various objectives of the institution in accordance with the Vision and Mission of the institution.

The finance policy of the institution intends to achieve the following objectives:

1. Prudent and effective management of financial resources.
2. Honesty and transparency in all aspects of financial management and financial reporting.
3. To comply with the legal requirements of various Acts.
4. Documentation of income and expenditure, assets and liabilities, banking requirements, budgeting, internal controls, reporting etc.
5. To present report to the statutory bodies.
6. To execute project according to the terms of conditions of the donor and to achieve the goal of the project.
7. To ensure desirable standards of accountability and credibility of the institution in the use of funds entrusted to it.
8. To deliver maximum benefits at minimal cost.

Three committees viz. Finance Committee, Purchase Committee and Internal Audit Committee will work with mutual coordination under the supervision and guidance of the Principal of the college in order to achieve the objectives mentioned above.

The role of the Finance Committee is primarily to provide financial oversight for the institution and to discuss the finalization of the budget

proposals submitted by various departments and to ensure proper utilization of funds. Finance Committee recommends the Governing Body for the sanction of Budget for every academic year. The duties of a Finance Committee will normally include responsibility for monitoring the institution's budget and a requirement to take corrective action to address issues such as potential overspending arising during the year. It also serves as an advisory team, which would offer sagacious suggestions to the Governing Body to use the funds with discretion.

### **Composition of Finance Committee:**

1. The Principal (Chairman).
2. One person to be nominated by the Governing Body of the college for a period of two years.
3. Finance Officer of the affiliating University
4. One senior-most teacher of the college to be nominated in rotation by the Principal for two years.

**Term :** Term of the Finance Committee will be two years.

**Meetings :** The Finance Committee will meet at least twice a year

### **Quorum and other standard tenets;**

- Attendance of 1/3 of its total strength is considered the quorum for the meeting.
- The committee may prepare a draft plan for items to be presented for further processing by the relevant bodies.
- If any member comes up with an innovative proposal, he/she may be advised to prepare a full-stretch document of the project put forward with projected financial commitment with relevant documents failing which such open suggestions can be deferred to the next meeting by requesting the members to be more focused in their approach.

- The deliberations are strictly confidential and shall be confined to in-house circulation, and if any member is found leaking the information to external agencies, the matter shall be reported for correctional administration.

### **Functions of the Finance Committee:**

The Finance Committee shall act as an advisory body to the Governing Body, to oversee:

- budget estimates relating to the grant received/receivable from UGC, UGC, Government and Non-Government sources and from fees etc., collected from students to undertake the scheme of autonomy
- audited accounts for the above.
- fixation/revision of fees and other charges payable by the students
- that expenses incurred have budgetary provision recommended for approval financial proposals made by other committees with or without modification
- that necessary formalities have been observed in incurring expenses
- the bills placed for payment
- the consideration of proposals for enhancement of wage/allowance or engagement of temporary staff

The finance Committee will monitor the allocation of funds related to meet general, additional and special needs such as:

- a. Orientation and re-training of teachers
- b. Re- designing courses and development of teaching / learning material
- c. Workshop and seminars
- d. Examination reforms

- e. Office equipment, teaching aids and laboratory equipment
- f. Furniture for office, classrooms, library and laboratories
- g. Library equipment, books / journals
- h. Expenditure on meetings of the Governing body and Committees
- i. Honorarium to controller of Examination (full time) not exceeding Rs. 8000/ per month.
- j. Renovation and repair not leading to construction of a new building
- k. Extension activities

## **PURCHASE COMMITTEE**

Purchase Committee (PC) is a group of designated staff established for independent review and evaluation of purchasing documentation whose main objective is to recommend the most appropriate supplier or service provider based on price, quality, stock availability, references, credentials etc. Purchase Committee (PC) is established and managed by a senior professor in the college with the responsibility for the successful outcome of the evaluation process under the guidance of the Principal.

### **Objectives:**

- To ensure that equipment / accessories are procured through standard procedure in major & minor purchases of the institution.
- To prepare the annual procurement plan of the institution.
- To provide support to the department HODs/Lab In-charge Faculty members for procurement of goods / services in efficient, economic and transparent manner.
- To support the Finance Committee to allocate the required fund and its judicious utilization.

## **Meetings**

The Purchase Committee shall meet as and when needed.

## **Tenure of the Purchase Committee**

Tenure of the Purchase Committee shall normally be three years. The Principal, if not satisfied with the performance of the existing Committee, may reduce its tenure, and if satisfied, may extend the tenure for another three year.

## **INTERNAL AUDIT COMMITTEE**

An effective Internal Audit mechanism is intended to assist in effective functioning of the Institute and in achievement of its vision and mission in an efficient manner. It conducts Financial Audit (audit of the annual accounts) and Compliance Audit (audit of transactions) of the Institute every year.

Internal Audit Committee has to work with the office accountant and build capacities of the audit/accounts personnel of the Institute and to guide them in achieving their objectives /targets in a more efficient manner.

Major duties and responsibilities of internal audit functionaries are summarized as below:

- Study of accounting procedures, including maintenance of records in the institute with a view to ensuring that they are correct, adequate and free from any defects or lacunae;
- Reports risk management issues and internal controls deficiencies identified directly to the Finance Committee through the Director and provides recommendations for improving the organization's operations, in terms of both efficient and effective performance;
- Provides support to the institute's anti-fraud programs;

