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FINANCE & ACCOUNTS POLICY



DR. C.V. RAMAN UNIVERSITY

// Chhattisgarh, Bilaspur

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Revised & Approved in 32nd Meeting of Academic Council senate



Dr. C. V. Raman University

Kargi Road, Kota, Bilaspur (C.G.)

FINANCE & ACCOUNT POLICY



DR. C. V. RAMAN UNIVERSITY
KARGI ROAD KOTA BILASPUR (C.G.)

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CHAPTER - 1 ABOUT UNIVERSITY

The Dr. C.V. Raman University (CVRU), Bilaspur, established in November 2006 at Kargi road, Kota-Bilaspur of Chhattisgarh, in a tribal area of Chhattisgarh, India was the maiden higher education venture of its parent body the AISECT Group of Universities, which has over the years emerged as India's leading higher education group. In a short span of time, CVRU Bilaspur has emerged as a research and educational hub of Central India and is endeavoring to introduce skill-based learning in the higher education framework. Named after the first Nobel laureate in the field of science, Dr. C. V. Raman, the University seeks to generate a cadre of highly skilled professionals who have the requisite technical know how, coupled with adequate skills, to be able to address the Industry's growing need for skilled workforce. The University has been setup on 3rd November 2006 and inaugurated on 14th October 2007, with its distinctive objectives in view. It has been setup in a tribal scheduled area of Chhattisgarh with a view to take up education, research, training and extension activities in this under-developed region of the state. Spread across a lush green campus of over 60 acres, CVRU Bilaspur is the first university in Chhattisgarh to be awarded an ISO9001:2008 certification. The University is recognized under Section 2(f) of the UGC Act and approved by the various regulatory bodies such as AICTE, NCTE, BCI, PCI, & member of AIU. Through its various Faculties, the University offers arrange of Ph.D., M. Phil., Postgraduate (PG), Undergraduate (UG), integrated & diploma programmes in a number of disciplines like Science, Commerce, Management, Arts, Law, Education, Physical Education, Pharmacy, Engineering and Technology among deferent streams & departments. With world-class infrastructure, experienced faculty members and innovative methodology of imparting education, the University ensures that its students gather right balance of skills & employability enhancement, research-based learning and digitized-Learning.



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CHAPTER-2: BUDGET & CONTROL

1. Brief about Budget-

Budget represents the Annual Financial statement showing the estimates of receipts and expenditure in respect of a financial year. Financial year commences on 1st day of April of each year and ends on 31st day of March of the following year.

Budget will be prepared by the authorizes i.e. Board of Management, Governing Body members, Finance Committee, Chief Finance Accounts offer (CFO) & Head of Department of University the budget will be approved by the Chancellor, Registrar and Board of Management and Governing Body members. The Revised & Estimates of current financial year and Budget Estimates of the following financial year after scrutiny by Chancellor, Registrar, and Chief Finance Accounts Officer will put approval. The Board of Management & Governing Body meeting makes it final approval.

The budget shall contain the following:

- a) Estimates of all Revenue/Income expected to be raised during, the financial year to which the budget relates b) Estimates of all Expenditure for each head-wise expenditure.

Receipt Estimates: - The detailed estimates of receipts are prepared by Chief Finance Accounts officer. It makes in consultation with finance Unit of the university regarding related to Budget in the prescribed form enclosed giving break-up sub-head-wise along with the actual of the past three years. Any major variation will be supported by cogent reasons.

Expenditure Estimates: The detailed estimates of expenditure will be prepared by the Chief Finance Accounts officer in consultation with any Unit university/ for each unit of appropriation head-wise. Estimates should include provision for liabilities of the previous year left unpaid during the relevant year.

2. Heads of Revenue & Capital Receipts.

Revenue Receipts:

The income of CVRU comprises of 2

1. Regular schedule
2. Institute of Open & Distance Education Rec.

3. Capital receipts

These include



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1. Bank loans.

Estimates of receipts in all the departments of the university after obtaining necessary data by the 30th November. Then Chief Financial Officer (C.F.O.) has scrutiny as may be necessary for the department in the light of policy decisions and other post budget developments. This all be compiled by the budget unit at H.O.

4. Estimate of Expenditure

1. For purpose of Budget Estimates, expenditure from the CVRU Fund falls in Plan Expenditure - each comprising expenditure on revenue account and on capital account including loans and advances. The framing of the Revised Estimates for the current year should always precede estimation for the ensuing year. The Revised Estimates should be framed with great care to include only those items which are likely to materialize for payment during the current year in the light of (i) actual so far recorded during the current year, compared with the actual for corresponding period of the last and previous years,

The Budget Estimate for the ensuing year should likewise be prepared on the basis of what is expected to be paid, under proper sanction, during the ensuing year, including arrears of previous years, if any. Due attention to considerations of economy must be paid and while all inescapable and foreseeable expenditures should be provided for, care should be taken that the estimate is not influenced by under optimization. No lump sum provision will be made in the Budget except where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project scheme which has been accepted in principle for being taken up in the financial year. Budget provision in such cases should be limited to the requirements of preliminary expenses and for such initial outlay, as, for example, on collection of material, recruitment of skeleton staff, etc. The estimate of establishment charges should be framed using into account the trends over preceding three years and other relevant factors like changes in rates of p allowances, number of posts and their filling and the economy insurrections issued by the Ministry of Finance from time to time. Expenditure estimates will be prepared with fall accounts classification, i.e., by Major/ Sub Major Head, Minor Head, Sub-Head and Detailed Head and Object Head of Account. The correctness of courts classification must be ensured in each case in case of any doubt, cleared below



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S. No.	Dates Action Required
1.	By 15th October Revenue Expenditure for scrutiny of the estimates from: All Department as well as proposal.
2.	By 15th December Major head-wise approval by Board of Management
3.	Jan-February final approval by Governing Body for next year.

5. Budget Schedule / Cycle:-

The following is the time schedule to be observed by CVRU in fulfilling the annual accounts and submission:-

Sending of copies of annual accounts to the statutory auditor by 30th June Completion of audit by statutory auditor 30th Sept. Sending of printed copies of Annual Report along with audited accounts with audit certificate to the CGPURC

6. Controls & Checks

The responsibility for control of expenditure on different heads fall on Beard Management & Governing Body Meeting concerned. Head of Accounts of head Deputation shall be responsible for the control of expenditure against the sanctioned estimate in the budget. The control shall be exercised through the Heads of the Departments and other controlling Officers, (Accounts Officer). No expenditure shall be incurred which is beyond the provision of the budget. Heads of the Departments and the Accounts officer shall be jointly responsible for the quarterly reconciliation of the figures given in the accounts and the actual expenditure incurred. The procedure for reconciliation should be followed as provided. Quarterly statement showing the expenditure vis-a-vis the Budget provision under the various heads of accounts in the prescribed pro form should be sent to the Head Office for overall control of expenditure against Budget. In order to exercise an effective check to watch the expenditure within the budget, a separate register (Hill passing cum Expenditure Control Register) should be maintained in each accounting unit of each centre. Budget control provision is also provided by CVRUT in the Tally Software system. This Software will not allow punching/ entering any voucher unless budget provision is available. Standard budget heads as well as accounts heads have been finalized.

7. Estimated Expenses:

1. Salaries and Allowances
2. Exam Expenses



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3. Administrative Expenses
4. Advertisement and Publicity Expenses
5. Membership Expenses
6. IODE Expenses
7. Student Welfare
8. Institutional Scholarship/ Freeship
9. Staff Welfare
10. Staff Development Programme
11. Seminar/Conference Expenses
12. Research Activity Expenses
13. Library Journals and Misc Expenses
14. Campus Maintenance Expenses including Small construction works
15. New Equipment (Computers & Others)
16. Furniture & Fixture
17. Library Books
18. Website & ERP
19. Electricity Expenses
20. Vehicle Purchase
21. University City Office.
22. Proposed Construction
23. Repayment of Loan & Interest Total Expenditure

8. INCOME

1. Regular Program Receipts
2. Institute of Open & Distance Education Receipts

Total Income Surplus/Deficit Above Format is for major heads of
Expenditures



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CHAPTER-3: FUND AND CASH MANAGEMENT

1. Cash Management

The key to successful Cash Management lies in realistic forecast of future cash receipts and payments prompt collection of moneys from the debtors and speedy disbursement to discharge accepted liabilities to cater the norms of the organization. This calls for optimum utilization of cash resources. Shortage of cash or keeping cash idle retards healthy growth of institution. It is, therefore, of utmost importance that a close watch is kept to strike out a balance between the in-flows and out-flows of cash.

The Cash Management Section shall be responsible for the receipt and disbursement of cash, cheques/ drafts / money orders etc. transfer of funds, pay roll disbursement including that of unpaid salaries and wages; safe custody of cash, securities, investments, preparation of Bank Reconciliation statements and ways and means forecasting. This section shall serve as a counter for receipts and payments at Head Office / Units.

2. Organization

Cash Management Section shall be under the control of an Accounts Officer who shall be assisted by Cashier and other supporting staff.

(i) Accounts Officer: for signing cheques, Accounts Officer shall include an Accounts Executive / Accounts Officer or any other officer of the Accounts or other Department authorized to work as Accounts Officer-in-charge of the Cash Management Section.

(ii) Cashier: Shall mean and include Head Cashier/ Sr. Cashier or any Assistant of the Accounts Department authorized to handle cash and so nominated by the competent authority.

3. Functions:

Head of the Office is to function as Drawing & Disbursing Officer. The main functions of Cash Management Section shall be:

- (i) Receiving of Cash / Cheques/ Drafts/ Money Orders etc. on the authority of the various accounting sections.
- (ii) Issue of receipts to parties in acknowledgment of amount received;
- (iii) Prompt deposit of all collections to the credit of the Bank Account Institute on the same date or next working day:



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- (iv) Disbursement of cash to staff members and outsiders on the authority of Cash Payment Vouchers prepared by various Accounting Sections and duly passed for payment by the competent authority,
- (v) Preparation of cheques on the basis of payment vouchers sent by the Accounts Sections and its dispatch/ issue to parties:
- (vi) Arranging transfer of funds from the Centre's Bank Accounts to other Centre's / Head Office Bank Accounts and vice-versa on the basis of the approval of the competent authority (as per delegation of powers);
- (vii) Pay Roll Disbursement (including that of unpaid salaries and wages to Regular staff, contract staff or other working staff employed in the office;
- (viii) Proper recording of all transactions on daily basis in respect of receipt and payment;
- (ix) Safe custody of cash, securities and investments;
- (x) Preparation of Bank Reconciliation Statements for cash Bank Account.
- (xi) Preparation of ways and means forecasting;
- (xii) Proper filing and maintenance of Cash / Bank Receipt and Payment Vouchers in numerical order; and
- (xiii) To serve as a counter for all receipts and payments at Head Office: /units.

4. Procedure for Transfer of funds to Centers:-

1. Funds would be transferred to the Centers to meet their approved Capital Purchase Expenditure.
2. All revenue expenditure which is directly attributable to the HO activity will be debited to HO.

Annual Return in respect of Capital Expenditure

1. Funds for capital purchase received till the end of the previous year
2. in the current year funds received till date
3. Funds received till previous year

Signature of Director

5. Authorization of opening bank account and check signing authority:

Preparation of cheque:

On the basis of the check payment voucher duly passed for payment by the competent authority the Assistant of Cash Management Section shall prepare cheques) duly crossed "Account Payee". The assistant preparing/ typing cheques shall initials the counter-foils of the checks in token of verifying that the contents of the checks and counter-foil are the same. If a check is cancelled, being not properly



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prepared, both the foils shall be cancelled by the officer signing the cheque. The original cancelled foils shall be attached with the counter-foil in the check book.

Check Signing Authority

Designation of officer's checks can be signed,

1. Registrar
2. CFAO
3. FAO
4. GB Nominee

5.1 OBJECTIVES:

- i. Safe custody;
- ii. Meeting the purpose for which the instrument has been received;
- iii. Timely action for any breach of terms and conditions of contract committed by the contractor;

5.2 Responsibilities

Responsibilities and action points of the following groups have been detailed in the above mentioned circular, which should be strictly adhered to:

1. Cash section
2. Accounting Group
3. Internal Audit Group

6. Investment of Surplus Funds

The surplus fund of CVRU may be invested in time deposit schemes of scheduled banks etc. The period of investment may be decided as per availability of fund requirement in future. At present CVRU follows net balancing system in which amount available in the current account automatically transferred to fixed deposit account and as & when check issued, FD's are encased on LIFO method. However, for investment of fund other option may also be taken into consideration as per the situation, fund position of CVRU. But tot 1 transparency should be kept and proper files and record should be maintained FD Register should be maintained and as & when Fixed Deposit is maturing the same may be renewed in time.

7. Banking Transactions

Guidelines for banking transactions is issued from time to time, however, tin barred check should be immediately reversed and proper entry required to be made in the concerned accounting books.

Guidelines regarding accounting an procedure for issue of fresh check is as below:



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"where it is issued and withdrawn, after similar note on its counterfoil, it should be defaced and forwarded to the cash section and Accounts Office where the drawer is a cheque drawing DDO; entries in the accounts should be suitably reversed;" Unquote Lost Cheque:

When a Check is reported to be lost by the party or the Individual to whom the Check was issued, the Accounts Officer shall take the following steps for issues of a fresh Check in lieu of a lost Cheque.

1. The Accounts Officer on receiving a formal request for issue of a fresh Check in lieu of a check lost shall send an instruction to the Bank Registered Post or through messenger and take an acknowledgment to stop payment order.

Banking Arrangement:

1. Each Branch of the Bank with which the CVRU Centre or Head Office) having an account shall send a Monthly Bank Statement Centre wise in respect of the Bank Account, date wise indicating all the Check its und cash along with necessary details as are given usually viz Check number, date & amount
2. Each Centre & Head Office shall reconcile each Check with d Bankbook and prepare a list of outstanding Cheques.
3. Each Centre & Head Office shall prepare a classified analysis of the Cheques outstanding i.e. the details of outstanding cheque age wise with amount.
4. Each Centre & Head Office shall take appropriate action as detail below on the Time Barred Checks on immediate basis.
 - a. Validity of a Check is six months from the date of issue. Once Check become Time Barred but the party/ Individual does not come forward with a request for revalidation for issue of a fresh Check in lieu of the same, a reverse entry as detailed below is required to be done in account after 8 months from the date of issue. HO for the same.
 - b. The Institute shall be required to reflect the income and expenditure from different Funds presently being operated by them appropriately in their Annual Audited Statement of Accounts as well as Annual Report being presented to the fund and cash management (Plan and Non-Plan) of the institute.

UTILISATION

The Endowment Fund will be kept separate from the normal plan grant received from the Central Government and other organization. The savings and undesignated funds will be treated as a corpus and



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interest accruing and other income from the assets will be used normally for developmental purpose Interest from Corpus Fund will be utilized for developmental and if necessary, for operational expenditure of the Institute. The status of the Endowment fund, including its deposit and interest and assets, will be appropriately reflected in the Annual Budget (plan and non-plan) of the institute. Proposals for the utilization of the interest accruals on Endowment Fund and Income from assets will for a separate part of Annual budget of the institute. common to all the Centers.

Capital purchases of machinery etc. only for new programs to be started in different Centers.

Capital expenditure on interiors to be done in the various Units being constructed across the centers.

Annual Prizes and awards to students.

Scholarships for twinning students and payment to visiting faculties: international institute.

Funding towards membership of faculty to international/national bodies of organizations which are of academic relevance so that i benefits may be reaped by the institute. Internationals Seminars al Workshops being conducted at University Payment for industry chairs being constituted for which some particular Bodies have given funds. Funding of some specific research work with high potential value to the Industry.



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CHAPTER-4: ADVANCE AND CONTROL

As a general rule, all the claims submitted for payment whether personal claims of employees or the claims preferred by private parties for supplies made or services rendered to the Departments of the Government should be preferred in the proscribe forms. While preferring the bills it has to be ensured that the bills are in the proper printed forms and the claims preferred therein are covered under the rules framed by the Government from time to time.

1. T.A./ D.A. RULES

In pursuance of approval of the Standing Committees. The approved guideline relating to Hotel Rates, Daily Allowance Rates, Local Transport Rates for Official Tours.

Transport of Conveyance-

The possession of the conveyance need not be in public interest. The accounts for other expenses local conveyance, communication and other contingent expenditure will be rendered on the basis of expenditure incurred! Supported by bill/receipt by the employee or self certification which will require approval of Competent Authority. On return, the employee concerned would submit a consolidated account on various expenses as admissible. Any surplus after the calculation of expenditure incurred would be refunded.

Availability of funds:

No sanction for the payment of an advance shall be issued unless the authority competent to sanction the advance has satisfied himself that funds are available in the year in which the amount of advance is to be paid and every such sanction must clearly indicate that funds are so available.

Maintenance of detailed accounts of individual Advances:

- a) Heads of offices will effect recovery of the advances granted in accordance with the provisions of the rules, and see that the conditions
- b) Subject to such general or specific directions as may be given on the advice of the Comptroller and Auditor General in this behalf, detailed
Accounts of individual advances in respect of long term advances will be maintained by the Accounts / Departments / Officers.
- c) Heads of offices shall maintain detailed accounts of all short term advances granted to the employees.



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Note:-

For long term advances a detailed broad sheet will be maintained by the Accounts Department in order to watch the recovery of advance and transfer of balance in case of transfer of official from one department/Centre to another.

Irrecoverable advances:

An officer who is responsible for the detailed, control, accounting a supervision of advance shall, as soon as any advance is found irrecoverable take necessary steps to get the advances written off the accounts under: sanction of the appropriate authority and the advice of the Accounts Officer accordingly in order that he may make the necessary adjustment in i accounts and shall maintain a record of advances so written off in order that any possible recovery may be eventually affected.

Conditions of Eligibility:

An employee may be granted an advance for the purchase of motor car / motor cycle/ scooter/moped provided that--the authority competent to sanction the advance is satisfied that the employee has capacity to repay the advance.

Advance

Prior permission for raising temporary loans

The employee who having applied for the advance for the purchase of a conveyance as admissible under the rules could not be sanctioned such on advance due to non-availability of funds or in whose case due to anticipate delay in sanctioning the advance there is obvious need for raising temporary loans to purchase the conveyance, should obtain prior permission from prescribed authority.

Second Advance:

An advance for the purchase of a conveyance shall not, except with the concurrence of the Finance Department. Be sanctioned unless the outstanding! Balance in respect of an advance previously granted for the same purpose together with interest thereon, has been fully repaid.

Control

An acknowledgment of adjustment bills mentioning them in the receipt of the enclosed original schedules/cash memos/ vouchers etc. must be given by the Accounts Branch with dated signatures of a responsible person.

Date of receipt of adjustment bill may immediately be noted down in the Register of Staff Advances.



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Advances may be categorized under various heads and processed for settlement as per Rules. A second advance should not be given to any official normal v without settling the first advance under the same head. Account branch should process and adjust the advance in a time bound procedure, The Department head shall also ensure that their advances are settled in a phased manner

Adjustment bills should not be returned or refused on flimsy, grounds. If there something missing or some more details are required personal efforts should be made by the Accounts Branch officials to obtain it under it settled. If details cannot be obtained or there is some specific problem, then the adjustment bills should be returned with reasons thereof the concerned officer through department head only.

The adjustment vouchers should be kept with other paid vouchers and should be retained in a systematic manner for which the AO/Account Branch shall be responsible.



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CHAPTER-5: TERMINAL BENEFITS

1. Contributory Provident Fund

Contributory Provident Fund Rules were introduced in respect of thin employees who were or deployed to Non-Pensionable Posts in the Government Departments. Under the CPF Rules 1962, every Govt. employee is required to subscribe compulsorily 12% of his/her emoluments. Besides the subscriber's minimum contribution, Govt. is also contributing 12% of employee emoluments as its share. The rules for GPP and CPF are the same, except Ser. the following differences:

1.2 Amount of subscription

Any sum (in whole rupees) as fixed by the subscriber subject to a minimum of 12 per cent of emoluments and not more than his emoluments.

1.3 Contribution by Government

Government's contribution at the percentage prescribed (12 per cent sent to the subscriber's account on the 31st March of each year. For any period, the subscriber does not elect to subscribe during leave period or under suspension), there will be no contribution from the Govt. also Government's contribution will be rounded off to the nearest whole rupee (fifty paise counting as the next higher rupee).

2. Final payment of accumulations in PF

The amount standing at credit shall become payable when the subscriber,

- i. quits service;
- ii. is dismissed/removed from service;
- iii. procedures on leave preparatory to retirement;
- iv. retires from service permitted to retire or declared by a Competent Medical

Authority to be unfit for further service;

When a dismissed subscriber is reinstated in service, he should repay the amount received by him, if so, required by Govt., along with interest at the rate prescribed, either in cash or securities or partly in due and partly in securities. by installments or otherwise by recovery from his emoluments or as directed by the Competent Authority. The same procedure applies also for a subscriber who returns to duty after proceeding on leave preparatory to retirement.

3. Interest

If the payment cannot be made within one month after retirement or after the date of receipt of application in the prescribed form, whichever is later, due to administrative reasons, interest is payable on the balance



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up to six months for the period beyond one month. Interest can be allowed up to one year by the Head of Accounts Office and beyond that period by the immediate superior to the Head of Accounts Office.

4. Government due not recoverable

In case of payment of nominees, if the nominees are liable to the Govt. by incurring any debt after the death of the subscriber, the amounts payable to the nominees are liable to attachment and if the debts are due to the Governments, they may be made good by adjusting from the PF dues to the nominees.

5. When a subscriber dies while in service

The amount standing to his credit is payable to the nominees/members or family in the following manner:

1. Leaves a family:-

If nomination subsists to the nominee(s) in the proportion specified if no nomination subsists or same relates to part of the amount payable to members of family in equal shares leaving out any part covered by tile nomination Son who have attained majority, sons of a deceased son who have attained in fort married daughters, whose husbands are alive, and married daughters of ski deceased son, whose husbands are alive, will not be eligible, if there is any member of the family other than those four categories.

2. Leaves no family: --

If nomination subsists- to the nominees (s) in the proportion specified.

6. Payment on behalf of minor.-

Payment of Provident Fund money up to Rs.10,000/- can be made to the die natural guardian or where there is no natural guardian to the person considered fit by the Head of Office to be received payment on behalf of the minor(s) without requiring any guardianship certificate.

7. Final payment of balance in cases of employees missing/ disappearing-

When a subscriber is suddenly missing or disappearing and whose whereabouts are not known, the balance at credit of PF account can be paid to the family having regard to the nomination made by the employee subject to the following conditions:-

The family must lodge a report with the Police Station concerned and obtain a report that the employee has not been traced after all efforts had been made by the police.

An Indemnity Bond should be taken from the nominee dependents the employee that the payment will be adjusted against the payments due to the employee in case he appears on the scene and makes any claim.

Interest will be allowed on the balance at credit up to six months from the date of report has been obtained



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by the family from the Police Department that the employee has not been traced after all efforts have been made by the Police.

8. Nomination

Every employee should make a nomination in the prescribed form conferring on one or more person the right to receive the Death/ Retirement Gratuity amount in the event of his death in service/ after retirement before receiving retirement gratuity. Nomination has to be made in the following manner-

(A) If the official has a family. - Only in favor of member(s) of the family.

(B) If the official has no family. -Can be in favor of any person(s) on body of individuals, whether incorporated or not. Such a nomination will, however, automatically become invalid when the employee acquires a family, and then he has to make a fresh nomination. in favor of any person(s) as in (A) above.

In both cases (A) and (B), if the nomination is in favor of more than one person, the share of gratuity payable to each has to be specified. The employee may specify the person(s) to whom the right conferred on the nominee(s) shall pass in the event of death of the nominee(s). The employee may provide in the nomination the contingency on the happening of which the nomination would become invalid. In such a case, the employee should furnish fresh nomination without delay after the occurrence of the specified contingency.



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CHAPTER 6: ACCOUNTING & CONTROL

Interest on Deposits

Interest on Deposits is accounted for on accrual basis.

A. Accounting Policy

Expenditure

Fixed Assets/Depreciation

Earmarked specific purpose:

While calculating depreciation on the Annuity method the specified period in respect of any depreciable assets shall be the Earmarked fund will consist of fund which is for a particular/ number of years at the end of which at least 95% of the original specific purpose like earmarked fund for student development cost of that asset to the company will have been provided for by (Spectrum and student activity clubs etc), the mental way of depreciation, In other words, the specified periods would be reckoned as surplus should be carried over.

The number of years at the end of which 100 of the original cost of the assets for six months and next six months 50 % of the assets would have been provided for by way of depreciation under the "written down value" basis.

Investments

Value basis for calculating depreciation it should ensure that the long term investments are stated at cost. The in the value of long-term investments made only if such decline. The amount of depreciation the rate is in accordance with the Accounting Standard issue by the specified in the Income Tax Rules for calculating depreciation on Institute of Chartered Accountants India).

Fixed Assets:-

Buildings, Plant & machinery, distribution of burden between present and future Furniture and fittings, Office Equipment's, class Room Equipment's, Vehicles, Electrical substation and overhead lines. Capital works in (after charges of interest on money borrowed to finance the progress, Equipment transit, Equipment in Stores and Advances construction of a new project before the project becomes against purchase of Capital Equipment are included under this revenue earning, to capital is justified only when there would head undue disturbance in the budgetary position by taking Liabilities:-

Capital and Revenue Accounts

By general or special orders to be classed as Capital expenditure.



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Accounting of Tuition fee

Certificate shall disclose separately the actual expenditure incurred the students who join in the regular courses of CVRU have to pay

Records relating to Receipts:

The schedule is as below. (Tuition fee received from students)

- Admission Fees
- Library Fees
- caution money
- Development Fees
- Sports Fees
- Tuition Fees
- Exam Fees
- Prospectus Fees
- Other
- Hostel students fee

HOSTEL INCOME

HOSTEL FEE

Indirect Expenses

ACADEMIC EXPENSES

A. Departmental Expenditures

Class Room Expenses

TA/DA other Center faculty

Jury Expenses

Final Diploma/Graduation Show/Presentation limited to 2 lacs

Department Meets (Industry, Advisory, Curricular Dev. Meeting, Review Meeting)

Field study

Display and Exhibition

Guest faculty

Craft Documentation



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B. COMMON EXPENSES

Printing & Publication

Student Welfare (Zero Hour & others)

Students Insurance

R & M - Equipment including Computers

Convocation

Orientation Program

Faculty Conclave

Alumni Meet, alumni co-coordinator

TA/DA of faculty

Examination & Evaluation Exp. Through EAC

Sub Committee Exp. (LASC CASC etc.)

Postage & Telegram

Membership fee

Placement/ Internship expenses

Foreign visit expenses

Training & development

Expenses on Certificate, Awards & Trophies - Head Office

Promotional Exp. (Centre Events/seminars/Workshops) Internet Fee Misc.

C. ADMISSION EXPENSES

Advertisement

Exam Center Booking Expenses

Postage & Telegram

Accounting & controlling

Printing & Stationery

Travel Expenses

Monitoring Fees

Misc, expenses

Promotion- Careers, Fairs, etc.



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D. RESOURCE CENTER EXPENSES

Audio-Visual Materials

Periodicals & Magazines

TA/DA

Misc. Expenses- Binding, Printing & Stationery, Brochures, slides, IT Consumables, etc.

Training / Seminar

E. HOSTEL DEPT. Expenses

Hostel Maintenance Exp.

Electricity

Water

Salary - Hostel Staff

Newspaper/Periodicals

Mess Charges

F. ADMINISTRATIVE EXPENSES

ADVERTISEMENT

Audit Expenses Internal & Statutory

Bank Charges

Interest on Loan

Sub-Committee & Standing Committee exp.

Hospitality

Legal & Professional charges Local Conveyance

Postage & Telegram

Printing & Stationery

R & M - other than Class Room Equipment's/ Furniture

Running & Maintenance of Vehicles

Vehicle insurance

Telephone charges office

Travel - India

Pre-paid expenses

Loss from sale of Asset –



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G. Guest House Expenses

- Repair & Maintenance
- Electricity & Water
- Security

H. Depreciation

- Building
- Furniture & fixture
- Office Equipment
- Lab Equipment
- Computers - ETC.

I. Insurance

- Vehicle
- Furniture & Fittings
- Misc.

J. BUILDING SECTION

Electricity charges

Water charges

4. MISCELLANEOUS EXPENDITURE INVESTMENTS

Provision for decline, other than temporary, is made in carrying cost of such investments

Rate of Depreciation for different types of Assets: Name of the Asset Category Rate of Depreciation Charged

1. Computer Equipment's - 60%
2. Furniture & Fixture -10%
3. Office Equipment's -15%
4. Vehicle 15%



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CHAPTER-7: FIXED ASSETS, PHYSICAL VERIFICATION OF FIXED ASSETS AND DEPRECIATION POLICY

1. Fixed Assets & Physical Verification Of Particulars Regarding Disposal With Scrap Value.

FIXED ASSET

The procedure for maintenance of Asset Register should be as prescribed in the General Financial Rules: Inventory

1.1 Procedure for maintenance of Asset Register Management and other Stock Registers

On receiving the goods and materials received from a supplier, the **Fixe! Assets:** - The officer-in-charge of stores should refer to the relevant contract term and follow the prescribed procedure for receiving the materials.

All items of fixed assets under Head Office and unit such as if required the materials should be counted, measured inspected at Buildings (residential an no-residential), Plant & machinery, the time of receipts to ensure correct quantity and quality is furniture and fittings, Office Equipment's, Class room Equipment's, according to the required specifications and there is no damage or Vehicles, Electrical substation and overhead lines, Capital works in deficient in the materials. Details of materials so received should progress. Equipment transit, Equipment in Stores and Advances to be entered in the appropriate stock register duly certified by the against purchase of Capital Equipment are included under this officer-in-charge. For receipts of goods and materials from internal head Divisions, on receipts of indent from the indenting officer, the office under each head the original cost and the addition thereto and in-charge of store shall see that an appropriate indent in the deductions there from during the year, and the end of the year to the prescribed form has been projected by its indenting officer. A written be stated, acknowledgment of receipt of material issued shall be obtained at the time of issue of materials. In case of materials issued to a Where sums have been written off on a reduction of capital on contractor the cost of which is recoverable from the contractor revaluation f assets, every balance sheet, after the first balance including the sets recovery and the total value chargeable to sheet), subsequent to the reduction revaluation shall show the contractor should be got acknowledged from the contractor reduced figures, and with the date of the reduction in place of the duly signed and dated. Original cost. The office-in charge of stores having custody of goods and Each balance sheet for the first five years, subsequent to the materials, shall take appropriate steps for arranging their sale custody, the rate of the reduction, shall also



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show the amount of the reduction proper. Large accommodation, including arrangements made for maintaining enquire temperature, dust free environment etc. Similarly, where sums have been added by writing up the assets, the officer-in-charge of store shall maintain suitable item-wise lists every balance-sheet subsequent to such writing up shall show the and accounts and prepare accurate returns in respect of the goods The increased figures with the date of the increase in place of the and materials in his change making it possible at any point of time original cost. Each balance-sheet for the first five years subsequent to check the actual balances with the book balance... to the date of writing up shall also show the amount of increase made Detailed and classified Asset Registers, inter-alia containing

2. Store keeping, recording and analysis

The purchase order no. and date, Invoice No, and date, suppliers Store keeping function starts with the receipt of materials. It then Name, Head of Account Description Engine No. Chassis No engaged itself in providing the storage and handling facilities during Original cost, Additions 17 Modification depreciation, salvage value/ the period material lies in the stores. Materials from the stores move value realized etc shall be maintained by the Finance or Accounts out as and when they are drawn by the users. The functions Department and the Custodian Departments will also be required to invalidate receipts, storage and issue of materials require maintain the Asset Registers indicating the following documentation at various stages and hence the correct record

- i. Sufficient description of the asset to make the identification keeping s respect of materials is also a function of the stores possible.
The store is to take physical inventory of all the materials lying with y periodic intervals or at the end of a year as the case may
- ii. Classification, etc. Buildings Plant & Machinery, office be It is entrusted with a responsibility to analyze its inventory Equipment's et and send out such returns in connection with the stores
- iii. Location of Assets transactions so that the materials control could 1 achieved by concerned departments from the various analysis and returns so made
- iv. Date and year of purchase. by the stores
- v. Quantities.



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CHAPTER- 8 INTERNAL AUDIT

1. Purpose of Internal Audit:

Internal Audit has been defined as an independent service within an organization for effectively achieving the objectives. Internal audit should be based on a sound internal control environment which should provide valuable material and support for review of financial compliance by external agencies/audit.

The purpose of internal audit is to

- 1) provide comfort to management that operations are well managed;
- 2) identify weakness in the management system and recommend improvements;
- 3) Suggest opportunities to reduce expenditure, increase revenues.
- 4) analyze the differences between actual and expected performance
- 5) report gap between actual and expected performance, and
- 6) make recommendations to support management in minimizing risk Internal audit should sufficiently independent of the activities which it audits, in order to enable the auditors to perform their duties in a manner that facilitates impartial and effective professional judgment and recommendations. Equally important is ensuring accountability for response to the advice and recommendations of internal audit.

2. Role and Scope of Internal Audit

- (i) Study of accounting procedures prescribed for the department with view to ensure that they are correct, adequate and free from the defects or lacunae.
- (ii) Check the prescribed procedures and the orders issued from time to time are implemented properly.
- (iii) Scrutiny and checking of payments.
- (iv) Investigation of important arrears and other connected resources;
- (v) Periodic review of all accounts records;
- (vi) Pursuance/settlement of objections reported in test and it notes, issued by Statutory Audit Office by obtaining satisfactory explanation regularization or adjustment,
- (vii) Examining and reporting on irregularities pointed out by Audit:
- (viii) Coordination with other departments regarding internal audit procedure.



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- (ix) (ix) Performance evaluation of important schemes and programmes, i.e. to see whether schemes are being executed and their perstars.com economically and schemes are result oriented.

In a rapidly changing environment there is now a greater need to look forward from the traditional policing role, towards a value added independent advisor role that provide effective, timely and accurate decision support service and an aid to management decision making process. Internal audit should modify its charter to address key issues of interest to the management or decision makers. To be effective: and of value, the internal audit programme should be based upon a comprehensive assessment of risks including financial aspects. The internal audit function should have a formal strategy for fulfilling its mission and objectives which should be communicated to the management and staff, The internal audit should be actively sponsored and supported by the Chief Executive and Senior Management so that its role and functions should be that of facilitator and supportive and not combative. To achieve this, it is imperative to have well qualified and trained staff for value-added auditing service. Internal audit should be appropriately staffed in terms of numbers, grades, qualification levels and experience in order to fulfill their responsibilities and enhance the audit capability Within the Internal audit itself there should be adherence to standards/procedures laid down in the Manuals and maintenance ace principles of quality assurance. A set of performance measures or to judge auditor's performance should be laid down to review the quality of audit work and develop an action plan for weaknesses identified. Appropriate performance indicators to measure cost effectiveness, timeliness and quality of internal audit services are necessary to optimize use resources and functions. The audit report is the primary communication mode for annual audit. The t frame for the completion of audit field work to the issue of the Report therefore regarded as having a critical impact on perceptions of quality and effectiveness of audit.

3. Internal audit A partner of management

The internal auditor has an excellent viewpoint from which a recognize opportunities for strengthening systems and procedures, f improving methods and for achieving greater efficiency, all with de object of increasing the contribution management can make towards achieving the organizations corporate objectives This inherent strength needs to be built upon, given a focus and direction so that internal audit truly becomes the "management's right hand".



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4. Scheduling of Internal Audit:

Frequency of Audit depends upon the staff strength as also the number of units to be inspected. Under the normal procedure inspection of all offices within d jurisdiction should be conducted at least once in a year The Internal Audit team, formed by the HO with the approval of Director General, should conduct audit on quarterly basis or based on the formation strength of the unit to be audited. For this purpose HO should provide the teas with a list of financial transactions duly prepared and certified from the Cash book, along with the bank reconciliation statement A list purchases and contracts for the period of audit and related documents having financial bearing should also be made available to the Internal Audit.

TERMS OF REFERENCE OF INTERNAL AUDITOR

S. No.	Details	Periodicity	Extent of Audit
1	To Check all the Cash Book for Journal Vouchers and their recording in the original books of entries	Half Yearly	100%
2	To check the correctness of payments released	Half Yearly	100%
3	Check the Bank Reconciliation.	Half Yearly	100%
4	Check pay roll, and Advances sanctioned to the employee.	Half Yearly	100%
5	Income, expenditure and Balance Sheet items	Half Yearly	100%
6	Statement of all the Bank Accounts	Half Yearly	100%
7	To periodically verify the physical cash balance as per cash book	Half Yearly	100%
8	Check the Deposits with the Banks and corresponding Correctness of Interest Due and receipt	Half Yearly	100%
9	To check the budget provisions and actual against it and highlight the variations.	Half Yearly	100%
10	To check inter office adjustments.	Half Yearly	100%
11	To check the Fixed Assets Registers, with a view to ensuring the accuracy of postings and physical verifications.	Half Yearly	100%



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Audit Procedure & Objective

Maintenance of accounts are contained in the relevant chapters of the Mans, determine-

- i. Receipts are properly recorded, classified and reported.
- ii. Due amount are collected / received as per policies and procedures.
- iii. Receipts are deposited timely in the concerned branch of the authorized bank.
- iv. Adequate checks and controls are there as per rules from losses and errors/irregularities.

It may also be seen that:

- a) Cash balances agreed in the cash book every month
- b) Inspection conducted periodically and findings thereon are noted in the Cash book
- c) Huge balances of cash are not kept without justification for invariably long ride. Petty cash balances are reconciled and reviewed.
- d) Advances paid to the officers should be accounted for promptly with the entries recorded. Outstanding advances for unduly long period are brought in the audit report.
- e) Bank reconciliation statements are checked to ensure that all the transaction due are adjusted. Checks deposited are properly credited and action taken for checks yet to be credited If any check requires revalidation action to revalidate the check in question has been taken. Audit should statement for inclusion in audit report of such cases.
- f) Accounting records, collections, journal entries, cash storage etc should be reviewed and checked with the supporting documents of transactions.

5. Cash/Cheque Payment and Audit-

The competent authority has sanctioned the expenditure. The rates are reasonable and competitive with reference to the comparative statement tenders or price lists. The expenditure is covered under the rules and funds are there. The purchase quantity is as per occasion demands, and received accordance with the provisions of the contract. Purchase procedures have been followed. The bill for purchase of stores / services accompanied by a receipts/ vouchers from the recipient of the stores/services, stating when, where and how they have been accounted for. Procurement has been approved by the competent authority. The stores procured have been properly accounted for in the books of stores. Payments have been made in accordance with the payment schedule of the contract.

Check List:-

1. Status of Tally:



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- a. Whether Vouchers have been fed daily
 - b. Whether Budget amount has been entered in Tally
 - c. Whether Trial Balance is produced for audit
2. Expenditure Control Register
- a. Details of budget head purchased



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CHAPTER- 9: TAX MATTER

Income under salaries covers all remuneration due / paid to a person in respect. Services rendered by him under an express or implied contract of employment.

Do's and Don'ts for guidance DO'S:-

Include all the allowances, value of perquisites, and profit in lieu of or in addition to salary. Allow the exemptions u/s 10 of the IT Act wherever applicable. Verify and satisfy about the genuineness of the claim for termination. Any other income (other than salary) reported by the employee should be included in the gross total income. Allow eligible deductions under Section 800 to Section 80U of the Act only after proper verification Estimate the total income of the employee in the beginning of the Financial Year Revise the total income as and when there is change in the salary. Deduct the tax dues in mu installments every month and revise the monthly deduction whim ever necessary. Issue the TDS Certificate within one month of the close of its financial year. Furnish the total of all the salary value of all the perquisites and profits in lieu of salary (before allowing any exemption in the column Gross Salary". The details of monthly deduction of tax in the case of employee, the date of its remittance to the Government A/c, the details of the branch of the bin where the taxis deposited should be furnished in the relevant columns "the TDS Certificate should be signed in ink by the authorized signatory only du stamped. Quarterly Statement of TDS, Quarterly statements of TDS has replaced the requirement of annual return with effect from.

Don't's

Do not allow exemption of conveyance allowance for journey from residence to office. Do not allow deduction u/s800G for donation for charitable purposes except in the case of specified funds such as National Defense Fund Foundation etc.. The deductions in respect of donations to such specified funds are also subject to due verification. Allow the rebate u/s 88 only after verifying the actual payments receipts on housing loans; approved Government investments Do issue more than one original TDS Certificate to employee to avoid misuse.

Deduction of tax at source from payments to contractors or sub-contractors:-

Any person responsible for paying any sum to any resident contractor for carrying out any work in pursuance of a contract between a specific person and the resident contractor is required to deduct tax at source. The rule is also applicable in case payment is made by a contractor to a resident sub-contractor for carrying out the whole or part of a work undertaken by the contractor, or for supplying, whether wholly or partly. The person liable for deducting tax from payments made to contractors/ sub-



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contractors, who have not been allotted tax deduction account number, Shall apply for the allotment of tax deduction account number in Form. No deduction shall be made in respect of payment to contractor/subcontractor, where the consideration does not exceed Rs. 20,000, Tax deduction at source from the payment made to contractor and sum contractor shall be paid to the credit of Central Government as per rule of the Income Tax Rules, within the prescribed time.



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CHAPTER-10: UNIVERSITY DEVELOPMENT FUND

Approved by GB meeting held with Proper agenda for Development of University

Short Title/ commencement:

- A. This policy shall be called Development Fund Policy
- B. The policy shall come into force with effect from its approval by it Competent Authority.

Purpose:

University generates resources locally through various innovative ways using spate assets of the Center in a manner that does not affect the core academic activities. These resources should be used to enhance the infrastructural facilities and improvements of the Center assets in a prudent manner. The policy calls for creation of a separate fund from all such accruals and desires e process to utilize this fund

Empowered Committee:

The Empowered Committee shall consist of the Vice Chancellor, Registrar, CFAO and HOD's. Members to be nominated by the Center Director (annual the Empowered Committee shall decide the fee rate and maintenance charge annually for standard Criteria. The Empowered Committee shall prepare annual budget for the usage of the Fund for enhancing and improving the infrastructure and amenities on the University and sanction the projects/ Works to be executed according to procedure laid down. The empowered committee shall have full powers to sanction subject to budget approval.

Budget

The budget for the fund should be approved as prepared by the empowered committee along with the Center budget with or without modification by the competent authority.

Accounting and Auditing System:

Accounts Department will maintain the accounts as per Account Manual. CFAO will advise the empowered committee on tax liability and ensure compliance Audit will be conducted as per university procedure.

Application of Fund

The funds under this policy shall be used for the development of e infrastructure & capital expenditure be infrastructural development, including maintenance and up gradation of the facilities at the University.

Power to interpret and relax:

The decision of the Governing Body Members in all matters relating to interpretation of these rules shall be final and blinding No provision in this guideline shall be relaxed except with the explicit approval.