

FINANCE
ACCOUNTS
AUTHORITY
MANUAL

Dr. K. N. Modi Foundation
Modi Bhawan, Modi Nagar, Ghaziabad, Uttar Pradesh-201204

AMENDMENT TO FINANCE ACCOUNTS MANUAL

Dr. K. N. Modi Foundation reserves the right to add on, delete, alter or amend any of the policies and procedures contained in this manual without any notice. Such additions, deletions, alterations and/or amendments will be approved by the Board of Trustees, Dr. K. N. Modi Foundation and notified to all colleges run by Dr. K. N. Modi Foundation.

JURISDICTION

In case of any dispute or any matter arising out of or relating to the policies and procedures contained in this document or otherwise, Ghaziabad will be considered as the place where the course of action has arisen and the appropriate court at Ghaziabad will alone have jurisdiction over such matters.

1. ABOUT

1.1 The Foundation

It was the vision of Raizada (Late) Dr. Kedar Nath Modi that transformed into the noble inception and unsurpassed success of Dr. K. N. Modi Foundation, a reputed and respected educational conglomerate that encompasses various individual educational entities. Dr. K. N. Modi Foundation has made immense contribution towards the society and the nation by establishing contemporary professional and technical education facilities at every level.

Dr. K. N. Modi Foundation has been built on the pillars of Quality Education, Social Service, Positive Attitude, Commitment, Dedication and Promoting Indian Values. Dr. K. N. Modi Foundation has not only set up professional and technical institutes but also established schools and even adopted an uncommon yet progressive path by setting up a Sanskrit Vidyapeeth awarding degrees of Acharya and Shastri, where teaching is based on Gurukul Methodology.

With a heritage of more than seventy years, Dr. K. N. Modi Foundation is relentlessly surging ahead on the path of progress by imparting excellence through education at different levels. The institutions under Dr. K. N. Modi Foundation have been well-appointed with world class infrastructure and facilities to ensure quality learning.

Funds to the institute are provided by the Donations in each financial year. The other sources of receipts are:

- a) Tuition Fee
- b) Hostel Fee
- c) Mess Fee
- d) Library Fee
- e) Exam/Re Exam Fee
- f) Misc. Receipts-Fine/Scarp Sale Etc.

1.2 Vision

To become one of India's most respected Educational Institutes and serve as a global educational hub of innovative learning, imparting quality education across all levels

1.3 Mission

To set up best Colleges that provide a healthy environment for both faculty & students, that stimulate a spirit of teamwork, encourage innovation, and deliver excellence in all branches of learning.

To enhance academic development by offering undergraduate & post-graduate programmes under Colleges employing state-of-the-art technology, and cultivating knowledge through research

To develop a perspective of future growth by identifying areas of specialization, and forging alliances with other progressive institutions, national & international, to ensure better exposure & learning opportunities for students & staff and come under the list of top best colleges in NCR

To lay special emphasis on value-based education, promoting India's heritage, history, culture & spirituality-while encouraging holistic personality development of all students.

1.4 The Management Policy

Foundation is committed:

To provide quality management for optimizing efficient utilization of education resources

To establish a sensitive and responsive organization which effectively respond to the educational requirements?

To adopt a participatory process as a institutional approach

To implement adaptive management processes that review, monitor and evaluate management system for continual improvement to new learning from field experiences.

1.5 Institutions of the Trust

1.5.1 Dr. K. N. Modi University, Newai

1.5.2 Centre for Management Development, Modinagar

1.5.3 Dr. K. N. Modi Institute of Engineering & Technology, Modinagar

1.5.4 Dr. K. N. Modi Institute of Pharmaceutical Education & Research, Modinagar

1.5.5 Dr. K. N. Modi Global School, Newai (Rajasthan)

1.5.6 KNGD Modi Engineering College, Modinagar

1.5.7 Dr. K. N. Modi Engineering College, Modinagar

1.5.8 Ginni Devi Modi Institute of Education (B.Ed - Only for Girls), Modinagar

1.5.9 Dr. K. N. Modi Global School, Modinagar

1.5.10 Multanimal Modi PG College, Modinagar

1.5.11 Ginni Devi Modi Mahila PG College, Modinagar

1.5.12 Dr. K. N. Modi Science & Commerce College, Modinagar

1.5.13 Rukmani Modi Mahila Inter College, Modinagar

1.5.14 Ginni Devi Sanskrit Vidhyapeeth, Modinagar

1.5.15 Pramila Modi Junior High School, Modinagar

1.5.16 Gayatri Devi Modi Junior High School, Modinagar

1.5.17 Ginni Modi Community Ophthalmic Research Centre, Modinagar

1.5.18 Ginni Modi Hospital & Medical Research Centre, Modinagar

1.6 Organizational Structure

1.6.1 Board of Trustees

The general management and control of the affairs of the trust and its properties is vested in the Board of trustees comprises of following and their term of office is for life:-

Office bearers of the Board of Trustees:

The following trustees are the office bearers of the Board of trustees:

- 1. President**
- 2. Senior Vice President & Vice President**
- 3. Secretary**

1.6.2 Powers and functions of the office bearers of the Board.

1.6.2.1 PRESIDENT:

1. President shall be head of the Trust and shall call and preside over the meeting of the Board of Trustees.
2. He shall do all other acts as may be assigned to him by the board of Trustees.
3. President shall exercise such powers as may be delegated to him by the Board of Trustees which will be reported in the next meeting of the Board of Trustees.
4. In emergent cases, the President may exercise the powers of the Board of Trustees and inform the same to Board of Trustees of the action taken by him for its approval.

1.6.2.2 SENIOR VICE PRESIDENT & PRESIDENT:

1. Senior Vice President and president shall preside over the meeting of the Board of Trustees in the absence of the president and do all other acts as they may be assigned to him by the Board of Trustees.

1.6.2.3 SECRETARY:

1. The Secretary will be the Chief Functionary and custodian of records of the Trust. He shall plan, execute, and monitor implementation of the Trust activities to achieve its various objectives.
2. The Secretary shall be drawing and disbursing authority of the Trust Funds
3. The Secretary shall exercise such others and perform such other duties as may be assigned to him by the Board of Trustees.
4. The Secretary shall submit the annual audited accounts and balance sheet of the Trust to the Board to Trustees.

1.6.3 Administrative Organization of the Foundation

1.6.3.1 DIRECTOR:

1. The director shall be the principal academic and administrative officer of the respective institute and shall be responsible for the proper administration of the institute and for the imparting of instructions of discipline therein.
2. Subject to the budget provisions made for the specific purpose, the Director shall have the power to incur expenditure in accordance with the procedure as may be laid down by the Board of Trustees from time to time and with consent of the President of Board of Trustees.
3. The Director shall have such other powers and perform such other as may be delegated to him the Board of Trustees.
4. The Director shall be responsible for Smooth Functioning of Institute, Maintenance cohesiveness amongst departments, overall safety, security, welfare & hygiene of Students, faculty & staff.
5. Supervising routine matters of departments where rules/regulations have been promulgated.
6. Overseeing all the functions related to HODs, Students, and Professors/Asstt. Professor and administrative staffs.

1.6.3.2 REGISTRAR:

The REGISTRAR will work under the direction of the Board of Trustees will be responsible to perform the following function in the program of the appointment with help of Program personnel and volunteers.

1. To plan, manage, implement and monitor all the program activities to achieve the Mandate of the Trust within the budgets approved by the Board of Trustees.
2. To mobilize community participation in implementation of micro-projects and other activities undertaken in the program.
3. With approval of the Board of Trustees will appoint Resource Groups from among the Program Personnel and volunteers.
4. To create civil society institutions to promote volunteerism and facilitate participation of beneficiaries in the program activities.
5. Compliance of all rules, regulations and norms regarding admission, examination & promotion as per prescribed/recommended from time to time by AICTE/UPTU and university and to inform all departments for necessary action.
6. Preparation, issue & control of nominal rolls of students.
7. Planning, notification & implementation of academic calendar.
8. Proper record keeping of students academic data, performance and promotion.
9. Liaisoning with University, AICTE/UTU etc..

1.6.3.3 HEAD-TRAINING/DEAN:

The INCHARGE will operate under the supervision and direction of the REGISTRAR and will be responsible to manage, conduct, implement and undertaken all the activities assigned to his Resource Group within the approved budgets and rules and regulation of the Trust.

1. Conducting various outdoor activities for students well-being.
2. Regularly conducting games & extra curricular activities.
3. Regularly monitoring discipline of students and suggesting corrective measures, wherever required alongwith proper upkeep of hostels, classrooms, smooth running of canteen & messes.
4. Assessment of general proficiency marks, close interaction with students both formally & informally to negotiate their behavior.
5. Conducting students' personality & overall development programmes.
6. Conduct of Internal & External Examination.

1.6.3.4 PLACEMENT OFFICER:

Placement officer is responsible to Director for:

1. Developing links with industries for training & placement of students.
2. To explore new areas/industries for placement and training for students.
3. Arranging summer training programmes, to industries/institutes for the students.
4. Organizing interview for jobs in campus/off campus and in the industries for final year students.
5. Guiding students for interview.
6. Guiding students to improve their presentation and public speaking skills.
7. Guiding students in preparation of the resume.
8. Conducting language classes.
9. Co-ordination with Dean, HOD's & Directors for smooth functioning of the department.

1.6.3.5 ADMINISTRATIVE OFFICER:

Administrative officer is responsible to VP/President for:

1. Admission of students to various courses based on defined rules & regulations specified from time to time by UPTU, Govt. & Court.
2. Publication of admission form, brochure etc.
3. Control of financial aspects of the institute.
4. Publicity and advertisements related to admission, recruitment and image building of the Trust.
5. Planning, Controlling & monitoring of Construction work.
6. Planning & Controlling water supply and power supply requirements of Trust/Institute/Hostel during working & non-working hours.
7. Providing medical support and maintaining good hygiene & sanitary conditions.
8. Coordination between the Director and Governing Body.
9. Coordinating & organizing various visits to the institute.
10. Audit and evaluation of Proposed Infrastructure Expenses.
11. General keep up of the institute.
12. Transport management for all activities of the institute.
13. Managing up keep and improvement of hostels, mess and canteen.
14. Effective security and firefighting facilities.
15. Procurement of equipments, materials and stationery.

1.6.3.6 FINANCE & ACCOUNTS OFFICER:

Chief Financial & Accounts officer is responsible to VP/President for:

1. Ensuring proper and accurate record-keeping of receipt and expenses.
2. Proper safety of cash receipt books and chequebooks.
3. Audit/Internal Audit of Books and Accounts
4. Daily reporting of Bank Balance
5. Periodically MIS as required by management.

1.6.3.7 IT&SYSTEM MANAGER is responsible for :

1. Effective strategic IT planning and oversight of IT performance with Oversee the development and maintenance of the IT strategic plan;
2. Approve vendors used by the organization and monitors their financial condition;
3. Approve and monitor major projects, IT budgets, priorities, standards, procedures, and overall IT performance;
4. Coordinate priorities between the IT department and user departments; and

5. Review the adequacy and allocation of IT resources in terms of funding, personnel, equipment, and service levels.

1.6.3.8 HRD OFFICER is responsible for :

1. Ensure Statutory Compliant status at all times
2. Drive an effective Learning and development agenda that impacts the employees and the businesses
3. Evaluate and Improve the current HR Practices to keep with time and external benchmarks
4. Update HR policies in line with the business and organisation requirement
5. Keeping and updated Employee Handbook with all relevant details and information
6. Maintain employee records and files in order for ease of reference (both On-line and physical copies of the records)
7. Communicate with employees and business heads for better alignment
8. Be astute to handle dynamics at the workplace and help employees to overcome crisis situation

1.7 Audit & Evaluations

1.7.1 Performance Audit

Internal auditors will conduct a **monthly** performance audit of the following parameters and present their report to the **BOT**

1.7.1.1 Management Audit

1. Management Audit will be conducted to ensure implementation of the Management Procedures, processes and systems. The auditors will make a quarterly evaluation of the following parameters for submission to the Appraisal Committee.
2. Compliance of all the procedures processes and systems.
3. Compliance of resolution of the Managing Committee
4. Compliance of the directions by the Appraisal Committee.
5. Documentation and maintenance of records at **DKNMF**.
6. Maintenance of the meetings records and accounts.
7. Reporting as per the requirement of the prescribed **MIS**.
8. Action taken on the previous audit report.

1.7.1.2 Financial Audit

Internal auditors will present a quarterly report to the managing committee of a monthly financial audit, which will include a scrutiny of:

1. Cash and Bank transaction.
2. Procurement and purchases.
3. Depreciation
4. Travelling, conveyance and related expenses
5. Salary, Fees and honorarium payments.
6. Journal vouching
7. Accounting procedures.
8. Stock records
9. Ledgers scrutiny
10. Receipts of grants and their utilization
11. Expenditure
12. Fees and all other Receipts
13. All other financial transactions

1.8 Duty Travel Allowances

The following rules will apply for travelling expenses of faculties and staff in DKNMF other than members of the board of trustee.

Permissible Daily Expenses for Out of Station Travelling:

Grade	Travel Mode	Lodging Expense	Food etc.	Local Conveyance
President, Vice-President	Air, Luxury Bus, 1 st A.C	As Actual	As Actual	A.C. Taxi
Director, Administrator, Registrar, CFAO	Air, Luxury Bus, 2 nd A.C	As Actual	As Actual	Non A.C. Taxi
Chief In charge	Deluxe bus 3tier/Ac	Rs. 1500.00	Rs. 500.00	Rs. 300.00
In charge	Deluxe bus Chair car	Rs. 1000.00	Rs. 300.00	Rs. 150.00
Other Staff	Express Bus, II Slipper	Rs. 750.00	Rs. 200.00	Rs. 100.00

1. In Modinagar, all above functionaries will stay at the DKNMF campus, as functionary will not be entitled to separate reimbursement.
2. Entitlement of travelling allowances will be only if the travel has been sanctioned and Tour Report with travelling payment vouchers duly endorsed by the following sanctioned authority:
 - a. President/SVP/VP
 - b. Registrar/CFAO
 - c. Incharge
3. All lodging and boarding expenses will be permissible only on submission of hotel and restaurant bills bearing name and address of hotel/Restaurant. Travelling and other expenses are required to be duly supported by tickets and bills/detail of expenses.
4. In absence of supporting, reimbursement of travel and food expenses (other than hotel expenses), strictly on actual, will be allowed within the permissible allowances, subject to the approval of the sanctioning authority and verification by the Chief Finance & Accounts Officer.
5. Local conveyance by personal vehicle of staff members will be reimbursed at the rate of **Rs. 8.50/Rs. 7.50** per Km for 4 Wheelers(Petrol/Diesel respectively) and **Rs. 4.00/-** for two wheelers.
6. All requisition of taxi for will require prior permission of VP/SVP/President.
7. Travelling expenses of a single journey cannot be submitted in separate travel expenses statements or vouchers for Reimbursement.
8. Drivers will not be entitled to any travelling expenses in the DKNMF area. However, outside they will be entitled to the food allowances **Rs. 200** per day.

1.9 Motor vehicle management procedures

All motor vehicle including motorcycles used in Modinagar shall be under the supervision of the VP/CFAO and will be regulated in the following manner:

1.9.1. Allocation of Vehicles:

Allocation of vehicles will be done only after the DKNMF logo has been painted prominently on each vehicle and they have been comprehensively insured and duly registered on receipt of requisition and completion of all necessary formalities.

1.9.2. Custody and supervision of vehicles:

- a. The Copy of registration documents of vehicles will be laminated and kept with the accounts sections and original with the vehicle.
- b. CFAO will have all vehicle insured under comprehensive insurance policy and ensure timely renewal.

1.9.3. Maintenance of vehicles:

- a. Maintenance and upkeep of the vehicle would be the responsibility of the driver.
- b. Timely service and maintenance of vehicles will be Supervised and ensured by the CFAO.

1.9.4. Monitoring of vehicles:

A centralized recording system of the vehicles allocation, mileage, fuel consumption, insurance maintenance and service will be maintained by the security in charge.

1.10 General administration procedures

1.10.1. Work precedence

- a. Any information requested or work delegated by the Head office will receive priority over all routine matters.
- b. A letter explaining 'cause of delay' will accompany any delay exceeding 7 days from date of receipt of instructions.
- c. All instruction from Modinagar and responses from officers at HO or in travel will be sent either by email or letter to enable to properly record the response time.
- d. Responses delayed beyond 7 days without proper explanation will be recorded and noted in the Respective officer's file for consideration at the time of annual evaluations.

1.10.2. Uniform/ID Card

- a. **Uniform will be given to all permanent employees.**
- b. If an employee leaves before completion of one year in the organization, he will be charged for the uniform.
- c. All DKNMF employees will wear the ID Card whenever they are representing the organization whether outside or inside the Campus.

1.10.3. General Rules

- a. DKNMF office will open at 9:00 am and close at 5:00pm on all working days, Lunch hour will be from 1:00 pm to 1:30pm.
- b. Copy of the memo to be kept with the section/officer directly concerned with the contents of the memo for his ready reference.
- c. A notice Board to be put up at an appropriate location in the office. General guidelines such as travelling, leave etc. that is for general information may be put up on a notice board.
- d. Hard copies of all documents to be taken from the computer records and put in appropriate files as part of the process.
- e. A separate file for all Rules and procedures is opened they are available for ready reference.

- f. All memos will be kept in the file.

1.10.4. Security Rules

1.10.4.1 Time/ Security office

The Security office at the main entrance to the **DKNMF** shall be supervised by the Chief Administrator and Controlled 24 hours by Two security guard.

The Security office will be responsible for the security of the **DKNMF** and all its movable and immovable assets.

It will control the entrance and exist of people and material in the **DKNMF** campus.

1.10.4.2 Security office Records:

The following record will be maintained by the time office:

- a. Visitor's entry and exist register.
- b. Staff entry and exist register.
- c. Vehicles entry and exist register.
- d. Equipment, instrument and furniture entry and exist register.
- e. Building material entry and exist register.
- f. Assets entry and exist register.
- g. Daily worker/Lab our attendance entry and exist register.
- h. Stores entry and exist register.
- i. Gate passes register.

All rooms, stores, gates and stores keys will be properly secured and the duplicate key be kept with the Chief Administrator and remaining keys will be kept in custody as follows:

- a. **CFAO** Accounts office and stores keys will be kept with the accounts officers
- b. The accounts officers with the custody of the keys will open the office at 8:55am so that it can be cleaned for office to start at 9:00 am. The accounts officers will lock the office after office hour.
- c. All other keys will be kept in the custody of the security office.

1.10.5 Sundry Purchases/Advance:

- a. All sundry purchases for the operation and maintenance of the **DKNMF** will be made by the authorized person only as per separate purchase policy
- b. An imprest account of Rs. 5000/- will be maintained with the authorized person for the above expenses.
- d. Any purchases of more than Rs.2500/- for operational cost and fixed assets will be referred to the BOT for approval up to that it will be approved by **VP/SVP**.
- e. Director is authorized to expend Rs. 1.00 Lac per month on account of Faculty Development/Guest Lecture etc.
- f. HOD is authorized to pay Rs. 0.10 Lac per month on account of sundry expenses.

1.11 Construction Activity:

1. The construction a development activity of the building will be done under the directions of the Managing Committee.
2. A duly appointed Architect will prepare the engineering and architectural drawings and plans for the construction, development.

3. A site Engineer assisted by an overseer will supervise the daily construction and development activity
4. The following construction records will be maintained by the overseer and site engineer.
 - a. Drawings and plants approved for construction.
 - b. Site- visit instructions register.
 - c. Records of the bill of quantities, purchases orders etc.
 - d. Labour and material contracts.
 - e. Building material register.
 - f. Building machinery, tools and equipment register.
 - g. Daily labour attendance registers.
5. Material suppliers and contractors will submit bills up to 2nd day of the subsequent month for the previous month.
6. All bills will be checked by the “overseer” and submitted to the ‘site engineer’ for approval by the 5th day of each month.
7. The ‘site engineer’ will approve and submit the bills to the accounts section by the 7th day of each month. Bills will be processed by accounts section and submitted to the BOT for authorized payment by the 10th day of each month.

1.12 Purchase/ Procurement procedure:

1. **The procedure for all procurement except stationery and consumables will be as follows:**
 - i **Requisition letter** addressed to the store In charge giving requirement, choice of purchases and reason thereof will be sent to the stores/ CFAO/VP.
 - ii On receipt of a **requisition duly approved** by the VP/CFAO/ Chief Administrator will obtain three quotations of the requisitioned item from three different suppliers.
 - iii The **prescribed procurement form** with the three quotations, giving a comparative chart of the cost, item specifications, warranty and other terms of sale will be prepared and same should be sent to President for Final approval.
 - iv All procurement including stationery, banners, sundries etc. received by the DKNMF will be deposited in the store and issued from the store on authorization of the store in charge.
2. **The procedure for procurement of stationery and consumables of more than Rs. 5000/- will be authorized by the President.**
3. **The procedure for procurement of stationery and consumables of less than Rs.5000/- will be authorized by as follows:**
 1. Requisition of the item in the prescribed ‘**General Requisition form**’ duly authorized by the in charge and approved by the VP/CFAO/Chief administrator will be sent to the stores-in charge for procurement.
 2. The authorizing officer will supervise all purchases.

2. Accounts Procedures

2.1 Accounting Rules

1. Account vouchers of expenses sanctioned in the monthly budget will be signed by the following Officers:

- a. Prepared by: Accounts officers
- b. Checked by: In charge
- c. Passed by: CFAO
- d. Authorized by: VP/ SVP
- e. Approved by: President

2. Account vouchers of expenses for the development and construction of the building will be signed by the following officers:

- a. Prepared by: Engineer/Accounts officers
- b. Checked by: Site- overseer/ Engineer
- c. Passed by: Chief Administor/CFAO
- d. Authorized by: VP/SVP
- e. Approved by: President

3. All other account vouchers not covered in any of the above categories will be signed by the Following officers;

- a. Prepared by: Account Officer
- b. Checked by: Department Head/In-Charge
- c. Passed by: CFAO
- d. Authorized by: VP/SVP
- e. Approved by: President

4. Journal vouchers will be signed in the same manner as expenses vouchers.

5. Travel Expense Statement will be signed as per duly travel allowance rules.

6. Conveyance expenses statement will be signed as follows:

- a. Prepared by: Claimant
- b. Passed by: Department Head/VP/CFAO
- c. Approved by: President

7. General Requisition from **DKNMF** stores will be authorized by the reporting in charge.

8. Payments on account of any unbudgeted expenses will require authorization of the President.

2.2 Documentation & Attachment of Vouchers

1. A visit report will accompany all travelling expenses vouchers duly endorsed by the supervising officer.

2. The primary responsibility of the authenticity of all expenses is that of the CFAO and the authorizing person, who will bring to the BOT immediate attention any irregular claim for payment.

3. All officers signing the vouchers will be individually responsible for approval of the payment and each must ensure the payment is made within the budgets and as per the rules of the Foundation.
4. The accounting records should be maintained strictly as per the accounting procedures.
5. All salary payments will be made by bank payments only.
6. Daily printout of the cashbook will be taken and cash tallied physically after which the CFAO will sign the same.
7. Payments of conveyance and repair of vehicles will be approved by the CFAO only after verification of the vehicle logbook.

2.3 Budgeting Procedures

1. The **BOT** will approve a monthly budget for expenses along with the cost center and account heads. Unbudgeted expenses will require prior sanction of the expenses.
2. The monthly program budget will be proposed by the **CFAO** on the 27th day of each month and sent to the **BOT** for approval.
3. The monthly micro-project budget will be proposed by the **CFAO** on the 2nd of each month and sent to the **BOT** for approval.

2.4 Payment of honorarium

1. Honorariums, salaries and consultancy payments will be made on or before 7th day of each month and if that date is a holiday than on the next working day.
2. Final settlement of account by staff members discharged from service will be made on receipt of 'discharged letter' signed by the BOT/HRD.
3. Prior to payment of honorarium each month the accounts officers preparing the payment sheet will make reference to the attendance register and the leave register to calculate the number of paid and unpaid leave availed each month before disbursement of the honorarium.

2.5 Advance payments

1. Personal advances to any member of the staff foundation are completely prohibited. Any advances made can only be given for duly authorized expenditure or any one of the following heads:
 - a. Petty cash- applicable for officers holding petty cash.
 - b. Travel Expenses- incase travel expenses exceeds 10% of the salary of the staff requesting the advances.
2. The authority for giving advances will be as follows:
 - a. Up to Rs. 5000/- Vice President
 - b. Above Rs. 5000/- President/Board of Trustees
3. Bills against any of these advances should be submitted to the accounts section within 7 days of taking the advance.

4. A revolving imp rest amount of not more than Rs. 5000/- will be held by the accounts sections.
5. Submitted bills against advance will be approved only for the purpose for which the advances were given.
6. Any fresh advance will be given after all past advances are fully settled.

2.6 Records

In addition to accounting records the accounts section will maintain and keep in custody the following records.

1. Legal Documents & Deeds
2. Minutes of the board of trustee meetings.
3. Fixed Assets Register
4. Leave Records Register
5. Attendance Register
6. Salary/ Wages payment sheets.

2.7 Financial Statement

The accounts section will send to the BOT the following monthly financial Report as per approved formats on the 2nd of each month:

1. Cash & bank position
2. Construction Project financial statement
3. Statement of Expenses
4. Statement of creditors
5. Statement of debtors
6. Statement of staff Attendance
7. Monthly Budget Analysis Report.
8. Cash Flow Statement
9. Trial Balance

2.8 Account Heads

1. Account Heads will be approved by the **CFAO**/Auditor and will not be changed without prior approval.
2. All expenses and receipts will be booked strictly as per the account heads and cost centers approved for that expenses/receipt. In absence of such approval the accounts section will take prior sanction from the **CFAO** before entering the expenses.

2.9 Stores

1. DKNMF stores: will be maintained by the accounts officers designated as the storekeeper and will be supervised by the CFAO, this will be the main store in which all purchases relating to office and construction maintenance, equipment and sundry will be entered and issued on requisition approved by the CFAO and authorized by In charge.

2. The designated officer acting as the store-keeper (SK) will hold custody of all the items in the store and maintain the following records:
 1. Store entry register
 2. Store Ledger.
 3. Requisition and issue register.
 4. Receipt register.
3. Store items will be issued on presentation of a requisition in the prescribed form and duly authorized and approved by the nominated officer.

2.10 Fixed Asset Register:

Account department will maintain a separate Fixed Asset Register to record the assets acquired and created out of project funds. Individual asset-wise entries will be recorded in the Fixed Asset Register. The Fixed Asset Register shall contain the following details:

- a) S. No..
- b) Date of Purchase
- c) Voucher No.
- d) Bill No.
- e) Supplier's name
- f) Details of Asset
- g) Type & Make
- h) Quantity
- i) Amount
- j) Location
- k) Identification
- l) Date of Physical Verification
- m) Signature
- n) Remarks

An identification number would be assigned to each item of asset for easy identification. These identification numbers would be painted on each item prominently, and the same would be recorded in the Fixed Assets Register.

There will be a quarterly physical verification of fixed assets. The result of such verification will be recorded in Fixed Asset Register under date and signature of verifying officer. Any significant difference will be dealt with in the books of accounts properly.

3. Operation of Bank Account

3.1 Preparation of Cheque:

On the basis of the cheque payment voucher duly passed for payment by the competent authority the Assistant of Account Section shall prepare cheques (by means of cheques typewriter) duly crossed "Account Payee". The assistant preparing/ typing cheques shall initials the counter- foils of the cheques in token of verifying that the contents of the cheques and counter-foil are the same. If a cheque is cancelled, being not properly 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 cheque book. The number of the cancelled shall also be noted and entered in the Bank Book in order to maintain the continuity of the cheque numbers in the serial order.

3.2 Separate Bank account for Projects undertaken:

Different types of Projects undertaken by HO as well as the Centres for execution and Utilization Certificate is required to be issued from time to time for submission to the authorities. With the approval of President, it is been decided that at the Centres, separate bank account will be opened for projects having value more than Rs. 50 Lakhs and one another general project account should be kept so that projects of value less than Rs. 50 Lakhs may be deposited in that account. All Project payment cheques should be issued form different Bank account assigned for the same as enumerated above. Auditing of the project account as well as issue of Utilisation Certificate and certification of Income and Expenditure by CA will be easier.

4. Cheque signing authority

The following officers at least one from both group shall be authorized to sign the cheque on behalf of the institute:

Si. No.	Cheque Signing Authority (Group A)	Cheque Signing Authority (Group B)	Limit
1	President	CFAO	No Limit
2	Secretary	Any Authorized Person by BoT	No Limit
3	Vice President		No Limit
4	Administrator		No Limit

5. Investment of Surplus Funds

The surplus fund of DKNMF may be invested in time deposit schemes of scheduled banks, RBI Bond etc. For investment of surplus fund, quotation from different banks may be taken and wherever we get best rate of interest the fund should be invested after due approval of the Competent Authority. The period of investment may be decided as per availability of fund requirement in future. At present DKNMF follows net balancing system in which amount available in the saving account automatically transferred to fixed deposit account and as & when cheque issued, FD's are encashed on LIFO method.

However, for investment of fund other option may also be taken into consideration as per the situation, fund position of DKNMF. But total 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.

6. Banking Transactions

Guidelines for banking a transaction is issued from time to time, however, time barred cheque should immediately be reversed and proper entry required to be made in the concerned accounting books. Guidelines' regarding accounting and procedure for issue of fresh cheque is as below:

As confirmed from the RBI, the validity of a Cheque is for three months from the date of its issue. On such Time Barred Cheques a reverse entry on a Bank Receipt voucher should be prepared and the reasons for not presenting the Cheque in the valid period should also be enquired from the party. In such case the Bank should also be informed Not to Pay such a Time Barred Cheque and should make a note of such Instructions in their systems. If such a Time Barred Cheque is again brought for revalidation even after taking the above course of action, a fresh Cheque should only be prepared in lieu of the old outstanding

Cheque as is being done in Government of India subject to the condition that any dues of DKNMF are not outstanding

7. Lost Cheque:

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

1. The Accounts Officer/ Deputy Registrar on receiving a formal request for issue of a fresh Cheque in lieu of a Cheque lost shall send an instruction to bank by registered post or through messenger and take acknowledgement to stop payment order.

2. The Bank on which the Cheque was drawn on receipt of such instructions shall note such instruction in their system and shall issue a certificate to the Cheque issuing Officer in the following format.

"We acknowledge receipt of your letter No dated and confirm having noted to stop payment of Cheque No. Dated for Rs..... (Rupees) favouring In this connection, it is certified that Cheque No. dated for Rs reported by the drawing officer to have been drawn by him on this bank in favour of will not be paid, if presented thereafter"

3. The above procedure shall be applicable only for those Cheques the currency of which has not expired. In case, the currency of the lost Cheque has already expired, the Cheque issuing Authority shall issue a letter informing about the lost Cheque and request the bank not to pay such a time barred cheque on presentation and to should keep a note of it in their system although the Cheque issuing Authority may not insist for its acknowledgement from the Bank.

4. The Accounts Officer or the Cheque issuing Authority should satisfy himself with reference to the record maintained in his office with the bank statement and the Cheque issue Register including Bank Reconciliation Statement that the payment of the Cheque in question has not been made.

The party requesting for the issue of a fresh Cheque in lieu of the lost one should execute an Indemnity Bond in the form enclosed.

5. On completion of the requirements as per 1 to 5 above the Account Officer or the Cheque issuing Authority may issue a fresh Cheque in lieu of the lost one subject to the condition that any dues of DKNMF are not outstanding against the party at the time of issue of a fresh cheque and shall keep a note in the original Bank Voucher as well as the counter foil of the same and Bank Reconciliation Statement.

6. He shall keep a copy of the request for issue of new Cheque with the original Bank Voucher as well as with new Bank Voucher with relevant details for cross referencing.

8. University receivable

University receivable pertains to the particular amount to be paid by the students at the time of University enrolment before admission. The said particular amount has to be received by the Institute instead of Students. Like other accounting treatment, we show the amount as receivable with University by crediting the student account respectively.

9. Scholarship receivable

The Auditor is further required to provide a certificate as per Schedule "D" giving details of unspent balance brought forward from the previous financial year, funds released during current financial year indicating sanction numbers and amount, funds utilized and unspent balance at the closing of financial year.

10. Insurance

Dr. KNMF insures to provide the health scheme for the students as well as staff also. All staff and students (along with their one earning parent) is covered under Group Personal Accident policy and Group Medical insurance policy.

11. Terminal Benefits to Employees:

11.1 Gratuity

11.1.1 Service Gratuity

No pension is admissible to a permanent employee. Instead, a lump sum payment known as Service Gratuity at the rate of half-month's emoluments for every completed six-monthly period of qualifying service is admitted. 'Emoluments' means basic pay, etc., if any and includes dearness allowance admissible on the date of retirement.

This gratuity is in addition to retirement gratuity admissible to those who have completed 5 years' qualifying service.

11.1.2 Retirement Gratuity

is admissible to all employees who retire after completion of 5 years of qualifying service at the rate of 'one-fourth' of emoluments for each completed six-monthly period of qualifying service subject to maximum of 16½ times 'the emoluments' or Rs.10.00 Lakhs whichever is less. Emoluments include DA on the date of cessation of service.

11.1.3 Death Gratuity

is admissible in the case of death in service of an employee at the following rates:-

	Length of Service	Death Gratuity payable to family
i.	Less than one year	2 times of 'emoluments'
ii.	One year or more, but less than 5 years	6 times of 'emoluments'
iii.	5 years or more, but less than 20 years ...	12 times of

	...	emoluments'.
iv.	20 years or more.....	Half of emoluments for every completed six-monthly period of qualifying service subject to a maximum of 33 times 'emoluments' or Rs.3.50 lakhs, whichever is less.

Emoluments include DA on the date of death.

11.1.4 Death Gratuity is payable

to the nominee(s) eligible member(s) of the family of the deceased employee.

Minor's whole share of gratuity is to be paid to the natural guardian of the minor, and in the absence of a natural guardian, to the person who furnishes a guardianship certificate. Minor's share of Gratuity upto Rs. 10,000/- or first Rs. 10,000/- (if it exceeds Rs. 10,000/-) may be paid to the guardian, other than natural guardian without production of guardianship certificate. The claimant should, however produce and Indemnity Bond with Sureties.

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

11.1.6 Rounding off

The amount of gratuity should be rounded off to the next higher rupee

11.2 Encashment of Leave

Encashment of Earned Leave - The authority competent to sanction leave should automatically grant lump sum cash equivalent of leave salary admissible for the number of days of earned leave at the credit to the employee on the last day of his service, subject to a maximum of 300 days including the number of days, for which encashment was availed along with Leave Travel Concession -

- (a) On retirement after attaining the age of superannuation;
- (b) When the service is extended in public interest beyond superannuation, after extension;
- (c) ~~When an employee retires on superannuation while under suspension while disciplinary or criminal proceedings are pending against him, the whole or part of cash equivalent of leave salary may be withheld to meet recoveries from him possibly arising on conclusion of the proceedings. On conclusion of the proceedings, payment may be released after adjustment of Government dues, if any;~~

- (d) On termination of service by notice/payment of pay and allowances in lieu of notice or otherwise in accordance with the terms and conditions of his appointment;
- (e) On termination of service of officials re-employed after retirement. In this case, the maximum will include the period for which encashment of leave was allowed at the time of previous retirement and also encashment availed with LTC.
- (f) When an employee is invalidated from service on medical grounds;
- (g) When an employee resigns or quits service on his own accord, the lump sum cash payment will be only to the extent of half of the earned leave at his credit subject to a maximum of 150 days including the number of days for which encashment was availed along with LTC, on the date of cessation from service.

12 ACCOUNTING POLICIES OF DKNMF

12.1 Accounting Policies

12.1.1 Grants from Central/State Government

- (a) Grants from Central Government are accounted for on "receipt" basis and from State Government on "accrual" basis.
- (b) Grants are "Capitalised" to the extent fixed assets have been created after adjustment of fixed assets sold during the year.

12.1.2 Corpus Fund:

Corpus is any fund created one time for the main objectives of Society. Interest from Corpus Fund can be utilized for developmental purposes like Visiting fellows, Adjunct faculty, training and development, common academic expenditure on curriculum Development and review, common evaluation and examination, placements etc. Prizes and awards for students and for employees under the incentive scheme for units, scholarship for twinning to students, ex-gratia payments to students and employees, contribution to bodies which are promoting cause of fashion industry. Corpus should be used primarily for capital expenditure. Operational expenditure can only be incurred with specific approval of the Board. A separate bank account should be maintained for this purpose. The fund may be invested in bonds and Bank Fixed Deposits.

12.1.3 Earmarked / specific purpose:

Earmarked fund will consist of fund which is for a particular / specific purpose like earmarked fund for student development (Spectrum and student activity clubs etc), departmental development fund, Earmarked fund for chairs / scholarship. Any utilization of these funds will be booked in this fund and the surplus should be carried over.

12.1.4 Fees from Students

Since the Academic Year of the Institute is not co-terminus with its Financial Year, the fees received from students are accounted for in the Financial Year in which the same are received.

12.1.5 Interest on Deposits

Interest on Deposits is accounted for on "accrual" basis.

12.1.6 Expenditure

Expenditure booked on cash basis.

12.1.7 Fixed Assets/Depreciation

i) Fixed Assets are shown at "landed cost" including erection, commissioning and other incidental expenses.

ii) The continuing expenditure during the financial year incurred on construction of buildings, interiors, etc. is booked under the head "work in progress"

iii) Depreciation is charged on an asset, if it is acquired on or before 30th September at full rate and if acquired after 30th Sept, then depreciation will be charged at half rate and depreciation will be charged on written down method as per the following rates:

Name of the Asset Category	Rate of Depreciation Charged
- Building	5 %
- Furniture and Fittings	10 %
- Motor Car (Light Vehicles)	15 %
- Bus (Heavy Vehicle)	15 %
- Computers (including Software/Hardware)	60 %
- Plant and Machinery Class room equipments/	15%
- Office equipments	15%
- Books	
a) Books being annual publication (Magazine & Publications)	100%
b) Books other than those covered in (a)	20%
· Electricity Machinery (*)	15%

Machinery includes:-

- Accounting Machines
- Air Conditioning machinery including Room A/C
- Building Contractor Machinery
- Calculating machines
- Electrical Machinery
- Switch gear & Instruments, Transformers, Stationery Plant, Wiring, Fittings of Electric Light and Fans installations, Franking Machines, Office machinery Overhead cable & wires, Refrigeration, Plant containers
- Typewriters
- Weighing Machine
- Hydraulic Pumps, Pipelines and Sluices
- Electrical Equipment and Motors
- Wireless apparatus
- Electric Equipment

12.1.8 Employees' Retirement and other benefits

- i) Gratuities, Leave Encashment are accounted for on basis rules stipulated in Fundamental and Supplementary Rules.
- ii) Interest recoverable from employees on advances such as House Building advance. Car advance, Scooter advance etc. is accounted for in the year of recovery.

12.1.9 Insurance Claims

Insurance claims are accounted for "as and when settled"

13 Financials/Accounts

Accounts are a tool in the hand of management. It represents a true and fair view of the achievements for planning in future. It is system for decision making economic activities. It deals with identification of economic phenomena and analysis, selection, measurement evaluation, verification and communication of data in the form of costs and benefits. While serving as a basis for external reporting, accounting system takes into account the requirements of various statutes, policies of the organizations. It serves the planning and control activities and resources in the economic process.

Accounting communicates and interprets the resulting information to all who are using the accounts. One of the reasons for preparing the classified statements (e.g. dividing assets, liabilities, income, expenditure etc.) is to facilitate the meaningful analysis of the statements.

Being a non-profit making organization the following yearly financial statements are prepared to ascertain its financial status.

- 1 Trial Balance
- 2 Receipts and payments accounts
- 3 Income and expenditure accounts
- 4 Balance sheet regarding assets and liabilities of the organization
- 5 Accounts notes with various schedules prepared with each account.

The figures in the Balance Sheet and the Income and expenditure Account, if rounded off, shall be rounded off as below:

Amount of turnover (in Rs.)	Rounded off to (Rs.)
Less than one lakh	Hundred
One lakh or more but less than one crore	Thousand
One crore or more but less than one hundred crore	Lakh
One hundred or more but less than	Crore

one thousand crore	
--------------------	--

13.1 Fixed Assets

All items of fixed assets under Head Office and units such as Buildings (residential and no-residential), Plant & machinery, Furniture and fittings, Office Equipments, class Room Equipments, Vehicles, Electrical substation and overhead lines, Capital works in progress, Equipment in transit and Equipment in Stores are included under this head.

13.2 Liabilities

For the purpose of assessment of liability at the end of the year, separate liability statements based on the bills in hand in the Purchase Department as also in the Finance & Accounts Department are prepared and liability for the goods received during the year is created by debit to 'Stock of Stores' in the year's account. This liability provision is reversed at the beginning of the subsequent year reversing the position and bringing the payments and account to stock on the basis of payments released during the subsequent year.

13.3 Capital and Revenue Accounts

13.3.1 Capital expenditure

Expenditure incurred with the object of acquiring concrete assets of a permanent nature/character (for use in the department and not for the sale in the ordinary course of business) or enhancing the utility of existing assets, or of reducing recurring liabilities, shall broadly be defined as Capital expenditure.

It is not essential that the concrete assets should be productive or that they should even be revenue producing. A productive asset may be considered as one which produces sufficient revenue to afford a surplus over all charges relevant to its functioning.

It is inherent in the definition of capital expenditure that the assets produced should belong to the authority incurring the expenditure. Expenditure by Government on grants-in-aid to institutions for the purpose of constructing assets which will belong to local bodies or institutions cannot legitimately be considered as capital expenditure.

Expenditure on a temporary asset cannot ordinarily be considered as expenditure of capital nature.

When it has been decided that the expenditure on a scheme for creation of a new or additional asset shall be classed as 'Capital' the following principles are applicable to the treatment of expenditure in the accounts:-

(a) Capital bears all charges for the first construction of a project as well as charges for intermediate maintenance of work while yet open for service and bears all charges for such further additions and improvements as may be sanctioned under the rules.

(b) In the case of works of renewal and improvements which partake both of capital and revenue nature, it is impracticable to draw a hard and fast line between what is properly debitable to capital or revenue. Allocation in such cases is made by detailed rules and formulae devised by the executive authorities, which are applied in estimates and accounts to determine the allocation of expenditure between capital & revenue.

(c) The charges of interest on money borrowed to finance the construction of a new project before the project becomes revenue earning, to capital is justified only when there would be undue disturbance in the budgetary position by taking interest to revenue.

13.3.2 Revenue Accounts:- Subsequent charges on maintenance, repair, upkeep and working expenses which are required to maintain the assets in a running order as also all other expenses, shall be classified as Revenue expenditure. Capital and Revenue expenditure shall be shown separately. Expenditure on a temporary asset cannot ordinarily be considered as a capital expenditure and shall not be debited to a Capital Head. Capital expenditure is generally met from receipt of capital nature, as distinguished from ordinary revenue from taxes, duties fees and fines unless there are sufficient revenue resources to cover this liability and expressly authorized by general or special orders to be classed as Capital expenditure.

14. Records relating to Receipts:

1. Application-form fee
2. Receipts from students- Tuition fee
3. Receipts from Projects, CE Programme
4. Library fee
5. Sale of Tender forms
6. Hostel students' fee
7. Activity fee
8. Misc. Receipts- from library fines, scrap sales etc. (if borrowed books are not returned on time, fines will be charged as Rs. 5/- per day for the first three days and Rs.10/- per day thereafter).
9. Re-exam fee (a fee of Rs. 1000/- per subject will be applicable for re-examination).
10. Interest income from investments
11. License fee from leased accommodations
12. Guest house charges.

15. Accounting of Tuition fee

The students who join in the regular courses of DKNMF have to pay their tuition fees along with other fees. The admission of students for 1st semester is done centrally by DKNMF Head Office and the tuition fees payable to DKNMF Head office. The fees will be credited in the Bank to the respective Centers after allotting the students to that centre and after deducting administrative fees, if any.

Each center is to maintain the students' tuition fee register. The subsequent semester fee is collected at the respective center. Tuition fee collected has to be reconciled with reference to the number of students on rolls for each semester. The students who have been admitted to their courses may be permitted to withdraw their candidature after forfeiting their tuition fees as prescribed in the Student Rule Book.

For NRI students the valid exchange rate for paying in Indian rupees would be the rate of US\$ as on 1st June of the year in which the fees is paid. This policy should be strictly followed by admission department as well as Centres collecting fees from NRI candidates.

Fee received at the time admission in CE Programme should be taken as per guideline stipulated in the prospectus. In no case fee should be taken in installments either in regular programme or in CE Programme.

In case any student delays remitting fee the semester late fee should be charged and in no case late fees should be waived. Late fees would be imposed @ Rs. 50/- after due date as decided by Management per semester. If student outstanding is below upto Rs. 1000/-, no late fee would be imposed. Meanwhile,

students related to SC/ST Category, Bank Loan, Scholarship, University receivable etc. would also consider for waiver of late fine as per approval of management.

In case of any student on temporary transfer from one centre to another centre fee for the same should be paid in the original centre only. In no case fee of a student on temporary transferred should be received by the centre in which he is on transfer.

16. Hostel students' fee

DKNMF is providing hostel to the students for boys as well as girls also. The students staying have to pay their hostel fee in advance which comprises of:-

- a) Hostel fee;
- b) Refundable Security
- c) Electricity charges;
- d) Mess charges and
- e) Service charges.

The mess charges are collected per semester from the students and unutilized portion of the mess charges are refundable to them or carried forward to the next semester.

17. Refund of Student Fees:

The Academic and other fee once paid will not be refunded except for the amount paid as refundable security. In special circumstances whether students has to leave because disciplinary action special approval of the Competent Authority may be taken to refund the fees. A formal application may be made to the Administrator/Director/Hostel Warden alongwith a NO Dues Form duly signed by the respective authority. The depositor's copy of the original challan has to be produced for the refund.

18. Other income

Fines - late fee, short attendance, for library books, etc are collected from the students and credited to this head. Before the end of the semester the course coordinators have to forward the list of students who defaulted in their attendance to collect the fines. They also recommend the amount of fine to be charged from the students. Receipts are issued from the Accounts Department accordingly.

Other income and collections are assessment fee; re-evaluation fee; students' development fee. For re-evaluation a fee of Rs. 100/- per subject shall be charged, and for the procedure of Re-assessment a fee of Rs. 1000/- per subject shall be charged.

19. Misc Charges relating to Academic Affairs Department:-

S.No	Service profile	Charges (Rs.)
1	Duplicate Certificate of affidavit Diploma on loss Certificate/Award with production	1000
2	Duplicate Mark Sheets with detailed subjects and marks (Transcripts) per copy	250

3	Re-examination/ Re-assessment fee (per subject)	1000
4	Re-evaluation (per subject)	100
5	Re-admission/ Re-registration fee (for each absencing semester)	5000
6	Late fee fine (per day)	10
7	Issue of duplicate Identity Card	250

20. Sale of Application

The applications are sold at Centres of DKNMF.

21. Accounting treatment of Security Deposit received from students and other parties

Security deposits received from the students and other parties.

Security deposits received from the students are under the following Heads:

- From the students at the time of admission
- Library Security
- Hostel Security

Generally, Security deposits received should be kept as liability in the accounts and should be refunded to the students/parties after getting no dues certificate from all concerned.

22. Purpose of Internal Audit/Con-current Audit:

Internal Audit has been defined as an independent service within an organization for achieving effectively 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 and better project government assets;
- 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 judgments and recommendations. Equally important is ensuring accountability for response to the advice and recommendations of Internal audit

23. Role and Scope of Internal Audit

- (i) Vouchers must be authenticated by auditors before entry take place in books of accounts.

- (ii) study of accounting procedures prescribed for the Department with a 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 check of payments;
- (iv) investigation of important arrears and other connected records;
- (v) periodical review of all accounts records;
- (vi) pursuance/settlement of objections reported in test audit notes issued by Statutory Audit Office by obtaining satisfactory explanation or regularization or adjustment;
- (vii) examine and report on irregularities pointed out by Audit;
- (viii) coordination with other Departments regarding Internal audit procedure;
- (ix) performance evaluation of important schemes and programmes, i.e. to see whether schemes are being executed and their operations conducted economically and schemes are result oriented.

TERMS OF REFERENCE OF INTERNAL/CONCURRENT AUDITOR

S.No.	Details	Periodicity	Extent of Audit
1.	Finance & Accounts		
1.1	To Check all the Cash Book for Journal Vouchers and their recording in the original books of entries	Quarterly	100%
1.2	To check the correctness of payments released in	Quarterly	100%
1.3	To tilizatio the general ledger pertaining to the income, expenditure and Balance Sheet items in order to ascertain the correctness of the entries posted	Quarterly	100%
1.4	To tilizatio and check the Bank Reconciliation Statement of all the Bank Accounts	Quarterly	100%
1.5	To Check pay roll, and loans sanctioned to the employees, verification of recoveries review of outstanding etc.	Quarterly	100%
1.6	Scrutiny of advances and loans sanctioned to the employees, verification of recoveries, review of outstanding, etc.	Quarterly	100%
1.7	To periodically verify the physical cash balance as per cash book	Monthly	100%

J

1.8	To check the deposits with the Banks and corresponding correctness of interest due and receipt	Quarterly	100%
1.9	To check the budget provisions and actual against it and highlight the variations	Quarterly	100%
1.10	To ascertain the extent of compliance by the various NIFT Centres, with the prescribed procedures laid down from time to time	Quarterly	100%
1.11	To check inter office adjustments	Quarterly	100%
1.12	To review and recommend the soundness, adequacy and application of accounting, internal controls and procedures	Quarterly	100%
1.13	To check deduction of TDS, Service Tax, Works Tax and remittance thereof to the concerned authorities	Quarterly	100%
1.14	To Check the receipt/release of EMD's Security Deposits and related records	Quarterly	100%
2.	Administration		
2.1	To check in all respects the quotations, tenders and their opening, listing, Comparative statement, etc. and issue of purchase orders, as per procedures laid down.	Quarterly	100%
2.2	To check receipt, issue and stock of all stationery including printed stationery items.	Quarterly	100%
2.3	To check the Fixed Assets Registers, with a view to ensuring the accuracy of postings and physical verifications.	Quarterly	100%
2.4	To check records of consumable materials receipt and issue thereof	Quarterly	100%
2.5	To check the Annual Maintenance Contracts entered into in respect of equipment including computer hardware	Quarterly	100%
2.6	To check the vehicle maintenance records, with a view to economic running of the vehicles	Quarterly	100%
2.7	To check in all respects the applications, agreements, security/ surety bonds/ hypothecation of the asset wherever required, etc., submitted by employees and sanction of House Building, vehicle etc., advances	Quarterly	100%
2.8	To check the sanctions issued for creation of posts with reference to the delegated powers, and the strength in position with reference to the sanctioned strength	Quarterly	100%
2.9	To check the sanctioned issued for drawl of allowances/ perquisites, with reference to delegated powers	Quarterly	100%
2.10	To check drawl of increments, fixation of pay, leave records, payment of overtime allowance, conveyance allowance, leave travel concession, reimbursement of medical expenses, leased accommodation Children education allowance, group insurance etc., with reference to sanction and entitlement, S.Book.	Quarterly	100%

S.No.	Details	Periodicity	Extent of Audit
3.	Academic Affairs including CE Programmes		
3.1	To check the collection of fees, credit thereof and reconciliation of the financial and departmental records in regard.	Quarterly	100%
3.2	To check the payment to guest faculty with reference to norms laid down, deduction and remittance to TDS	Quarterly	100%
3.3	To check the collection of hostel fees, bus fees, credit thereof and reconciliation of the financial and departmental records in this regard	Quarterly	100%
3.4	To check the collection of Library fee from the students and other members, credit thereof	Quarterly	100%
3.5	To check stock/Asset Registers or Resource Centre, acquisition of books/material collections, payment thereof	Quarterly	100%
3.6	To check the collection of security deposits and refund thereof in respect of library and hostel	Quarterly	100%
3.7	To check the Stock registers of the academic departments with reference to purchase/issue of materials	Quarterly	100%
4.	Final Accounts		
4.1	To assist in preparation of final accounts and consolidation thereof & signing of A/cs.	Yearly	
4.2	To assist in the discussions with the Statutory Auditors and finalization of Audit Report	Yearly	
4.3	To assist in the reply of Audit Paras if any raised as required by Govt. auditors	Yearly	
4.4	Auditing of projects	As and when required	
5.	Other Assistance	As and when required	
5.1	Assistance in preparation of internal Audit Manual	As and when required	
5.2	Advisory role for Project Management of accounts at Centres including projects	As and when required	
5.3	Updates/Changes in Statutory Laws	As and when required	
5.4	Issue of Utilisation of Certificate against Project	As and when required	

24. Audit Procedure & Objective:-

To study the accounting procedures prescribed with a view to ensure that procedures followed are correct and leave no room for ambiguity/ lacunae etc.

To check and scrutinize the payments and accounting thereof to ensure that the payments made are strictly in conformity with the sanction issued by the competent authority and do not infringe in any way the financial regularity.

To ensure that the accounts have been maintained in the forms prescribed by the Authority.

To keep a watch over the implementation of the prescribed procedures and orders issued from time to time

The detailed procedures for procurement of stores and services, maintenance of accounts are contained in the relevant chapters of the Manuals, to determine:-

- i. Receipts are properly recorded, classified and reported.
- ii. Due amounts 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) All vouchers / notes and cheques are entered on daily basis in the Cash book.
- b) Cash balances agreed in the cashbook every month.
- c) Inspection conducted periodically and findings thereon are noted in the Cash book.
- d) Huge balances of cash are not kept without justification for unduly long period. Petty cash balances are reconciled and reviewed.
- e) 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.
- f) Bank reconciliation statements are checked to ensure that all the transactions due are adjusted. Cheques deposited are properly credited and action taken for cheques yet to be credited. If any cheque requires revalidation action to revalidate the cheque in question has been taken. Audit should prepare a statement for inclusion in audit report of such cases.
- g) Accounting records, collections, journal entries, cash short-age etc. should be reviewed and checked with the supporting documents of transactions.

24.1 Cash / Cheque Payment and Audit:-

The competent authority has sanctioned the expenditure.

The rates are reasonable and competitive with reference to the comparative statement of 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 in accordance with the provisions of the contract.

Purchase procedures have been followed.

The bill for purchase of stores / services accompanied by a receipt / 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.

Invoices have been submitted in detail for audit review.

In the cases of service contract for maintenance services, the concerned section should maintain a record of visits and jobs per-formed. Delay in attending calls is noted in the call register. Audit should review the performance with a view for improvement of the contractual agreement in future.

The sections/ departments concerned are maintaining the contract registers to see that the payments are made on date as per contractual agreement. Security deposit and bank guarantee given by the contractor are recorded in the register. The life of bank guarantee corresponds to the period of contract.

24.2 Projects and Programmes- Audit thereof:-

The projects are financially viable.

The expenditure incurred is as per approved budget and as per set norms under the authorized heads of accounts.

Audit should obtain a list of such programmes during the period of audit. Select a programme/project during the period for detailed study.

Obtain copies of approved sanctions with copies of the actual in-come and expenditure for the selected project/programme.

Audit should verify the budgets are for authorized items and according to the scale.

Verify whether the fees fixed by the sponsoring organization are reasonable for the programme/project.

24.3 Payment of Pay bills, advances bills and Related registers

As per Schedule A to Schedule C the following format for the related task should be annexed.

25. Audit Objectives:

25.1 Monthly salary is drawn as per entitlements with reference to authorized/sanctioned strength, if any, for any department.

25.2 Loans and advances paid to the office staff are recovered regularly along with the interest wherever recoverable.

25.3 Recoveries like Income tax, provident fund, refund of advances, etc are recovered correctly.

25.4 Verify that the refunds of advances and interest thereof recovered from the pay bills have been posted in the Registers maintained for the purpose and the monthly total agree with that recovered from the pay bills.

25.5 A month of pay bill be selected for detailed audit.

25.6 Register of payment of TA/ DA advances should be verified to see that advances paid have been got adjusted in time and the bill for adjustment have been submitted within 30 days of the completion of tour. Action has been taken for any delayed submission of claim where advance has been taken. A list of such outstanding cases included in the audit report.

25.7 Other claims such as LTC, Medical reimbursement, retirement benefits should be subject to scrutiny and to watch that the claims are in accordance with the prescribed provision of rules.

25.8 The reports and records required to be submitted to the HO are maintained properly and kept up to date. Calendar of returns submitted to the authorities is regular. Returns submission is on time and in the formats prescribed.

25.9 Verify the investment registers to ensure that interest has been received on due dates and renewed on the expiry period of investment.

25.10 Audit is to ensure that the Building register, for capital cost of buildings, including repairs and renovations is maintained properly.

25.11 The dead stock register is maintained for entering dead stock articles purchased and issued. Verify that the register is up to date in posting all the items and the unserviceable stores are disposed of after proper sanction obtained. Annual stock taking is undertaken and verified. If any shortcoming is noticed it should be included in audit report.

25.12 Library books accession register is maintained and verification of books is done once in 5 years and a note to this effect has been made in the Register.

25.13 The Institute contribution and interest payable on PF are calculated correctly. Verify that provident fund has been deposited for earning interest as per decision of the Board.

26. Inspection of centres:

Annual Inspection of centres will be carried out by Vice President or Director General-Technical. The Calendar for the same will be circulated annually by Head Office.

27. Maintenance of accounts at DKNMF.

The following guidelines are furnished for necessary compliance in the center. It may be ensured by all concerned in the center that these are strictly followed.

27.1 Accounts Section:- following documents may be maintained-

27.1.1 Cash Book : - Cash book should be maintained on a prescribed format only duly page numbered. It should be closed daily with dated initial of the cash officer.

27.1.2 Bill Register : - This register is required to be maintained to record the bills received for payment and to know the status of bills at any stage and outstanding bills for payment.

27.1.3 Advance Register : - All the advances relating to staff and contractors should be maintained on separate registers and may be recorded immediately after releasing the payment in cash or by cheque. Its adjustment is required to be made strictly within one of completion of work.

27.1.4 Payment Register : - All the payment should be recorded in the Register.

27.1.5 Cheque Issue Register : - All the cheque issued may be recorded Bank wise with complete details and each entry may be reconciled on receipt of statement from the concerned Bank.

27.1.6 Valuable Register : - All the cheques received in the centre may be recorded in this Register with complete information regarding date of encashment received from the concerned Bank. In case the cheque is not found encashed within stipulated time at the time of reconciliation of A/c the reason may be enquired from from the Bank

27.1.7 D.D. Issue Register: - All the DDs issued from the Centre should be recorded with reference to the

concerned cheque No issued for the purpose.

27.1.8 Debit Note Register: - may be maintained to record the entries of Debit note issued from the center and the same should be reconciled by obtaining the acknowledgements.

27.1.9 Expenditure-cum-Budget Register: - Register should be maintained with Index and Main head and Sub head wise. Budget allocated should be recorded at the time of sanction and all the expenditure may invariably be recorded daily in this register head wise so as to control the expenditure as per budget allocated for the centre and avoid any over expenditure for each head.

27.1.10 DDF Register: - Register should be maintained to record the DDF amount of the centre department wise so as to know the readily available balance for use at any stage.

27.1.11 Pay Bill Register : - To record the details of payment as per entitlement of the staff, regular deductions to be made and also no. of installment of recoveries to be made for each month at the time of release of pay of a particular month through the Pay Bill.

27.1.12 TDS Payment Register: - To record the TDS collected each month for onward payment to the Govt. on due date as prescribed. Instruction for Do's and Don't for tax deduction at source (TDS) have been enclosed for guidance please.

27.1.13 Security Register: - This register should be maintained to record the security received from a Contractor and date of its payment to him so as to avoid duplicate payment etc.

A separate register should be maintained to record the security deposited by the DKNMF with some other Agency so as to timely receive it back after completion of the job.

28. Purchase Department:

Purchase policy as contained in DKNMF Manual should be strictly followed while making purchases of the Centre and a JCC certificate may be obtained for records and following documents should be maintained to record the purchases. Other documents/Registers should be maintained as hereunder:

28.1 Purchase Order Register:- Register should be maintained to record all purchase by the P.O. in order to monitor the steps for purchase provided in the manual.

28.2 Tender Issue Register: - All the purchases made through tender should be recorded.

28.3 Fixed Assets Register: - Register should be maintained with Index and each item of asset should be recorded on a separate page as per its specification and location should be recorded in the remarks column in the register. Accessories No. should also be printed on all the Fixed Assets.

29. Consumable Register: -

All consumable items procured for the centre should be recorded at a different page allotted in the register and an Index may be prepared to locate the item in the register. All column should invariably be completed to assets the store available for use at any stage **Establishment Section.**

30. Human Resources Department Register:

30.1 Attendance Register: - Each department should maintain an attendance Register for keeping a record

of attendance/ absence and submitted to the supervising staff daily as per instruction contained in the attendance Register.

30.2 Gate Pass: - A record of gate pass should be maintained with the security of the Centre for each visitor and stores/ goods coming in and moving out of the Centre.

30.3 C.L. Register: - The register should be maintained for each department separately duly page numbered and C.L. availed by the Officer/individual should be recorded therein.

30.4 Establishment Register: - This Register should be maintained to record particulars of each staff member enrolled in the Centre.

30.5 Delegation Powers: - to record the delegation powers for each officer with date of effect and amend the same on subsequently revision from the Head office.

30.6 Register for Contract Agreement of services: - To be maintained to record the period of service agreed to for contract by the competent authority and watch that contract is renewed within contractual time approved by the competent authority.

30.7 Register of Section Order/Office Order: - All the Section Order/ Office Order should be recorded for future reference.

30.8 Inward Dak Diary Register: - All the Dak received in a centre may be recorded therein by recoding diary No. on each letter received for different department of the Centre. Separate Register should be maintained for letters received from Head Office. These letters may be shown to Director/ Registrar on daily basis for immediate action as these may carry important information therein.

30.9 Dispatch Register: - All the Dak to be sent from centre may be recorded therein and expenditure recorded against each letter. A separate register may be maintained for ordinary, speed post and courier post.

31. Other/Misc. Register:

31.1 Register of Registers: This should be maintained to record the number of registers opened in the centre with brief details of the subject for which the Register has been opened. A control number should also be allotted to each register for keeping a proper record.

31.2 Register of Files: All the files opened in the centre may be recorded in this register by providing a fixed number of series for each department/Faculty.

32. Resource Centre:

1. Accessing Register for Books/ Periodicals:-Separate Register should be maintained to record the Books and periodicals.
2. Stock Register: Stock register of the historical artistic value should be maintained.

33. Building Department:

No.	No.	Date	favour of			No.	Date		
1	2	3	4	5	6	7	8	9	10

SCHEDULE D: SCHOLARSHIP UTILIZATION CERTIFICATE

a) Opening Balance as on 1st April Rs _____

b) Funds received from
Vide letter No _____ dated _____ Rs _____

c) Interest earned on grant available for TEQIP
only during the year (31st March 200....) Rs _____

d) Other Income Rs _____

e) Expenditure Rs _____

Unspent Balance Rs. _____

Certified that a sum of Rs. _____ (Rupees _____) only was received by _____, from State Government as per letter number and date mentioned above.

It is also certified that out of the above-mentioned funds of Rs _____ (Rupee _____) only, a sum of Rs. _____ (Rupees _____) only has been utilized by the Institution for the purpose for which it was sanctioned. It is further certified that an unspent balance of Rs. _____ (Rupee _____) only is being carried forward for utilization in the next year.

We further certify that the conditions on which the grant was sanctioned have been fulfilled and where there have been any deviation from the sanctioned amount it is with prior approval of the concerned authority. We have exercised reasonable checks to see that money has been actually utilized for the purpose for which it was sanctioned.

(Name and Address of Chartered Accountants Firm)
Seal of Chartered Accountants Firm

Signature
Date: _____

Place: _____

