



## Jamia Hamdard, New Delhi

<b>Policy Title- Finance Policy</b>		
<b>1</b>	<b>Policy Number</b>	JH/IQAC/PD-13
<b>2</b>	<b>Brief Description the Policy</b>	Jamia Hamdard Finance and Accounting Policy is a guiding note for control and management of funds and their proper accounting to generate financial statements as per requirements.
<b>3</b>	<b>Scope/Objectives</b>	proper utilization and mobilization of funds
<b>4</b>	<b>Policy Applies To (please tick)</b>	All academics Administrative Managerial processes in the university
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<b>6</b>	<b>Approved By</b>	Academic Council Board of Management
<b>7</b>	<b>Responsible Authority for Implementation and Monitoring</b>	Finance Officer, Registrar
<b>8</b>	<b>Superseding Authority</b>	Competent Authority/Body of the University
<b>9</b>	<b>References for the policy (please tick)</b>	NAAC accreditation

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## PREAMBLE

Jamia Hamdard Finance and Accounting Policy is a guiding notes for control and management of funds and their proper accounting to generate financial statements as per the recommended formats.

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# JH FINANCE & ACCOUNTING POLICY

## Introducton

This Finance Policy is aimed to facilitate sound financial management and controls of the Jamia Hamdard, Deemed to be University. The Policy has been made so that all the financial areas of finance are managed to ensure properly adopting basic accounting principles and conventions applicable to educational institutions and to create financial statements in accordance with notified statements by MHRD and UGC.

### 1. Objectives

The main objectives of the Policy are:

- (i) To develop, evolve, maintain and promote sound financial management systems, procedures and controls that facilitate and enhance efficient and effective financial management practices.
- (ii) To plan, rationalize, co-ordinate and control revenue inflows and expenditures of the Jamia Hamdard in relation to the provision of:
  - (a) Salaries, Remuneration, welfare and other personnel benefits ;
  - (b) Academic, research and outreach activities and programs.
  - (c) Students' development, welfare and performance. Welfare and development of teaching and non-teaching.
  - (d) Capital budgeting decisions.
  - (e) Establishment, Procurement, repair, maintenance, safety and security of the Jamia Hamdard property, and all other assets.

### 2. Definitions

- (i) **Accounting documents:** The physical objects upon which transactions are made; or records evidencing the transaction. These include cheque books, receipt books, invoices, payment vouchers and bank statements.
- (ii) **Asset:** A resource with economic value owned or controlled by the Jamia Hamdard and from which future economic benefits are generated.
- (iii) **Budget:** A formal written financial statement of future plans for a specified period of time drawn in consultation with HoDs.
- (iv) **Board of Management:** Governing body as formed and notified in Memorandum of Association (duly registered) of the Jamia Hamdard in 2019 or as modified from time to time.
- (v) **Finance Committee:** A committee formed and notified in Memorandum of Association of Jamia Hamdard in 2019 or as modified from time to time;
- (vi) **Expenditure:** The outflow of economic benefits arising in the course of ordinary activities.
- (vii) **Fixed assets:** Tangible assets acquired with the intention of use on a continuous basis for a period beyond 1 year.
- (viii) **Financial Statements:** It includes Income and Expenditure Statement, Balance Sheet and

Schedules prepared for the financial year in accordance with financial statements notified by UGC and MHRD on recommendations of ICAI.

- (ix) **Accounting Standards:** Principles of Accounting Standards and conventions based on Indian Accounting Standards adopted by Finance Department in preparation of accounts.
- (x) **Competent Authority:** Authority to Incur Expenditure as notified under Delegation of Financial Powers with the approval of Vice Chancellor or Board of Management;
- (xi) **Institution Deemed to be University:** Jamia Hamdard is referred to as Institution Deemed to be University.
- (xii) **Sponsoring Body:** Hamdard National Foundation (HnF) is the sponsoring body.
- (xiii) **UMS:** University Management System is ERP for recording, processing, maintaining and reporting data and information on Human Resources, Accounts, Finance, Campus infrastructure and Assets, Students Admission, Marks, Transcripts, Fees, Sponsored Projects etc.
- (xiv) **Tally Software ;** A software for accounting and recording of financial transactions and to generate financial statements

### **3. FUNDS, ACCOUNTS, AUDITS AND ANNUAL REPORTS**

- i) The books of accounts of the Institution Deemed to be University shall be maintained, managed and operated in the name of the Institution Deemed to be University and not in the name of the sponsoring body or any other, and, shall be kept in such form as may be laid down by the Board of Management and confirm to the rules, if any, prescribed in this regard by the Commission.
- ii) Funds shall not be diverted at any time from the accounts of the Institution Deemed to be University to any other accounts, including to the accounts of the Sponsoring body.
- iii) The Institution Deemed to be University shall get its books of accounts audited, annually and at such other frequency as shall be prescribed by the Commission, separately published and uploaded on the website of the Institution; and if such institution is funded by Central or State Government or through its agencies fully or partially, then the accounts of such Institution Deemed to be University shall be open for examination by the Controller and Auditor, General of India; accounts of Institution Deemed to be University shall also, where required, be open for inspection by the Commission.
- iv) The annual financial statements and accounts shall be audited by a qualified professional, being a Member or Fellow of the Institute of Chartered Accountants of India, to be appointed by the Institution Deemed to be University.

Provided that, the Commission may, on receipt of information in regard to financial impropriety

or embezzlement or illegal diversion of funds from the accounts of the Institution Deemed to be University or of fees being collected against the provision of the regulations, issue a notice directing the Institution Deemed to be University to show cause as to why an inspection, including a forensic audit, not be ordered in respect of the complaint, and after providing a reasonable opportunity to the respondent institution, the Commission may on being satisfied that there were sufficient grounds to proceed further, cause an inspection by a team of the Commission and also direct a forensic audit to be undertaken by a qualified Member or Fellow of the Institute of Chartered Accountants of India; the report of an the inspection team and the forensic audit report taken together shall form the basis for the Commission to take further action, as it may be Deemed fit, under these Regulations.

- v) Annual Reports and the Audit Reports shall be submitted by the Institution Deemed to be University to the Commission within nine months of the closure of the accounting year.

#### **4. Financial Administration**

##### **a. Financial Year**

The financial year of the Jamia Hamdard shall be a period of twelve months from April 1st to March 31st.

##### **b. Management of Jamia Hamdard Finances**

The governing body of the Institution Deemed to be University is Board of Management (BOM) to be headed by the Vice Chancellor, and consisting of not less than 10 and not more than 15 members. Board of Management depend on recommendations of Finance Committee.

The Board of Management is the principal organ of the management and the apex executive body of the institution Deemed to be University, with powers to make rules of the institution Deemed to be University.

The Board of Management shall be the final decision making body of the Institute in respect of every matter of the institution Deemed to be University, including in the academic, administrative, personnel, financial and developmental matters.

Accordingly, the overall responsibility of management of the Jamia Hamdard financial resources lies with the Jamia Hamdard Board of Management. The Board of Management has the following functions:

- i. Approve the Jamia Hamdard Annual Budget.
- ii. Approve financial and administrative policies.
- iii. Approve Student Fees and other levies.
- iv. Administer the property and funds of the Jamia Hamdard
- v. Approve the Annual Financial Statements.
- vi. Appoint Statutory and Internal Auditors
- vii. Approve the Budget for the Jamia Hamdard
- viii. Delegate Powers to Vice Chancellor and any other official of the Jamia Hamdard



- ix. To fix limits on capital and operational expenditure and expenses

For effective management of this function, the BoM may delegate part of its responsibility to various organs and persons as mentioned herein below:

**c. Finance Committee**

Within the provisions of MoA 2019 or as modified from time to time, a Finance Committee is constituted having Vice Chancellor as the Chairperson and Finance Officer as Secretary ex-officio. Finance Committee will submit its recommendations to BoM for approval.

**Functions of the Finance Committee**

- i) To consider the annual accounts and financial estimates of the Institution Deemed to be University and to submit them to the Board of Management for its approval;
- ii) To consider and recommend the annual budget and revised estimates to the Board of Management;
- iii) To fix limits on the total recurring expenditure and the total non-recurring expenditure of each year based on the income and resources of the Institution Deemed to be University.

Note: No expenditure other than that provided in the budget shall be incurred by the Institution Deemed to be University without the approval of the Finance Committee.

**d. Finance Officer**

In accordance with the Memorandum of Association and Bye laws of Jamia Hamdard of 2019, the following is the position of Finance Officer.

- i) The Finance Officer shall be a whole time salaried officer of the Jamia Hamdard and is appointed by the Board of Management.
- ii) The Finance Officer shall work under the direction of the Vice-Chancellor and shall be responsible to the Board of Management through the Vice-Chancellor.
- iii) He/she shall be responsible for the preparation of annual budget estimates and statements of account for submission to the Finance Committee and the Board of Management.
- iv) He/she shall be responsible for the management of funds and investments of Institution Deemed to be University, subject to the control of Board of Management.

The Finance Officer shall:

- (i) exercise general supervision, or such specific supervision, as may be provided for, from

- time to time in accordance with the MOA, over the funds of the Jamia Hamdard and advice the Deemed to be University on all such issues and matters, forming a part of or arising out of, its financial policy; and
- (ii) Perform such other functions as may be assigned to him by the Finance Committee or Board of Management or Vice Chancellor.
- (2) Subject to the direction of the Board of Management, the Finance Officer shall:
- (i) hold and manage the investments and endowed property of the Jamia Hamdard, for furthering any of the objects of the Jamia Hamdard.
  - (ii) ensure and observe, that the limits fixed by the Finance Committee, for recurring and non-recurring expenditure for a particular year, are not exceeded and that all monies are expended on the purposes for which they are received or allotted;
  - (iii) be responsible for the preparation of the annual accounts and the budget of the Jamia Hamdard for the next financial year and for their presentation to the Finance Committee.
  - (iv) constantly monitor the state of the cash and bank balances, and on the state of investments;
  - (v) ensure proper collection of the revenues of the Jamia Hamdard and further advise the Deemed to be University on/for deployment of such proper channels and/or procedures for ensuring such proper collection of revenues and shall have the accounts of the Jamia Hamdard regularly audited by the auditors appointed for the purpose; and
  - (vi) call for, from any office under the Jamia Hamdard, any information that he may consider necessary, with prior approval of the Vice Chancellor, to discharge his financial responsibilities.
- (3) be the Member-Secretary of the Finance Committee but he shall not have a right to vote.

**e. Deputy Finance Officer**

There shall be Deputy Finance Officer, reporting to the Finance Officer and responsible for:

- i. Management of the Jamia Hamdard financial resources.
- ii. Coordination and control of budgets.
- iii. Management of the investment portfolio.
- iv. Preparation of financial reports and statements.
- v. Operations of University Management System (UMS)
- vi. Coordination of internal and external audits.
- vii. Advising the Finance Office on financial matters.
- viii. Liaising with relevant stakeholders such as banks and other statutory compliances.
- ix. Any other duties as may be assigned by the Finance Officer from time to time.

**f. Internal Auditor**

There shall be an Internal Auditor, reporting to the Finance Officer. The Internal Auditor's main

responsibilities shall be to:

- i. Evaluate and provide reasonable assurance that risk management, control and governance systems are functioning as intended.
- ii. Evaluate information security and associated risk exposures.
- iii. Evaluate regulatory compliances.
- iv. Report risk management issues and internal control deficiencies identified.
- v. Recommend improvements to the Jamia Hamdard operations, with an aim to enhance internal controls and mitigate risk.

**g. Sources of Jamia Hamdard Funds**

The funds of the Jamia Hamdard shall be derived from the following sources:

- i. Fees from the students including Hostel Fees
- ii. Grant in aid from University Grants Commission (UGC)
- iii. Grants from Sponsoring Institution (HnF)
- iv. Grant in aid from Central or State Government
- v. Grants received from Private Institutions
- vi. Sponsored Research grants from Government and Non-Government agencies.
- vii. Income from investments and other resources.
- viii. Endowments, gifts and donations
- ix. Consultancy fees.
- x. Loans from Financial Institutions viz. HEFA.
- xi. Such other sources as the Board of Management or Finance Committee may identify and approve from time to time.

All funds received shall be deposited into the Jamia Hamdard designated bank accounts.

**h. Application of Jamia Hamdard funds**

The following are the important areas for application of funds:

- (i) Payment of salary, allowances, provident fund, and pension to the Staff.
- (ii) Operating expenses including administrative, establishment, maintenance, students & academic and finance expenses.
- (iii) Expenses on library resources and research.
- (iv) All other expenses relating to education delivery and assessments.
- (v) Investments and transfer to corpus fund.
- (vi) Capital expenditures
- (vii) Insurance, Taxes, Rent and all outsourcing charges towards staff, equipment's,

vehicles, excursion tours, etc.

- (viii) Student and Staff welfare expenses
- (ix) Any other expenditure as the BoM will authorize from time to time.

#### **i. Annual Budget**

Before the commencement of a financial year, the Finance Department shall consolidate and compile the draft recurrent and development estimates of the Jamia Hamdard for that year in consultation with the Vice Chancellor, Deans and HoDs and place them before Finance Committee for recommendation and Board of Management for approval.

The annual budget which shall be prepared on Zero Based Budgeting, taking into account all the anticipated revenue and expenditure of the Jamia Hamdard for the ensuing financial year alongwith physical targets shall provide for:

- (i) The number of students in each department and estimates of fees receivable during the year;
- (ii) Payment of salaries, allowances and other benefits in respect of all the employees of the Jamia Hamdard.
- (iii) The funding of all administrative and support services which are necessary to facilitate the Jamia Hamdard to achieve its objectives.
- (iv) The funding of the cost of institutional scholarships, and other services that are necessary to facilitate the Jamia Hamdard to achieve its goal of teaching and research activities.
- (v) List of academic activities based on academic calendar and proposed estimated expenditure
- (vi) Allocation of funds for development of physical facilities and infrastructure.
- (vii) The proper maintenance of the buildings, furniture, fixtures, equipment's, land and attached properties.
- (viii) The creation of any provision for long term and perpetual liabilities
- (ix) The creation of such other reserve funds to meet future or contingent liabilities.

### **5. Final Accounts and Audit**

#### **a. Responsibility and timelines**

- a) The BoM shall require the maintenance of proper books and records of accounts of the income and expenditure, assets and liabilities of the Jamia Hamdard.
- b) The accounts of the Jamia Hamdard shall be audited annually by the External Auditors.
- c) Within a period of Six months from the end of each financial year, the Finance Officer shall submit to BoM, Draft accounts of the Jamia Hamdard duly recommended by Finance Committee for approval and onward transmission to UGC and Registrar of Societies.
- d) Within the statutory prescribed time from the end of financial year, the draft final accounts are submitted to external auditors for audit.

## **b. Standards**

- a) The Jamia Hamdard financial statements will be prepared according to Indian Accounting Standards notified by ICAI and in the format of financial statements notified by UGC/MHRD.
- b) Standard rules for processing are as per General Financial Rules of Govt of India.
- c) The financial statements will support the principle of going concern at all times. The books are prepared on accrual basis.
- d) Policy and form of presentation of the financial statements will be kept consistent but disclosure will be made in case of need for change.
- e) ) The Jamia Hamdard follows historical cost concept.

## **6. Recurring Expenditure**

### **a. General guidelines**

- a) In all cases, recurrent expenditure must be spent within the budgetary ceilings as approved by Finance Committee and Board of Management from time to time.
- b) Under specific circumstances a proposal for revision of budget of funds may be approved by the Vice Chancellor whose written consent shall be obtained, subject to ex post facto ratification by Finance Committee and Board of Management.
- c) Increased expenditure arising in the following categories shall be deemed to require supplementary estimates.
  - i) Increases in salaries and wages.
  - ii) Any other expenditure of recurring and non-recurring including capital nature.

## **7. Payments to Suppliers of Goods and Services**

- (a) The Jamia Hamdard shall maintain good relationships with the suppliers of goods and Services at all times.
- (b) Payments for products or services received shall be made promptly, preferably within 20 days subject to:
  - (i) The supplier meeting conditions of specifications and technical requirements.
  - (ii) Credit arrangements agreed upon
- (c) All payments on behalf of the Jamia Hamdard shall be made by the Dy. Finance Officer / Asstt. Finance Officer with the exception of disbursements from petty cash floats. He/she shall make such payments on behalf of the Jamia Hamdard subject to the approval by the Competent Authority.
- (d) Staff and Asstt. Finance Officer shall be responsible for the examination, verification and certification of invoices and accounts certified for payment by concerned recommending department. Items for payment shall be certified either by the Heads of Department or by an officer authorized by the Jamia Hamdard.
- (e) The Assistant Finance Officer shall be satisfied before recommending payment that:-

- (i) The quantity and prices are correct.
  - (ii) Payment has not previously been made.
  - (iii) Budget is available.
  - (iv) The goods or services have actually been received.
  - (v) The account is arithmetically correct.
  - (vi) All discounts, if any, have been deducted or taken into account.
  - (vii) Funding approval has been obtained.
  - (viii) The person who receives the goods is not the same one who recommends/certifies the payment.
- (f) Where the certifying officer has queries regarding the pricing and/or quantity of the items he/she shall refer the matter to the department concerned promptly within 2 days.
- (g) The spending department shall record on the copy of each order:
- (i) The date of delivery of each item including gate entry.
  - (ii) The date each invoice is passed for payment and the cost and the items to which it relates.
  - (iii) Availability of Budget should be ensured and mentioned on the bills
  - (iv) All deviations from budget estimates shall be submitted to Vice Chancellor or competent authority for seeking approval before submission to Finance Department.
  - (v) In compliance with the National Digitization Policy of Government of India, all payments and receipts should be accepted in digital form only.

## **8. Imprest**

### **a. Imprest Accounting**

- (i) The Assistant and Dy. Finance Officer in consultation with Finance Officer may make any imprest advances to specific offices for the payment of minor and/or basic items they may require for use from time to time.
- (ii) Any officer to whom an office imprest advance has been made shall:
  - a. Obtain and retain vouchers in substantiation of each payment made.
  - b. Ensure the safe custody of imprest cash in his/her possession
  - c. Restrict the amount of each separate payment to such limit as may be approved in writing by the Vice Chancellor in relation to specific classes of expenditure from time to time.
  - d. All deviations from budget estimates shall be submitted to Vice Chancellor or competent authority for seeking approval before submission to Finance Department.

- e. In compliance with the National Digitization Policy of Government of India, all payments and receipts should be accepted in digital form only. Charged cards are to be issued to all departmental heads for their cash needs and payments. Cash advances be released in exceptional rare cases.
- f. Not exceeding the estimated expenditure without prior approval from the Vice Chancellor.

#### **b. Processing of Imprest and Settlement of Advances**

The procedure for processing imprest shall be as follows:

- (i) Completion and signing of the imprest requisition by the authorised member of staff, shall be made at least 7 days in advance, specifying details for which the money is required.
- (ii) Confirmation by the Accounts Section that the applicant has no outstanding imprest.
- (iii) Payment may be made through NEFT or reloading the charged cards.

This process is expected to take at least five working days.

No further imprest shall be granted before the previous one has been accounted for:

- a) Except in exceptional circumstances as may be considered and approved by the Vice Chancellor upon recommendation of Departmental Head.
- b) The Jamia Hamdard shall have the right to recover outstanding imprest through the payroll
- c) Payment through Charged Card shall not exceed Rs. 10000/- for Head of Departments of Schools, Rs. 5000/- for administrative heads and Rs. 25000/- for Engineering Department. The cards will be charged on monthly basis on submission of accounts statements and bills to substantiate the expenditure incurred through cards or by cash withdrawn through card.
- d) All imprest shall be surrendered within a week after completion of the planned trip/activity.
- e) Cash held in the Jamia Hamdard premises shall be stored in a safe under dual custody.

### **9. Establishment of Records and Payment of Staff Emoluments**

#### **a. Records**

- (i) Staff payroll will be prepared monthly based on Active duty Chart submitted by departments.
- (ii) Additions or removals of staff from the payroll shall be made upon issue of orders by the Registrar.
- (iii) Assistant and Dy. Finance Officer shall maintain all necessary employee records concerning pay, contributions, deductions and taxation to make all relevant payments on behalf of both employees and the Jamia Hamdard to the relevant agencies.
- (iv) The Registrar shall provide to the Finance Officer such information as he may consider necessary for the exercise of his functions under this clause.
- (v) All changes to employees' earnings shall only be made with the written authority of the Vice Chancellor.

## **b. Payments**

- (i) Under the direction of the Finance Committee and Board of Management, the Vice Chancellor shall authorize the implementation of any newly approved salary scales, wages and other allowances payable to staff.
- (ii) Subject to availability of funds, Jamia Hamdard and Vice Chancellor reserve the right to hold the salary, allowances and other terminal benefits.
- (iii) The Finance Officer shall be responsible for the payment of all salaries, wages, compensation and emoluments to employees under the direction of the Vice Chancellor. Any other deductions on behalf of employees to third parties may be made upon written application by the said employee; the Jamia Hamdard reserves the right to reject the implementation of such deductions whenever it deems it fit to do so.

## **10. Capital Expenditure**

- (a) For co-ordination purposes, before authorizing or recommending any proposal involving capital expenditure, irrespective of the manner in which such expenditure may be met, the Vice Chancellor shall consider a report by the Executive Engineer on the financial implications of the proposal. The report shall also indicate the amount, if any, included in the approved budget in respect of the scheme.
- (b) The inclusion of capital expenditure within a budget shall not be regarded as the final authorization for any scheme to proceed, unless specifically authorized by the Vice Chancellor after approval by Planning and Monitoring Board, Finance Committee and Board of Management and that actual funds have been set aside/confirmed as being available.
- (c) Any project sanctioned by sponsoring body shall be spent within the regulations of General Financial Powers and Procurement Manual for goods and services.
- (d) Where the total cost of a project within the approved capital budget appears likely to exceed the budget provision by 10%, the Executive Engineer shall submit a report to the Vice Chancellor, Board of Management. The BoM shall have power to act in recommending for supplementary estimates. Budgetary provisions would normally include anticipated fluctuations covered by the terms of contracts. The same will be communicated to BoM for approval.
- (e) Where a proposed capital project which is not included in the approved program of capital expenditure is subsequently approved by BoM, this shall constitute an amendment to the capital budget.
- (f) In respect of capital projects, the cost thereof, together with the authorized provisions, shall be reported to the relevant committee on completion, and the report shall contain a statement of any additional funding requirements for submission to the Finance Committee and BoM for approval.
- (g) Any projects conceived during the year on confirmation of financed by HnF should be implemented in compliance with procedures laid down in GFR and Goods Procurement Manual and reported to Finance Committee and BoM in next meeting for ex post facto concurrence. Any funding from HnF for projects has to be received by Jamia Hamdard, wherever the contract is awarded by Jamia Hamdard.



- (h) The Executive Engineer shall submit progress reports on the capital budget and progress thereof to the Finance Committee, Projects Planning Committee, and BoM.

## **11. Control of Expenditure**

- (a) Finance officer shall be responsible for maintaining strict control and supervision of the expenditure and for reporting to the BoM on any contemplated expenditure where no funds have been provided or which if incurred, would exceed the amount allocated in the estimates.
- (b) Expenditure should be mapped by HoD and Deans, against the income sources from where it is to be incurred.

## **12. Control, Collection and Recovery of Income**

### **a. Control of Income**

- (i) Any proposal which seeks to vary on existing source of revenue, or to establish a new source of revenue, shall only be adopted with prior approval of the BoM.
- (ii) Prior to granting such approval, the BoM shall consider a report from the Vice Chancellor concerning the financial implications of the proposal. Feasibility and sustainability has to be established before granting any approval for new program or venture.

### **b. Collection and Recovery of Income**

- (i) The recording and calculation of all recoveries due to the Jamia Hamdard shall be under the general supervision of the Dy. Finance Officer / Asstt. Finance Officer.
- (ii) All monies due to the Jamia Hamdard shall be deposited in a designated bank account and deposit slips surrendered to the Accounts Department for receipting upon authentication. Jamia Hamdard employee who is authorized to receive such monies shall maintain a record in a form approved by the Finance Officer, of all amounts received and deposited with the Accounts Department, or the Jamia Hamdard bankers.
- (iii) No deductions shall be permitted from cash collections without prior recommendation of the Finance Officer in consultation with Vice Chancellor. Jamia Hamdard officers receiving monies on behalf of the institution are personally responsible for the safe keeping of such monies and should deposit such monies with the Accounts Department within 24 hours after receipt or same working day whichever is earlier.
- (iv) All monies received on behalf of the Jamia Hamdard shall normally be banked within a period of at least 24 hours.

### **c. Recovery of Dues**

- (i) The Vice Chancellor shall cause dues to the Jamia Hamdard to be recovered.
- (ii) In connection with the recovery of arrears of the student fees and charges, the HoDs / Deans shall be authorized to initiate such action as may be necessary to recover the debts in accordance with the provisions of the approved fees policy.
- (iii) In those other circumstances arising from pursuance of paragraph (ii) above, where legal

action is necessary and desirable in the interest of the Jamia Hamdard, the matter shall be referred to the Vice Chancellor who shall authorize the initiation of such proceedings.

- (iv) Under the direction of the Vice Chancellor or his delegated officer, the Finance Officer shall be responsible for designing, ordering and controlling all receipt forms and tickets which are used to acknowledge sums paid to the Jamia Hamdard.

No debt shall be written off without prior approval of the BoM. Vice Chancellor has power to write off for value not exceeding Rs. 1,00,000/- (Rs. One Lakh only).

### **13. Banking**

#### **a. Banking Arrangements**

- (a) Bank accounts shall be opened on approval by the BoM. The BoM shall designate the relevant signatories.
- (b) Changes to bank signatories and signing mandate shall only be made upon approval by the BoM.
- (c) All arrangements with Jamia Hamdard bankers' concerning bank accounts and related transactions shall be made by the Vice Chancellor and the Finance Officer on behalf of the Jamia Hamdard.
- (d) An overdraft facility on the main bank account shall only be approved by the BoM.
- (e) The payments shall be released by Netbanking through bank. Cheque payments should be avoided except for cash withdrawal. For that, cheques shall only be ordered by the Finance Officer, in consultation with the Vice Chancellor. The Dy./Asstt. Finance Officer shall then make adequate arrangements for their safe custody both in the bank and in the office.
- (f) Cheques in current use should be entered in the cheque register being maintained by the Cahier, Accounts department.
- (g) There shall be two signatories for every cheque as authorized by BoM.

#### **b. Bank Reconciliation Statement**

- (a) As part of internal control and monitoring system of cash movements the Vice Chancellor and the Finance Officer shall have access to all bank accounts through e-banking services with all banks with such facilities.
- (b) The Dy. / Asstt. Finance Officer shall also be required to prepare a cash flow report on weekly basis and submit to the Finance Officer and Vice Chancellor every Friday.
- (c) Bank reconciliation statements shall be prepared on all bank accounts on monthly basis and submitted to the Finance Officer by the 10<sup>th</sup> day of the following month. Dy./ Asstt. Finance Officer shall be responsible for submission of Bank Reconciliation Statements on time.
- (d) All bank accounts shall be opened for specific purpose but all out efforts be made to minimize the number of bank accounts to not exceeding 10. All idle accounts be closed immediately. Accounts as required by sponsoring body to open with designated banks

shall be over and above the above limit of 10.

#### **14. Accountable Documents**

##### **a. Custody**

- (i) All accountable documents shall be entered in an Accountable Documents Register and be kept in the custody of a designated officer in the Accounts department. Loss of serialized accounting documents shall be reported promptly to the Vice Chancellor and Finance Officer.
- (ii) No copies of accounting documents and records shall be made or given to Jamia Hamdard employees or third parties without the authority of the Finance Officer. Retaining hard copies or photos or scanning copies by employees for vested interests and to damage the reputation of Jamia Hamdard without approval of competent authority shall be treated as disciplinary issue and dealt accordingly.
- (iii) Electronic devices in use by the Jamia Hamdard to process accounting information shall be restricted to the use of the assigned employees.
- (iv) Accounting documents shall be stored in accordance with the relevant guidelines and treated with confidentiality.
- (v) Documents of importance like term deposit certificates and tax authority's papers including tax returns should be the responsibility of respective designated staff and Dy. Finance Officer/ Asstt. Finance Officer as the case may be.

#### **15. Accounting Arrangements**

##### **a. Stock and Stores (including consumables)**

- (i) There shall be a Jamia Hamdard Store within the Purchase Department under Establishment section, from where all departments shall order the items/consumables they need.
- (ii) The stores incharge shall ensure that stores shall not be in excess of the reasonable requirements. Departmental head should ensure to hold the stock for months in such a manner that cost of holding stock or pilferage or chances of becoming obsolete should be avoided and simultaneously maintain the stock for uninterrupted supply.
- (iii) Store incharge shall be responsible for the care and custody of stores, equipment and materials maintained in the store. A report on store stock and its maintainability shall be presented to Finance Officer and Vice Chancellor by 10<sup>th</sup> Oct and 10<sup>th</sup> April every year.
- (iv) Records of physical stores, stores used and balance in hand shall be maintained by the respective store units in a form to be approved by the store in charge and departmental head.
- (v) The Finance Officer shall determine general principles governing the accounting for, and the materials and consumables drawn from such stores should be issued on first come first serve basis.
- (vi) The Internal Auditor shall be entitled to inspect and check, at any reasonable time, stocks and stores of consumables and materials in any unit of the Jamia hamdard and call for such explanations and information as he/she deems necessary for the purposes of

- costing, accounting or security.
- (vii) Store keeper shall maintain continuous stock-taking and shall deliver to the Finance Officer a certified account of stores at hand as at 31<sup>st</sup> March of each year, this date being the closure of the financial year.
  - (viii) If, as a result of stocktaking, a deficiency or surplus is revealed, the Head or Incharge of Stock in consultation with the Vice Chancellor shall recommend appropriate corrective measures.
  - (ix) Obsolete/unserviceable stores or assets shall not be disposed off without the approval of the BoM which shall consider a report from the Vice Chancellor before giving such approval. However, the individual items of value less than Rs. 500/- is allowed to for writing off from store subject to approval of Vice Chancellor.

**b. Fixed Assets**

- i. As a policy, the Jamia Hamdard shall acquire assets only for purposes of achieving its aims and objectives.
- ii. The acquisition of assets shall be as a result of deliberate consideration of a request made through the planning process
- iii. A register shall be maintained by Engineering Department / Estate of Jamia Hamdard for all assets in identifiable form for each item and giving its cost, number, revaluations if done and location. Depending on the type of asset, details of any reconditioning, improvement or bonding shall also be recorded
- iv. All assets, on acquisition shall be recorded in the fixed assets register where the physical details shall be kept including physical location. Such assets shall also be given an identity number. The identity can be set up using RFID technology or any latest technology.
- v. The location and custody of any asset, however big or small, temporary or permanent must be clearly determinable from the assets register and from the head of department or section under which the asset is charged
- vi. Except for land, the estimated useful life of an asset must be determined and its depreciation (or amortization) based on it. Depreciation method applicable shall be on a written down value. Any old assets which cannot be assessed or trace back to its date of purchase or value should be valued through impairment study.

**16. Insurance**

**a. Responsibility for Insurance Covers**

- i. Under the direction of the Vice Chancellor, the Establishment is responsible for effecting all Insurance covers on behalf of the Jamia Hamdard and for negotiating claims, and where necessary, in consultation with Finance Officer of the Jamia Hamdard.
- ii. In compliance with these Financial Regulations, the Establishment Incharge shall effect payment of the premiums by the due dates, maintain adequate records of insurance transactions and hold in safe custody all insurance policies of the Jamia Hamdard. Finance Officer will ensure payments of Insurance policies as per proposal from Establishment and approval of Vice Chancellor.

- iii. Under the direction of the Vice Chancellor, the Establishment Incharge in consultation with Finance Officer shall undertake a regular review of the Jamia Hamdard insurance portfolio.

### **17. Internal Audit**

- a) There shall be an Internal Auditor, under the direction of the Finance Officer, whose role shall be to maintain continuous examination and audit of accounts, financial records and transactions, stores and inventories.
- b) The Finance Officer and any other officer or employee of the Jamia Hamdard shall make available to the Internal Auditor(s) all the records and documents that they may require from time to time in the course of discharging their duties.
- c) The Internal Auditor shall have authority to inspect any section, department established by the Jamia Hamdard and has access to such reports and documents as he/she may require. The Internal Auditor may require the production of cash, stores and other property and shall be entitled to receive such explanations as he/she considers necessary and proper so as to be able to make an informed report to the Audit Committee.
- d) Notwithstanding the provisions of this clause, the Internal Audit division shall observe best practices and Indian Auditing Standards in the discharge of their duties.

### **18. Irregularities**

Where the BoM, or the Vice Chancellor is satisfied that an irregularity has occurred in handling of Jamia Hamdard finances, stores or other property, the Vice Chancellor shall cause investigations to be carried out to ascertain the nature and extent of the irregularity or fraud.

BoM on the advice of the Vice Chancellor shall have the discretion to determine the manner in which the result of such investigations shall be disposed of.

### **19. Review**

This Policy is subject to amendments by the BoM from time to time as need arises. Such amendments shall be recommended by the Vice Chancellor to the BoM.

### **20. Effective Date**

This Policy shall be effective on the date it is approved by the BoM.

(Formulated by Sh. Harpal Singh, Finance Officer, Jamia Hamdard, New Delhi on 9<sup>th</sup> September 2022)