

SALESIAN COLLEGE, SONADA-SILIGURI

FINANCE MANAGEMENT MANUAL

1. INTRODUCTION

Salesian College is a higher educational institution, educating students irrespective of caste, creed or gender bias and is a Government recognized, minority educational institution of the Catholic Church, run by Salesians of Don Bosco, Kolkata Province where over 393 students do regular B.A, BBA, B.Com & B.Sc studies under the North Bengal University.

Salesian College, established in Shillong, in 1933, was shifted to Sonada, in 1938. It comes under section 2(f) and 12 (B) of UGC Act of 1956. In 1935, SC received affiliation to the Calcutta University for I.A., and in 1948 for B.A. Courses in English, History and Latin followed by Economics in 1950. In 1962 its affiliation was transferred from Calcutta University as one of the following colleges of NBU.

It was in 1970 and 1979 that SC received affiliation for B.A. Honours Course in English and History respectively. Later on SC introduced Education and Philosophy as B.A. subjects. In 2006 it received affiliation for Education Honours course.

The College opened a Computer Skills Department in 2002, offering the DIT and ADIT courses of C-DAC, Pune, the Computer Application Certificate Course of NBU in 2004.

Salesian College, Siliguri campus was inaugurated on 9th July 2009. Siliguri campus offers BA/BBA/B.Com/Honours courses in Accountancy and Management, B.Com General, B.Sc, Computer Science Honours with Statistics & Mathematics a General, B.Sc Maths Honours, B.Sc Computer Science and B.Sc Economics with COP courses in Travel & Tourism Management, Computer Application and Communicative English. In 2005, Career oriented programmes of Communicative English and Tourism & Travel Management have been initiated followed by Certificate course in Music from June 2007. SC is also recognized as an IGNOU study centre from May 2005 offering courses in B.A., B.Com. CIC and CLP. SC was accredited by NAAC on 16 September 2004 and was given the Grade C++ (Institutional Score between 65-70%) On 26 February 2010 Salesian College has been conferred the status of a Centre of Potential for Excellence (CPE) by UGC, New Delhi.

Governing Body consists of the Principal, Rector, Bursar and other members of the college. It follows the direction of the Founder Body of the Province of Kolkata that consists of the Provincial, Vice Provincial, Economer and Council members.

Our Vision:

Salesian College (SC), is guided by the religious and educational philosophy of St. John Bosco. We emphasise life-oriented value education and nurture a culture of solidarity. The educators and the educated join hands to mould intellectually competent, morally upright, socially

committed and spiritually inspired persons capable of building a more humane social order within the context of the nation's religious pluralism and cultural diversity. The motto of SC is representative of this shared vision of both staff and students to strive for genuine excellence whereby each one becomes *flamma ardens et lucens* ('a flame that enlightens and enlivens').

Goals and Objectives

- To prepare and develop socially committed and value oriented leaders for the society.
- To provide quality education to those aspiring from among socially, economically, culturally and educationally disadvantaged in the region.
- To prepare and mould honest citizens of character committed to transforming society through career programmes.
- To advance the love for learning through teaching, research and innovative modes of self-learning.

To empower:

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

Objectives of Finance Manual

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

- Prudent and effective management of financial resources.
- Honesty and transparency in all aspects of financial management and financial reporting.
- To comply with the legal requirements of various Acts.
- Documentation of income and expenditure, assets and liabilities, banking requirements, budgeting, internal controls, reporting etc.
- To present report to the management, donors, stake holders, beneficiaries and to the government.
- To execute project according to the terms of conditions of the donor and to achieve the goal of the project.
- To ensure desirable standards of accountability and credibility of the institution in the use of funds entrusted to it.
- To deliver maximum benefits at minimal cost.
- To practice standard according practices in the management of financial resources.

1.2 Amendment and Amendment Form

Whenever there is an amendment to this manual the same shall be recorded in the format attached herein.

Date of Amendment	Clause Amended	Approving Authority	Resolution Dated

2. INCOME

The income of the institution consists of voluntary contributions, honorarium and project funds from within India and abroad.

2.1 Project Funds

Funds given to the institution for a definite cause, budget specific and for a specific period are project funds. The institution utilizes the funds for the given purpose adhering to the budget approved.

2.2 Income other than project funds:

Any other income other than project funds is income of the institution which is administered by the institution for various activities of the institution.

2.3 Depositing and Recording of Income/funds:

The institution deposits foreign funds in the designated foreign account approved by the Home Ministry. The local funds are deposited in local bank accounts maintained by the institution.

2.4 Receipts

A separate pre printed receipt shall be issued to the donor for both foreign and local funds (Annexure). In the same way receipt of Foreign funds may be issued (Annexure). The institution will maintain a register to record the receipt of foreign funds date wise. (Annexure).

2.5 Project based Accounting

Salesian College shall maintain a separate set of cashbook and ledger, records and documents for each project whether Local or Foreign.

3. EXPENDITURES

3.1 Financial System

The institution maintains a system in which daily financial transactions are appropriately authorized, recorded and documented. The system is computerized using standard software.

3.1.1 Vouchers

The processing of payment includes a vouchering system. Vouchers include the following:

Name and address of the institution

Voucher number

Date

Payee name and address

Project fund code

Cash/Cheque number

Description of expenditure

Prepared by signature

Authorization (approved by the concerned Director/Administrator/Executive Director)

Each transaction is entered into the financial system while bills and vouchers are filed separately.

Each voucher should be supported by proof of payment such as bills, invoices, and receipts. The procedure of financial transactions should be communicated to project staff.

3.1.2 The Process/procedure for Co-curricular spending shall be as follows:

- a) Budget preparation with signature of the HoD, one Faculty member, the Dean and the internal auditor. If activity is undertaken primarily with students' initiative then they need to sign as well. The budget should clearly mention the number of participants and tentative registration amount to be collected.

- b) The signed budget is then approved by the Vice Principal and forwarded to the Bursar. The internal auditor has to keep a copy of the approved budget.
- c) Post expenditure all genuine bills have to be submitted along with the income and expenditure format to the internal auditor within three working days of completion of the event. The statement (Format) must have the signatures of the HoD, Faculty Member and the Dean.
- d) The list of participants paying registration amount, along with their phone numbers, has to be attached with the above bills.
- e) The approval of any **out of the ordinary/budgeted** expenditure has to be attached and submitted along with the bills.
- f) The internal auditor verifies the bills and finally submits it to the Bursar keeping a copy in the auditor's file.
- g) The above to be followed for expenditures incurred through **students' contribution only**, as well.
- h) No deviation of the above mentioned process in order to maintain a proper record for future reference and audit.

3.2 Method of Payment

3.2.1 Payment by Cheque

All expenditure above Rs. 10, 000/- shall be paid by cheque except in the case of extra-ordinary situations where banking is difficult. Maximum utilization of cheques is recommended. Each Department Director may apply for cheque payments in the cheque requisition format to the Administrator. (Annexure - cheque Requisition form).

3.2.2 Payment by Cash

Use of cash for payments is discouraged. Cash payment should be avoided for payments above Rs. 10,000. As per the Income tax Act payments above Rs. 20,000/- should be made by A/C payee cheque.

3.2.3 Cash in hand

The administrator keeps in hand cash for day-to-day transactions. Cash in hand should not exceed the limit of Rs. 90.000/- (F.C) and Rs. 60.000/- (I.C)

3.3 Travel and other advance policy

To each Department Director, advances are provided based on the requisition application submitted. Such requests should be applied to the Administrator. The advances should be accounted/cleared with the accountant on a weekly basis by the department directors.

3.4 Consolidated Salary Register:

A consolidated Salary register is maintained where payments to staff by way of salary is recorded project wise. However, a separate salary register is maintained for projects of local funds such as Government grants. All Salary Payments shall be preferably paid by cheque. But any payment of Rs. 5000/- and above, shall only be made by cheque.

4. BALANCE SHEET

4.1 Assets

All immovable assets such as land, building etc, are purchased in the name of the institution by the administrator/Director with the approval of the Governing Body. Other movable and physical assets such as furniture, equipments, computer related assets etc. below Rs.50000/-

are purchased in the name of the institution with the approval of the purchase committee of the institution. If it costs beyond Rs.50000/- its purchase will have to be approved by the governing Body.

Any particular asset purchased out of project funds shall be labeled with the name of the Funding Agency if necessary.

4.2 Listing of Assets

A Fixed Asset Register is maintained to record the Purchase, Disposal and movement of assets. The assets shall be numbered. The fixed Asset register book is maintained.

4.3 Use of Assets:

Assets of the organisation should be utilized to achieve the objectives of the institution. A log book is maintained for the use of vehicles.

4.4 Depreciation

Depreciation shall be provided under Written Down Value method as per the rates stipulated under the Income Tax rules from time to time.

4.5 Liabilities

Whenever funds are not available credit purchase shall be avoided.

5. BANKING

5.1 OPERATION OF BANK ACCOUNTS

The signatories to the bank accounts are the Rector/Principal/Bursar and one or the other Department Heads and they shall operate bank accounts of the institution jointly. The bank accounts include funds received for projects, government grants and other general funds. There shall be one bank account exclusively for the transaction of foreign funds and one or more accounts for the local funds.

Passing a resolution in the governing body meeting is necessary for opening any additional bank account other than the existing ones or for canceling.

5.2 Cheque issue Register

A cheque issue register is maintained for recording the issue of cheques of all the bank accounts.

5.3 Bank Reconciliation

A bank reconciliation statement is prepared by the Bursar for Foreign and Local accounts on a tri/monthly basis and will be presented to the Governing Body.

6. PLANNING AND BUDGETING

6.1 Project Budget

A Project Proposal and its budget are prepared by the HR/Coordinator of the concerned Project. It will be discussed and passed by a group consisting of the Director of the institution, HR, Coordinator of the concerned project and Accountant. Later it is approved by the governing Body and presented to the Donor or Grant giving Agency. It is finalized once the donor approves it. The approved budget is adhered to during the course of the project as per agreement with the Funding agency.

A copy of the project budget is given to the respective coordinators, the signatories of the account and the Accountant for follow up and reporting. The Coordinator of the concerned

project takes leadership in implementing the project as according to the approved budget. Any change in the approved budget and activities will have to be brought to the notice of the Governing Body that approved the project and if needed get it revised by the Donor/Grant Agency.

6.2 Institution Wide budget

A consolidated general budget is prepared annually. It is sent to the governing body for approval. The past experience and actual expenditure is kept in mind when preparing the budget.

6.3 Financial Advisory committee

Financial Advisory Committee consists of the Economist/Vice Provincial representing the Founder Body, the Principal, the bursars, the members from the Staff Council, Accountant and one external financial advisor. The committee meets once in Six months to review the financial situations of the institution. It will go through the periodical financial reports of projects.

The Members of the Financial Advisory Committee for the Year 2020-21:

Fr Dr. George Thadathil (Chairperson)
Fr Dr George Chempakathinal, Member Secretary
Fr Jagjivan Tirkey, Treasurer
Fr Aju Kurien
Br Augustin Joseph
Mr Manoj Tirkey
Mr Anoop Antony, Manager Federal Bank, Siliguri
Fr Joseph Pauria sdb, the Vice Provincial, Province of Kolkata

6.4 Finance Committee

The finance committee consists of the Secretary of the Governing body and Principal as Chairperson, two bursars (local economists), two accountants and two senior staff members. They meet twice a year to assess the annual plan, budget and to evaluate the financial situation of the institution.

The Members of the Finance Committee for the Year 2020-21:

Fr Dr. George Thadathil (Chairperson)
Fr Dr George Chempakathinal, Member Secretary
Fr Jagjivan Tirkey, Treasurer
Fr Aju Kurien
Br Augustin Joseph
Mr Anirban Ghosh
Mr Patrick Johnson
Mr Manoj Tirkey, Accountant
Mr Savio Giri, Accountant

6.4 Cash Flow Planning

Salesian College should make a cash flow statement on a quarterly basis for each project as well as the consolidated in order to ascertain the availability of funds and planning smooth cash flow.

7. INTERNAL CONTROLS

7.1 Authorization of financial transactions

The Principal/Bursar, Administrator/Heads of Departments shall authorize all the payments by signing the voucher as a sign of approval.

7.3 A consolidated Rough Cash Book

The Bursar/administrator maintains a consolidated rough cash book where the receipt and payments of cash is recorded.

7.4 Maintenance of Computerized Accounts

The Accountant enters the transactions in the computer software on daily basis.

7.5 Printed Cash Book

Cashbooks are printed on a monthly basis showing the balance in cash in hand and in bank.

7.6 Monthly Reporting

Account wise monthly Receipts and Payments account is printed. A consolidated monthly return is prepared and sent to the Governing Body by 12th of every month.

7.7 Project fund reporting

Project wise preparation of reports of funds showing the receipt, utilization, balance and percentage of balance and reasons for variations are prepared every month. The Project Coordinator regularly reports to the project committee as per the project execution plan which may be quarterly or by annual.

7.8 Budget Control

Budget comparison report shall be reviewed on a monthly basis by the Director, the Administrator and the Coordinator or the project and variations if any shall be managed.

7.9 Vehicle and stock control

Vehicle Log book shall be maintained for all the vehicles of the institution and shall be verified by the Administrator on a weekly basis.

Stock book is to be maintained for the purchase of office related materials. It is to be verified by the Administrator.

7.10 Linking Activity and Financial Report

Programme Linked Financial Report shall be prepared on a quarterly basis and the same shall be monitored for the activity variance and budget variance.

8. PROCUREMENT AND DISTRIBUTION SYSTEM

8.1 Policy and Procedure

All the purchases of assets for the institution and the projects shall be made in consultation with the purchase committee. The purchase committee shall consist of the Director, the particular project coordinator, Administrator and the accountant. accordance with the decision of the purchase committee. Purchases up to Rs. 20,000 shall be justified through documentation. Purchases above Rs. 20,000 shall be made by the decision of the purchase committee who will study the 3 quotations submitted to it by the procurement committee. The advice of the relevant external expert depending on the nature of procurement shall be obtained if necessary.

8.2 Books and Registers and documents

A file shall be maintained to preserve the quotations along with the ranking analysis.

8.3 Stock Status Report

The accountant will present the stock requisition request to the administrator to procure the necessary materials for office purpose. It is also his duty to keep the stock register.

9. INVESTMENT OF SURPLUS FUNDS AND FUNDS NOT IMMEDIATELY REQUIRED

Funds not immediately required and in surplus will be invested in Fixed Deposits and other forms of investments as per the statutory requirements especially under section 11 (5) of the Income Tax Act.

Once the Fixed Deposits made, they are verified and up dated on the maturity date.

10. AUDIT OF ACCOUNTS

10.1 Statutory audit

The Annual audit of accounts of the institution is normally done before the month of June every year.

10.2 Project fund audit

The project accounts will be done separately within 2 months from the close of the project period.

10.3 Utilization certificate from the Auditor

Utilization certificate is obtained from the auditor for the audit of all the accounts of the institution. A project wise utilization certificate is obtained as demanded by the University Grants Commission.

10.4 Bill Format

Expenditure for (DEPARTMENT OF) Dated.....								
Expense Heads	Mode of Payment				TDS	Total Amount	Funds Received	Amount
	Cash	Cheque	Cheque No	Advance			xxx	
FOOD						Registration (eg 25*100)	xxx	
ACCOMODATION								
TRAVEL								
MISCELLANEOUS								
LIGHTING								
STATIONERY								
FLOWERS								
HONORARIUM								
GIFTS								
TROPHIES								
Banners								
Etc. Etc.....								
Total Expenditure					XXXXX			

Amount Returned To College= Rs.....

11. LEGAL COMPLIANCE

11.1 F.C.R.A.

A separate set of books shall be maintained. All the Foreign contribution shall be received through designated bank account. Mixing of Local and Foreign contribution should be avoided. The annual report in Form of FC-3 should be submitted to the FCRA division on or before 31st July. Any Queries from the FCRA division shall be responded immediately.

11.2 Income Tax Act

Salesian College should have its registration under section 12A and preferably recognition under section 80G and the annual return shall be filed on or before 31st October every year. Separate receipt book shall be maintained for donations collected. Tax shall be deducted on the specific payments at the appropriate rates and quarterly tax deducted at source returns shall be filed on time.

Non-deduction certificate shall be obtained to avoid deduction on the income received by Salesian College.

11.3 Requirements: Salesian College as a Registered Trust

The Governing body and General body meeting shall be held regularly and the minutes book should be maintained for the Governing Body and General Body separately.

12. HUMAN RESOURCE POLICY

12.1 Appointments, Job Descriptions, Role Clarity

Necessary Appointments, Job Description and Role clarity including pay scales and increments shall be provided to the staff.

12.2 The staff Benefit

The staff benefit should be provided in the budget itself for each project.

12.3 Provident Fund

The Provident Fund, shall be organized as and when required.

12.4 Gratuity

The Gratuity, shall be organized as and when required.

12.5 Additional Benefits

Salesian College may evolve its own additional benefits according to the need of the staff.

13. Conflict of Interest

Conflict of interest shall be avoided as much as possible. In the event of disability it shall be disclosed to the Director or the Governing Body.

14 PRESERVATION OF BOOKS AND RECORDS

Permanent records shall be preserved permanently. Please see Annexure. Other records shall be preserved for a period of eight years as required under the Income tax act.

15. FINANCE CALENDER

A financial calendar is the list of events relating to Financial Management.

S. No.	Particulars	Date
1	Annual Return in FC-3 to the Home Ministry	31 July
2	General Final Audit	May- July
3	Annual Governing Body Meeting (Within six months from April to September)	30 th September
4	Filing Income Tax Return	31 st October
5	Interim Audit	October to November
6	Preparation of Consolidated budget/institution wide budget for the coming year	February to March
7	End of Financial Year	31 st March

16. ANNEXURES TO FINANCE MANAGEMENT MANUAL

Annexure No.	Title of Annexures
1A	Receipt of Local Account
1B	Receipt of Foreign Account
2	Register for Receipt of Foreign Contributions
3	Payment Voucher
4	TA Claim Form
5	Advance cash Requisition Form
6	Cheque Requisition Form
7	Fixed Asset Register
8	Cheque Issue Register
9	Institution wide Budget
10	Vehicle Log Book
11	Stock Register- Book is available
12	Tabulated Comparative Statement of Procurement

17. PFMS:

The Government finances shall be monitored and maintained as per the Government's Public Finance Management System, in which the College has been registered for availing of grants from various agencies like UGC, ICSSR, MHRD etc.

S/d

Fr Prof George Thadathil sdb
Principal & Secretary,
Salesian College, Sonada-Siliguri