

SRI DEVARAJ URS ACADEMY OF HIGHER EDUCATION & RESEARCH

**A Deemed to be University
Tamaka, Kolar, Karnataka.**

**Declared under Section 3 of the UGC Act, 1956
vide MHRD, Government of India Notification No.F-9-36/2006-
U.3 (A) dated 25th May 2007**



Registrar

Registrar

Sri Devaraj Urs Academy of Higher
Education and Research
Tamaka, Kolar - 563 103.

Finance Department Operational Policy



SRI DEVARAJ URS ACADEMY OF HIGHER EDUCATION & RESEARCH

A DEEMED TO BE UNIVERSITY, (DECLARED UNDER SECTION 3 OF THE UGC ACT, 1956)

TAMAKA, KOLAR 563101, KARNATAKA, INDIA

Name of the Policy/ Guidelines	Finance Department Operational Policy	
Short Description	Policy and guidelines on standard operating procedures of receipts and payments	
Scope	This policy is applicable to all the officers and non- teaching staff of finance department, SDUAHER (Deemed to be University).	
Policy status	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Revised	
Date of approval of Version 1	14 October 2020	
Policy No.	SDUAHER/KLR/POLICY/023	
Brief description of last revision	Not Applicable	
Date of approval of current revision	Not Applicable	
Effective date		
Approval Authority	Board of Management	
Responsible officer	Registrar	
Name of the Policy/ Guidelines		
Details of Revision	Date of Revision	Approved by

1.0 OBJECTIVE

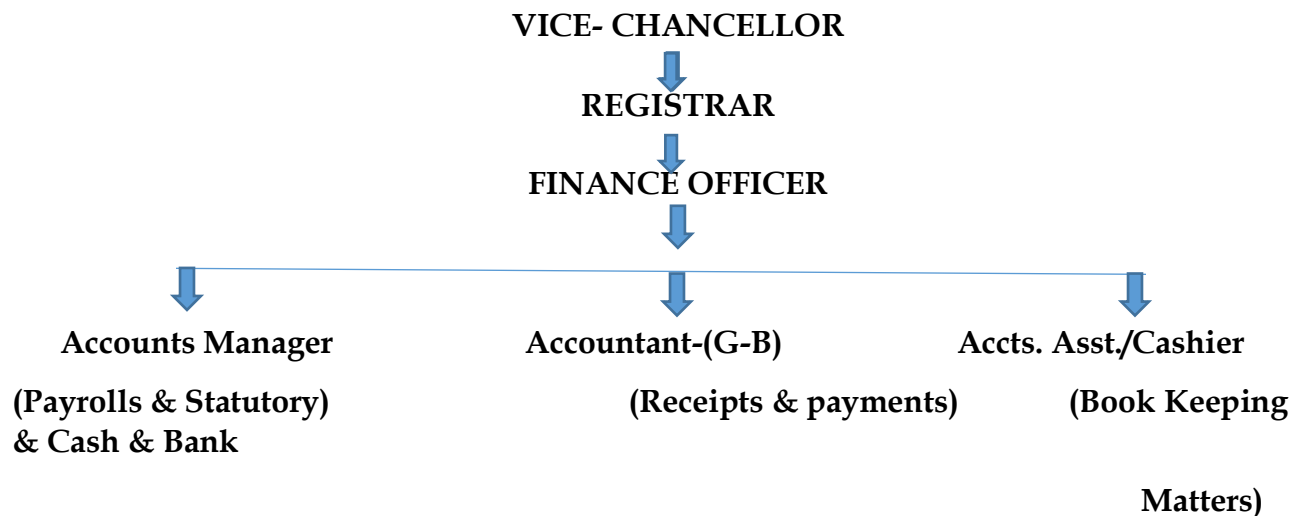
The aim of this SOP is to lay down necessary directives for the smooth and efficient administrative functioning, handling / operating SDUAHER Funds, functioning of F&A Department and to ensure that statutory compliances are made in the following areas:

- a) Delegation of Authorities and Financial Power
- b) General accounting and book keeping procedures
- c) Review of Statutory Compliances
- d) Procurement policies
- e) Maintenance of cash and bank Balances
- f) Disbursement of Salaries / Payroll
- g) Fixed assets purchases and its accounting

2.0 DELEGATION OF AUTHORITIES AND FINANCIAL POWER

With a view to improve the overall efficiency of funds management and to avoid delays in according sanctions for expenditure, the procedure has been outlined below:

FINANCE & ACCOUTNS DEPARTMENT



3.0 GENERAL ACCOUNTING AND BOOK KEEPING PROCEEDURES

KEY CONTROLS WITHIN F&A DEPARTMENT

3.1 TUITION FEE:

- Cashier will raise the tuition fee demand to the each individual admitted and existing students wise (as recommended by Fee Fixation Committee) fees demand.
- Tuition fee (which is recommended by Fee Fixation) through Demand Draft / NEFT/RTGS/Online Transfer from students.
- The Fee DD/online payment once received we will raise receipt in favour of respected students for the received amount.
- Existing students fee should also collect within the due date noticed by the Principal.
- After due date tuition fee dues list will submit to the principal to take necessary actions for tuition fee balance.
- Cashier will take care of every day cash and DD's deposit it into the SDUAHER Bank Account.
- The receipt entry shall pass to tally Accounting ledgers.
- Cashier will maintain the monthly / yearly Reconciliation statements for audit purpose

3.2 APPLICATION FEE

Those who are getting allotment or eligibility in SDUAHER admission process that applicant should pay the application fee for admission to the respected courses.

3.3 EXAMINATION FEE

Regular candidates are paying examination fee and failed candidates also to pay the fee for backlog subjects as recommended by Examination Section.

3.4 HOSTEL INCOME

Rent, Rental Deposit (refundable), Mess and Establishment Charges yearly/Monthly wise collecting from the Hosteller's of New and existing students as recommended by Hostel Chairman/Warden.

3.5 INTEREST INCOME

Based on the Fixed Deposits and Savings Account Balance maintenance we are receiving interest amount on quarterly, half yearly & yearly.

3.6 OTHER FEE

The student as to pay other fees for student regular activities during course Other than Tuition fee.

3.7 OTHER INCOME

Other income receiving from staff and other source for providing service to the essential category people and other miscellanies sources (sale of scrap and agriculture income etc.,).

3.8 RESEARCH GRANT

Grants received from private and public funding agencies for conducting research activities, camps, innovations, survey and other publications etc.,

3.9 Receipt of Bills for Payment

The following procedures shall be followed at the time of receipts of bills.

- a) Entry shall be made giving details of the bills received such as date of receipt of invoice, name of vendor, date of invoice, description in the invoice, amount etc. in the Manual Register maintained by Finance Department Dispatch.
- b) A unique serial number code on the top of the bill would be mentioned which would be same as the serial number on which the bill was entered in the Dispatch register.

- c) The bill would be approved by the Registrar, SDUAHER for further processing
- d) It should be ensured that the entry of the register will be made on the same day of receipt of bills from vendor and over the details to the senior accounts officer.

3.10 Entry of bill in the Books of Accounts

- a) After review of bill by the Registrar, SDUAHER, the bill would be checked by Accountant with the Indent/GRN/Purchase Order/Approval of the bill. He would ensure that necessary supporting documents are attached the bill.
- b) The Accountant would check the TDS implication and Service Tax implications on the bill and provide for the same in the books of accounts accordingly.
- c) In case of purchase of any material or sports goods, relevant entry would be made in the stock register for the quantity and value and serial number given in the stock register would be mentioned in the Purchase Invoice before the purchase bill is entered in the books of accounts.
- d) After the purchase bills are approved by the Finance Officer and Registrar, entry would be made in the books of accounts.
- e) It would be ensure that the entry of the bills will be made within 24 hours of receipt of bills from the Finance officer.
- f) Also it would be ensured that the Invoice numbers are correct for posting the entry in books of accounts.

3.11 Preparation of Approval note for payment

- a) After the above steps, approval note for release of payment of the bill shall be prepared by the Accountants along with the relevant supporting documents such as original invoice, journal/Expenses voucher passed by the Sr.Accountant, purchase order & GRN etc., (wherever applicable)

- b) After preparing the approval note, Finance officer would ensure that the approval note is signed by the relevant authorities. Once this is signed by relevant signatories, the payment note would be approved by finance Officer.
- a) On approval of payment note by Finance Officer, the note along with supporting document should be sent to Registrar for approval with all the supporting documentation.

3.12 Issue of Cheques

- a) On receipt of approval of Registrar, the Accountant would prepare the cheque on the basis of approval note signed by the relevant authorities.
- b) After the cheque is prepared, the same would be sent for President/Secretary approval/signature along with the payment note and supporting documentation. Unless otherwise mentioned, the cheques should be processed on the following dates:

For regular Payment	Every Tuesday & Friday
For salary and TDS	1 st week of every month
For GST	3 rd week of every month

- c) Once the cheques are signed, payment entry would be the books of accounts by accounts Officer on the same day.

3.13 Dispatch of Cheques

- a) The cheques should be submitted on the same day to bank for RTGS/NEFT/Transfer.
- b) A control register would be maintained by Accountant for All the payments given to the bank, the details contains cheque no, name of party, amount and follow up should be done by Sr. Accountant twice a week
It shall be ensure by Finance Manager that the above procedure and controls have been followed within 48 hours of receipts of invoice.

3.14 Cash Payments

- a) Cash payments would be avoided as far possible. Only petty bills or Imprest accounts can be paid in cash for the following petty expenses:
 - i. Expenditure for refreshments during official meetings.
 - ii. Staff conveyance
 - iii. Office maintenance of petty nature
 - iv. Printing & stationery of petty nature
 - v. Any other Petty Expense
- b) No cash payments above Rs 10,000 should be made against a single bill
- c) Cash payments would be released only after approval of Finance Officer on receipt of the bill for payment.
- d) It is also ensured that the complete approval note along with the bill is prepared by the Cashier before handing over it to the Finance Officer

3.15 Payroll

- a) The Accounts Manager will prepare monthly salary sheet on the last working day of every month on the basis of attendance and leave records of the employees.
- b) TDS deduction would be checked with the computation of taxable income prepared for each employee and tax deducted so far before the current month.
- c) Any adjustments for any advances or loans taken by the employee would be made before the approval of salary.
- d) In case of new employees, appointment letters would be checked along with other relevant documents such as last employers, relieving certificate, and

experience certificate. While preparing the TDS calculations, last employer's form 16 should be considered.

- e) The salary sheet would then be checked and approved by the Finance Officer.
- f) In case of any employees leaving the company, the full and final settlement account would be prepared by the Head HR Dept. and approved by Finance Officer and Registrar/Secretary. This Finance Officer would check the following documents before making the full and final payments:

Letter of resignation, acceptance of resignation by adjustment, any loans/staff advance/imprest outstanding, any TDS short deducted on basis of declarations not received, copy of tax savings investments such as payment of LIC premium, PPF, House rent receipts, home loans certificates for which credit has been taken etc; any office equipment's such as laptop, mobile, blackberry handed over etc.

- g) Office of the Finance Officer would prepare the final cheques for disbursement and send it for approval to Registrar, President /Secretary for their approval along with the relevant supporting.

3.16 Staff Advances and loans

- a) Staff advances and loans can only be given to employees of Sri Devaraj Urs Academy of Higher Education & Research after the approval of Finance Officer and Registrar as per the company's HR policy. (Annexure - _____)
- b) Finance Manager will ensure the advance is being adjusted on a monthly basis before disbursement of salaries as per the terms of sanction.

4.0 PROCUREMENT POLICIES

The Academy works and purchase committee for SDUAHER will comprise of Committee members. The committee will be responsible for the procurement of items by following proper procedure and systems of SDUAHER (as per SOP).

All members are required to and will ensure that all the procedures / systems are strictly followed in terms of the limitations and that all necessary quotes and paperwork as approved and sanctioned as per SDUAHER Standard Operating procedure for procurement and maintenance of medical and other stores items for SDUAHER

The SDUAHER Financial Powers for procurement are as follows:

- | | | |
|------------------------------------|---|-----------------------------|
| a) Vice Principal, SDUMC | : | Rs.25,000/- each Occasion |
| b) Principal, SDUMC | : | Rs.50,000/- each Occasion |
| c) Dean, AH & BS | : | Rs.50,000/- each Occasion |
| d) Medical Superintendent, RLJH&RC | : | Rs.50,000/- each Occasion |
| e) Executive Engineer, SDUAHER | : | Rs.50,000/- each Occasion |
| f) Registrar, SDUAHER | : | Rs.1,00,000/- each Occasion |
| g) Vice Chancellor, SDUAHER | : | Rs.2,00,000/- each Occasion |

The aim of this SDUAHER SOP is to lay down the detailed process of procurement as enunciated in the circular No. SDUAHER/KLR/ADMN/01/2019-20 Dt.23rd April 2019.

4.1 The SDUAHER Budget Approval

The SDUAHER Finance Committee will comprise of Committee members from one of UGC Nominee and one of Board of Trustees and Academy Vice Chancellor being the Chairman.

The Finance Committee will conduct the Meetings in yearly two times that is in the month of February & October of Every Year. Committee will prepare the budget of SDUAHER in

the month of February based on the concerned budget proposal received from the SDUAHER Departments.

After detailed discussion the committee resolved to approve the budget with requirement of procuring new equipment in a dept., can be for upgrading the facilities in the dept., requirement as per statutory bodies etc., replacement of old equipment which is unserviceable or has outlived its useful life and technology upgrade etc.,.

In case of capital purchases / expenditure, if the actual expenditure exceeds above 10% of the approved budget provided in finance committee, such items should be referred to the immediate next Finance Committee for Approval.

The committee will be the final responsible authority in SDUAHER for budgeting, final verification and approval of all the purchases and payments and to ensure adoption of accounting procedures and systems as laid down under law and their maintenance for SDUAHER.

All members are required to and will ensure that all the procedures /systems are strictly followed in terms of the limitations, approval process and that all necessary quotes and paperwork as approved and sanctioned as per SDUAHER accounting practices.

5.0 PURCHASE DEPARTMENT AND MAINTENANCE OF STORE RECORDS

The following procedures shall be followed before purchasing anything by SDUAHER

- a) Purchase orders would be issued and signed by the relevant authoritative personnel. A copy of the signed PO should be provided to Finance Department. It is mandatory that 3 price quotations shall be taken before placing any order and a comparative sheet should be prepared by Purchase Dept.
- b) The PO would be consulted with Purchase officer before signing to review the statutory compliances, legal terms and conditions etc.

- c) The lowest quotation would generally be approved from the management; unless otherwise approved by Registrar. The following persons are authorized for issued of PO's :
- a. SDUMC Vice Principal & SDUAHER Chief stores & purchase officer: upto Rs. 25,000/-
 - b. SDUMC Principal, RLJH&RC Medical Superintendent, Dean AH & BS, SDUAHER Executive Engineer & SDUAHER Chief Stores & Purchase Officer : upto 50,000/-
 - c. SDUAHER Registrar & SDUAHER Chief Stores & Purchase Officer : upto 1,00,000/-
 - d. SDUAHER Vice Chancellor & SDUAHER Chief Stores & Purchase Officer : upto 2,00,000/-
 - e. The Chairman, SDUAHER Works and purchase committee and SDUAHER Chief Stores & Purchase Officer: Rs. 2,00,000 and above.
- d) The price list and other documentations should be maintained by the Chief Stores & Purchase Officer.
- e) On receipt of material, the goods should be checked by Chief Stores & Purchase Officer to ensure they meet quality standards.
- f) Entry should be made in the Goods Inward register by Chief Stores & Purchase Officer.
- g) Copy of GRN along with bill should be forwarded to accounts department.
- h) F&A department to review the final invoice against the purchase order / agreement for any differences in quantities, prices and terms and conditions. If any, this should be communicated to Purchase Officer and Registrar immediately.

6.0 TRAVELLING AND CONVEANCE ALLOWANCE

We are following our Academy Traveling and Daily Allowance and out station allowances Rules Notification no. SDUAHER/KLR/ADMN/3153/2017-18 dt.05.01.2018.

As per the above notification the beneficiary can apply as per the actual expenditure for attending conferences/workshops/paper presentations/guest lectures/research programs and other event regards to subject.

Before attending the programme the person has to take SPCL permission / approval from the Registrar of the Academy. With the above all documents the person can apply for reimbursement.

The finance dept., received with all the related documents, the accountant should verify documents as per our notification and submit for approval from Finance Officer and Registrar for reimbursement to the beneficiary.

7.0 CME PROGRAMME FUND

CME Programme fund's sactioned by the Academy on the basis of Academy Notification no. SDUAHER/KLR/ADMN/2332/2013-14 Dt.20.08.2013.

The Academy has decided to provide financial assistance for the conduct of CME/Seminars/Conference/Workshop. The Financial assistance of a maximum from the University shall be as mentioned below. This funding should be claimed exclusively for Travel Expenses, Accommodation Expenses of the invited speakers, Audio visuals, preparation of proceedings of the CME, preparation brochures and mandatory needs.

For the conduct of CME, Seminars, Symposium, Conference and Workshop

- | | |
|------------------------|--------------|
| 1. Institutional Level | - 15,000/- |
| 2. State Level | - 30,000/- |
| 3. Regional Level | - 50,000/- |
| 4. National Level | - 75,000/- |
| 5. International Level | - 1,50,000/- |

8.0 Internal Audit and Statutory Audit.

The university has appointed internal auditors for the scrutiny of the statement of receipts and expenditure and its correctness.

The areas covered during this Audit were,

- Statutory Compliances under GST, Income Tax, Contract Labour Laws I general, Professional Tax, Employee Provident Fund, Employees' State Insurance Corporation Act.
- Revenue recognition and receivables covering receipts/collection process.
- Procurement/Purchases/Inventory Management covering P.Os/ approval process and Inventory software, Billing Process.
- General Expenses
- Human Resource Depart relating records covering payroll and other employee registers, attendance reports.
- Fixed Assets – Procurement Process and record Status.
- General Ledger Security classification and review of balances.

The Internal Auditors conducts audit on a Quarterly basis and submits their report to the Finance officer and the Vice Chancellor of the University. The office of the Finance Officer reviews the report and prepare the compliance report after discussion with the process owners. This process enables the academy to have very prudent financial management.

The statement annual accounts and balance sheets are discussed threadbare placed before in Finance Committee and the recommendations and proceedings are placed before the Board of Management for approval. As such there are no major audit objections by the Auditors and the financial background and sustainability have been promising.

In addition to that the finance committee reviews the financial transactions at a regular interval. A monthly review of the receipts and payments are done regularly. This process helps in monitoring the revenue inflow and expenditure. Further this practice allowed the scope for keeping track of financial transactions in consonance with the budgetary allocations.

The audited reports are submitted to the University Grants Commission, MHRD as per the Memorandum of Association and Rules of the University every year along with the Annual Report within the stipulated time.

9.0 JOB RESPONSIBILITIES OF FINANCE & ACCOUNTS DEPARTMENT

9.1 Finance Officer

9.1.1 Books of Accounts

To follow and ensure that the prescribed procedure of internal checks and controls of bookkeeping and maintenance of accounts records are followed as per SOP.

9.1.2 Statutory Compliances- TDS, Service Tax etc

- a) To ensure that the compliance of relevant statutory provisions of various Acts i.e. Income Tax, Service Tax, PF, ESIC is made.
- b) To ensure that statutory payments are made on time for TDS, Service tax, etc.
- c) Follow up with the consultants for statutory compliances and provide information for the statutory liabilities.
- d) To deduct the TDS and deposit on the relevant bills received in the accounts as per Income tax Act.
- e) To deduct the TDS and deposit on all the relevant advance payments as per Income tax Act.
- f) To calculate the tax liability of the employees on the salary and proportionately deduct the TDS every month.
- g) To enter the payment received from the clients in the excel sheet on month to month basis so as to know the amount of service tax which is payable to the government authority.

9.1.3. Bank Payments

Before signing the cheque from the competent authority the Finance Officer shall ensure the following:

- a) There is adequate balance in the account.
- b) Bank account is updated and reconciled on a daily basis
- c) All the relevant documents have been completed.
- d) Postdated cheques shall be avoided and can only be issued after obtaining written approval of the competent authority.

9.1.4. Compliance of Audit Queries

To provide clarifications/ input to internal/ statutory auditors and proper coordination to them.

9.1.5. Cash payments and Journal Vouchers

a) To do timely checking and approval of Purchase, Cash & Journal vouchers & prepare the list as to the deficiencies found during this checking and to get these rectified.

b) Approval of cash payment as per the approved limit.

9.1.6. Financial Statements

To prepare the financial statements on a quarterly basis.

10.0 Manager Accounts

Preparation of Payroll and disbursement of pay to staff.

Payment of Statutory dues in time.

Filing of Statutory Returns , PF, ESI, Profession Tax, TDS etc.

Monitoring of Staff Advances, Salary Payable etc.

Calculation of Income Tax dues for employees.

Preparation of Gratuity and Final Settlement for Staff.

10.1 ACCOUNTANT (GRADE-B)

- Prepares payments by verifying documentation, and requesting disbursements.
- Provides financial information to Finance officer by analyzing accounting data reports.
- Guides accounting clerical staff by coordinating activities and answering questions.
- Secures financial information by completing data base backups.
- Maintains financial security by following internal controls.
- Answers accounting procedure questions by researching and interpreting accounting policy and regulations

- Prepares special financial reports by collecting, analyzing, and summarizing account information and trends.
- Prepares asset, liability, and capital account entries by compiling and analyzing account information.
- Preparing Fee fixation Documents as instructed by Finance Officer.
- Preparing Trust Meeting Agenda and proceeding of the meeting.
- Preparing Finance Committee meeting Agenda and supporting statements of the meeting.
- Bills verification which is received from various departments and stores and send it for Approval from the Registrar, SDUAHER.
- Prepare the Cheques for the payment of Approved bills.
- Prepare the Monthly statement of Income & Expenditure.
- Prepare proposed Annual Budget statements.
- Calculation and deduction of Suppliers and Contractors TDS amount as per the Income tax Act.
- Maintain the scholarship Accounts for the PG & UG students.
- To release the monthly stipend to UG & PG Students.
- Preparing necessary documents for opening Bank Guarantee and other statutory requirements.
- Opening of L.C/T.T/F.D.D for payment of Importing Equipment's
- Supervising and supporting to the Accounts staff of all the Institutions of the Trust

- Support the Internal and External Auditors during the Audit.