



RAJDHANI COLLEGE OF ENGINEERING & MANAGEMENT

(Approved by AICTE, Govt. of India, New Delhi & Affiliated to BPUT, Odisha)



POLICY & PROCEDURE FOR OPTIMAL UTILISATION OF FINANCIAL RESOURCES

RCEM Finance Rules


Principal
Rajdhani College of Engg. &
Management, BBSR

INTRODUCTION

Rajdhani College of Engineering & Management, a leading B-School in the State of Odisha since 2008, impart two-year full-time Master of Business Administration (MBA) program and five years Integrated MBA approved by All India Council for Technical Education (AICTE), New Delhi and is affiliated to Biju Patnaik University of Technology (BPUT), Odisha,

1.0 Vision, Mission & Core Values of the Institute

1.1 Our Vision:

To become a Star institution among the institutions of Management Education in State of Odisha for imparting International standard of education & training in the field of Management.

To infuse and impart education in various area of Management Science to aspiring young generation with a view to improve quality of life of People thereby contributing to raise the living standard of the Society.

1.2 Our Mission:

Establishment of quality & international standard of education & training by which the Management level education is accepted and acknowledged by the aspiring Students and the industrial houses as a process of acquiring managerial and Administrative capabilities and competencies enabling them to seek a job as a Manager or starting his or her own venture.

1.3 Core Values

- Discipline and Devotion
- Caring and Communication
- Sincerity and Sensitivity
- Relationship and Reliability
- Quality and Quantity
- Ability and Attitude
- Trustworthiness and Transparency
- Courtesy and Collaboration
- Planning and Participation
- Inclusiveness and Interaction

2. Objectives of Financial Policy

The basic objectives of the financial policy are:

- To create a reliable system of financial management for institution.
- To use financial resources efficiently and prudently.
- To Map the resources available with the needs while keeping in mind the institution's strategic goals.
- To show absolute Integrity and openness in handling money and the reporting of finances.
- To maintain, preserve and use Records of revenue and expenses, assets and liabilities, banking requirements, budgeting, internal controls, reporting, etc.


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- To provide Reports to the management, stakeholders, beneficiaries, and the government.
- To all plate funds according to the priority and nature of the activity.
- To look for new resources and overcome financial problem, if any.

3. Amendment and Amendment Form

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

Date of Amendment	Clause Amended	Approving Authority	Resolution Dated

Note: For approval of financial policy the Governing Body (Trust Board) of the institution is only the approving authority.

4. INCOME

The income of the institution consists of fees paid by the students, training fees paid by the beneficiaries from within India, Rent and interest from different deposits, donation received from the Trustees & Philanthropists.

Recording of Income

The funds are deposited in bank accounts maintained by the institution.

Receipts

A separate pre printed receipt shall be issued to the beneficiaries. The Institution will maintain a register to record the receipt of funds date wise.

5.0 EXPENDITURE

5.1 Financial System


The organization upholds a system that ensures that each day's financial transactions are properly authorized, recorded, and documented. Software that is commonplace is used to computerize the system.

5.2 Vouchers

Vouchers must be maintained before insuring and expenditure. The vouchers should indicate the following:

- Name and location of the organization Voucher code
- Date
- Name and address of payee
- Wallet or Check number
- An explanation of the expense
- Submitted with a signature
- Authorization (**authorized by Governing Body**)

Bills and vouchers are filed separately, and every transaction is put into the financial system. Bills, invoices, and receipts are all acceptable forms of payment documentation to support each voucher.


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5.3 Procedure for co-curricular and extracurricular Activities and defraying expenditure for the same:

For any co-curricular & extracurricular activities a committee is constituted with due approval of Principal.

- The duly constituted committee submit the proposal along with budgetary provision.
- The same proposal after due evaluation is forwarded to the Governing Body for necessary approval.
- Normally the proposals forwarded by the Principal get approved by the Governing Body (Trust Board) without any delay. However it's a matter of practice that the Head of the Institution has given autonomy in terms of carrying out different events up to an amount of Rs.50,000 only. The same used to get post approval.
- Any expenditure beyond Rs.50, 000 is to be approved by the Governing Body prior to expenditure.
- Within three working days of the event's conclusion, the Accounts Officer must receive the income and expenditure format and all actual receipts for expenses.
- All receipts & vouchers and other necessary records are being kept in the respective files.
- Necessary budgetary approval for all the events must be obtained from the Governing Body at the beginning of the respective Academic Year.
- There must be no deviation from the aforementioned procedure in order to keep accurate records for future use and audit.

5.4 Method of Payment

5.4.1 Payment by Cheque

Except in exceptional circumstances where banking is problematic, all expenses over Rs. 10,000 must be paid by check. Cheques should be used as much as possible.

5.4.2 Payment by Cash

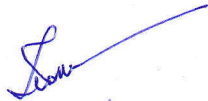
Cash payments are not recommended. For payments over Rs.10, 000 cash payment should be avoided. Payments over Rs.20, 000 shall be done by A/C payee check in accordance with the Income Tax Act. Sufficient emphasis to be given towards online or digital transaction.

5.4.3 Cash in Hand

The office shall have Rs.1,00,000/- cash in hand to meet emergent needs and urgent cash transactions.

5.4.4 Travel and Other Advance Policy

Advances are given to each employees & staff, vendors and suppliers in accordance with the requisition application that was submitted. Such inquiries ought to be directed at the Administrator. Then it is sent to the appropriate authority for approval. However in exceptional cases post approvals are also given.


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5.4.5 Consolidated Salary Register

Payments made to employees in the form of salaries are documented in a consolidated salary register. All salary payments must ideally be made via bank transfer.

6.0 BALANCE SHEET

6.1 Assets

All immovable property, such as real estate, buildings, etc., is acquired on behalf of the institution by the Governing Body's consent. Other mobile and tangible assets such as furniture, equipment, computer-related assets, etc. the governing Body must approve the purchase.

6.2 Listing of Assets

The purchase, sale, and movement of assets are tracked in a fixed asset e-register. The assets must be assigned numbers. A fixed asset e-registry book is kept up to date.

The organization's resources should be used to accomplish the institution's goals. There is a log book kept for vehicle usage.

6.3 Depreciation

Depreciation must be provided using the Written down Value method at the rates outlined in the most recent iteration of the Income Tax regulations.

6.4. Liabilities

Credit purchases must be avoided whenever finances are not readily available.

7.0. BANKING

7.1 Operation of Bank Accounts

As per the by-laws of the society, the accounts opened are run and managed by the Chairman and Secretary as the authorized signatories.

For smooth and efficient functioning of the institution a special account is being operated in the name of the Principal, Rajdhani College of Engineering & Management. The bank accounts hold tuition fee of the students, consultancy fees, research & other general incomes. Salaries of the employees are released on a confined date of a month from the account.

Other expenses are also covered and duly maintained from the respective account. Any additional bank accounts beyond the ones already in existence must be opened by the passage of a resolution at a meeting of the governing body.

7.2 Cheque issue Register

For the purpose of tracking the issuance of checks from all bank accounts, a register of cheque issues is kept.

7.3 Reconciliation Statement

Every three months, the Accounts Officer will create a bank reconciliation statement for accounts and presented it to the governing body.

8. PLANNING AND BUDGETING

The budgetary approval is always given by the Governing Body as recommended by the Principal in consultation with the respective committee members.


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9. FINANCIAL AUDIT

Every sanctioned account of the Institute is externally and internally audited.

9.1 By the Internal Audit Committee

Prior to the statutory auditor's audit, the internal audit committee must conduct a pre-audit submitting for the final audit in a respective Financial Year.

Internal Audit Committee consists of Accounts Officer, Two Senior Faculty members, Junior Administrative Officer.

9.2 By External Chartered Accountant

The Governing Body should empanel a Chartered Accountant of repute for carrying out the external audit. The respective audit work has to be completed within the stipulated time as notified by the Government for a respective Financial Year.

10. Financial Advisory Board

The Board will review the financial situations of the institutions. It will go through the other possibilities or sources of funds through research projects, funded projects through different funding agencies as well as Government.


The Financial Advisory Board consists of:

- Chairman of the society
- Secretary of the society
- Treasurer of the society
- One Member from the society (Specially a Female)
- Principal, Rajdhani College of Engineering & Management
- One Senior Chartered Accountant
- One Senior Member from Financial Institution



Approved by
Secretary

Rajdhani College of Engineering & Management



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