

Amity University, Haryana

Policy on Financial Matters (PFM)

1. **Policy on Financial Matters:** For all practical purposes, the following regulations, rules and procedures are called the 'Policy on Financial Matters' (PFM) of the Amity University Haryana.
2. **General:** Many of the rules and principles have been drawn from the General Financial Rules 2005 of the Government of India but are not necessarily restricted to those provisions.
3. **Initiation:** The PFM has been in existence from 2010 but has undergone revisions and updating from time to time.
4. In these rules, the following **Definitions** apply –
 - (i) "Chief Finance & Accounts Officer" or the CFO means the Head of an Office of Accounts of the AUH;
 - (ii) "Administrator(s)" refer to the statutory authority/-ies of the University;
 - (iii) "Appropriation" means the assignment, to meet specified expenditure, of funds included in a primary unit of appropriation;
 - (iv) "Audit Officer" in the context of AUH is an external agency whose representative(s) examine the AUH financial files;
 - (v) "Competent Authority" means, in respect of the power to be exercised under any of these rules, the Chancellor of AUH or such other authority to whom the power is delegated by or under these rules, such as Vice-Chancellor or the Deputy/Pro-Vice-Chancellors of AUH; and
 - (vi) "Controlling Officer" means an official of the Dean/Director/Head of Institution/School/Centre with the responsibility of controlling the incurring of expenditure of certain part of AUH funds. The term includes a Head of Department and also a PI or Principal Investigator of a Project.
5. **Hierarchy:** As per Statutes of the University, the Chief Finance & Accounts Officer of the University will be responsible for overall financial transaction, systematic record maintenance, preparation of Balance sheet and then get the balance sheet audited by the competent auditors appointed by the Governing Body of the University. The CFAO reports to the Vice Chancellor of the University.
6. **General Principles:**
 - 6.1. All moneys received by or on behalf of the AUH either as dues from Projects, Endowments or Donations, or from fee/security/penalty deposits, remittance or otherwise, shall be brought into University's Account without delay, in accordance with such general or special rules as may be issued from time to time.
 - 6.2. It is the duty of the officials under the CFO to ensure that the receipts and dues are correctly and promptly assessed, collected and duly credited to the AUH Funds or to the RBEF Account as the case may be.

- 6.3. Detailed rules and procedure regarding assessment, collection, allocation, remission and abandonment of revenue and other receipts shall be laid down in the regulations of the AUH for the same.
- 6.4. Amounts due to AUH shall not be left outstanding without sufficient reasons. Where such amounts appear to be irrecoverable, the orders of the competent authority shall be obtained for their adjustment. It will be the endeavour of the Registrar and the HoIs to ensure that this process is duly carried out in recovering all dues.
- 6.5. In general, no sums shall be credited as revenue by debit to a suspense head. The credit must follow and not precede actual realization. An Administrator or a Head of a Department responsible for the collection of revenue shall keep the CFO's office fully informed as to the progress of collection of revenue under his control and of important variations in such collections as compared with the Budget Estimates.
7. **Rent and Recovery:** As for Rents of buildings, spaces and lands for specific purposes, it will be the responsibility of the General Administration of AUH for the due recovery of the rent thereof. The procedure for the assessment and recovery of rent of any building hired out will be regulated generally by the rules applicable to residences under the direct charge of the Director, Administration. The detailed rules and procedure, regarding the demand and recovery of rent of buildings and portions allotted to employees will be specified by the officials (DSW or Director, Admin) in charge of those buildings. The Director, HR office will coordinate with them in making recoveries etc possible.
8. **Fine and Penalty:** Every authority having the power to impose and/ or realize a fine where necessary, after giving due notices, and he/she shall ensure that the money is realized, duly checked and deposited into the AUH accounts designated for these purposes.
9. **Refund:** Every authority having the power to refund fee or deposits or fines shall ensure that the refunds are checked and no double refunds of amounts collected or refunds of fines not actually paid into a treasury or bank as the case may be, are made.
10. **Miscellaneous Demands:** The CFO shall watch the realization of miscellaneous demands of Government, not falling under the ordinary revenue administration, such as contributions from State Governments, Local Funds, contractors and others towards establishment charges.
11. **Major Activities:**
- a) Disbursement of salaries to the faculty and staff and other officials of the University
 - b) Receive payment towards Academic Fee/ Hostel Fee /Transport Fee from the students and issue receipt.
 - c) Make payment towards refund of Security Deposit after the end of the course (s) by the students
 - d) Make payment to the persons who have withdrawn after having made payment towards the course. This is regulated as per UGC guidelines.
 - e) Day to day expenditure control
 - f) Preparation of Annual Budget

- g) Prepare Balance sheet and get the same audited by the Auditor appointed by the Governing Body. A copy of the Audited report is required to be sent to DGHE.
- h) Disbursement of Funds to the events like Conferences/seminars/ workshops etc taking place in AUH.
- i) Disbursement of Funds to the Faculty proceeding to attend International /National Conference/ seminar etc in an outside location subject to the approval limit.
- j) Disbursement of Scholarship amount to the students.
- k) Settlement of advances taken by the individuals before the stipulated time.
- l) Making /receiving Foreign remittances wherever required
- m) Any other matter related to Finance & Accounts.

12. Processes:

- a) Students related matters like refund of security / payment towards withdrawal from the course are processed by the Registrar's Office as per laid down procedure of UGC/AUH.
- b) For all other payments either the HOI of a school/Institute must raise a demand for any activity like conference/seminar etc and after completion of the activity, settle the bill directly with Accounts as per laid down procedure.
- c) The salaries are to be disbursed as per the statement forwarded by the HR section with various deductions incorporated towards LWP/House rent/ Electricity charges/ Transport charges etc. Payment of Maternity Leave and Full and Final settlement of Accounts of any individual resigning from the AUH is made after approval of competent authority and bill raised by HR individually.
- d) Preparation of Balance sheet for each Financial year is an in-house activity of the Finance & Accounts section and it is a mandatory activity.
- e) Budget is prepared after consolidating the demand of all the schools/Institutes/ Departments of the University and approved by the Governing Body /Chancellor.
- f) Scholarship to students will have to be disbursed on receipt of approval from the competent authority only.
- g) The CFAO, AUH also consults Chief Financial Officer of RBEF whenever necessary.
- h) All other miscellaneous payments are to be disbursed after the approval of Vice-Chancellor has been obtained. This includes Postage charges/ TA DA / payment of miscellaneous repairs and maintenance etc.
- i) For all projects, the Utilization Certificate is issued to the Funding Authorities as per their format.

13. Propriety and Vigilance:

- a) Every officer incurring or authorizing expenditure from AUH funds should be guided by high standards of financial propriety.
- b) Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers.
- c) Among the principles on which emphasis is generally laid are the following:
 - (i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from AUH moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
 - (ii) The expenditure should not be prima facie more than the occasion demands.

- (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv) Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people,
- (v) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.
- (vi) All sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met.
- (vii) All proposals for sanction to expenditure, shall indicate whether such expenditure can be met by valid appropriation or re-appropriation.
- (viii) In rare cases where it become necessary to issue a sanction to expenditure before funds are communicated, the sanction should specify that such expenditure is subject to funds being communicated in the Budget of the year.
- (ix) All rules, sanctions or orders shall come into force from the date of issue unless any other date from which they shall come into force is specified therein.

14. **Delegation of Financial Powers:** The financial powers of the University Authorities could be delegated to various subordinate authorities vide a Delegation of Financial Powers mechanism. The financial powers, which have not been specifically delegated to a subordinate authority, shall vest in the Chancellor or Vice-Chancellor as the case may be.

15. **Sanction of Posts:** Orders sanctioning the creation of a permanent/temporary post (Teaching/administrative/non-teaching) should, in addition to the sanctioned duration (whether permanent or for a given duration), invariably specify the date from which it is to be created.

16. **Sanction of Amounts:** All financial sanctions and orders issued by a competent authority shall be communicated to the CFO. The procedure to be followed for communication of financial sanctions and orders will be as under:-

- (i) All financial sanctions obtained by the HoIs/Deans/Directors/Heads or Principal Investigators of Projects from the Vice-Chancellor/Dy Vice-Chancellor or Pro-Vice-Chancellor which relate to a matter concerning the Institute/School/Department/ Centre or a Project and on the basis of which payment is to be made or authorized by the CFO, should be communicated to him in advance.
- (ii) All other sanctions should be accorded in the form of an Order, which need not be addressed to CFO's office, but a copy thereof should be addressed to or endorsed to the Accounts Officer concerned.
- (iii) In the case of non-recurring contingent and miscellaneous expenditure, the sanctioning authority may, where required, accord sanction by signing or countersigning the bill or voucher, whether before or after the money is drawn, instead of by a separate sanction. (iv) All orders conveying sanctions to expenditure of a definite amount or up to a specific limit should express both in words and figures the amount of expenditure sanctioned.
- (iv) All orders conveying sanctions to the grant of additions to pay such as Special Allowance, Personal Pay, Arrears etc., should contain – from the Director, HR a brief summary of the reasons for the grant of such additions to pay so as to

enable the CFO to see that it is correctly recorded/termed as Special Allowance, Personal Pay, etc., as the case may be.

17. **Audit Purposes:** Copies of all sanctions or orders should be endorsed to the Audit Officers/ Agencies appointed by the AUH. A subordinate authority under FO shall afford all reasonable facilities to the Audit Officer or Accounts Officer for the discharge of his functions, and furnish fullest possible information required by him for the preparation of any official account or report.
18. **Lapse of Sanctions:** A sanction for any fresh charge shall, unless it is specifically renewed, lapse if no payment in whole or in part has been made during a period of twelve months from the date of issue of such sanction. However, a sanction in respect of an addition to a permanent establishment, made from year to year under a general scheme by a competent authority, or in respect of an allowance sanctioned for a post (teaching or non-teaching), but not drawn by the employee(s) concerned, shall not lapse.
19. **Report of Losses:** Any loss or shortage of moneys, revenue or receipts, stamps, stores or other property held by, or on behalf of, Amity University Haryana - irrespective of the cause of loss and manner of detection, shall be immediately reported by the subordinate officials concerned to the higher authorities as well as to the CFO, even when such loss has been made good by the party responsible for it. The exception will be petty losses in a few hundreds of INR, or due to mistakes in assessments which are discovered too late to permit of a supplementary claim being made, or refunds allowed on the ground that the claims were time-barred. Any amount lost through misappropriation, defalcation, embezzlement, etc., may be redrawn on a simple receipt **pending inquiry or investigation**, recovery or write-off with the approval of the authority competent to write-off the loss in question. Action at each stage of detection, reporting, write off, final disposal, in cases of losses including action against delinquents and remedial measures should be completed promptly
20. **Responsibility for Losses:** After a full enquiry as to the cause and the extent of the loss has been made, the detailed report should be sent by the subordinate authority concerned to the Chancellor through the proper channel; a copy of the report or an abstract thereof being simultaneously forwarded to the CFO. An officer shall be held personally responsible for any loss sustained by the University through fraud or negligence on his part. He will also be held personally responsible for any loss arising from fraud or negligence of any other officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.
21. **FIR with Police:** All losses above the value of Rupees ten thousand due to suspected fire, theft, or fraud of a serious nature, etc., shall be reported to the Police for investigation as early as possible. Once the matter is reported to the Police Authorities, all concerned should assist the Police in their investigation. A formal investigation report should be obtained from the Police Authorities in all cases, which are referred to them.
22. **Budgeting:** The budget shall contain the following:
 - (i) Estimates of all Revenue expected to be raised during the financial year to which the budget relates.
 - (ii) Estimates of all Expenditure for each programme and project in that financial year.
 - (iii) Estimates of all interest and debt servicing charges and any repayments on loans in that financial year.
 - (iv) Any other information as may be prescribed.

23. **Receipt and Expenditure Estimates:** The detailed estimates of receipts and projected expenditure will be prepared by the estimating authorities under the CFO or HOs under the direction of CFO separately for each Major Head of Account in the prescribed form.
24. **Financial Statement:** The form of the Annual Financial Statement and Demands for Grants wrt each administrative unit of AUH shall be laid down by the CFO under the direction of the Head Office, and generally no alteration of arrangement or classification shall be made without the approval of the Chancellor. The sub-heads under which provision for expenditure will be made in the Demands for Grants or Appropriation by any unit of AUH shall be prescribed by the CFO in consultation with the Administrative Head of Finance in the HO.
25. **Responsibility for control of Expenditure:** The CFO shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at his/her disposal. The control shall be exercised through the Heads of Institutions/Schools/Departments and other Controlling Officers, if any, and Disbursing Officers subordinate to CFO. A Grant or Appropriation can be utilised only to cover the charges (including liabilities, if any, of the past year) which are to be paid during the financial year of the Grant or Appropriation and adjusted in the account of the year. No charges against a Grant or Appropriation can be authorized after the expiry of the financial year. No expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by the HO/Vice-Chancellor. Where the Controlling Officer finds defects in any of these respects, he/she shall take steps to rectify the defect. The CFO should report to the Vice-Chancellor and other concerned authorities immediately on the first appearance of any disproportionate expenditure, particularly in respect of recurring items of expenditure under any grant or appropriation or a primary unit of appropriation thereof. However, the authority administering a grant/appropriation is ultimately. The officers under the CFO incurring the expenditure will be responsible for seeing that the allotment placed at its disposal is not exceeded. Where any excess over the allotment is apprehended, the subordinate authority should obtain additional allotment before incurring the excess expenditure.
26. **Re-appropriation of Budget Heads:** Subject to the provisions of Rule 14 of the Delegation of Financial Powers Rules, and also subject to such other general or specific restrictions as may be imposed by the Governing Body or Board of management in this behalf, re-appropriation of funds from one primary unit of appropriation to another such unit within a grant or appropriation (whether in the university budget or in the project/grant budgets), may be sanctioned by a competent authority at any time before the close of the financial year to which such grant or appropriation relates. Re-appropriation of funds shall be made only when it is known or anticipated that the appropriation for the unit from which funds are to be transferred will not be utilized in full or that savings can be effected in the appropriation for the said unit.
27. **Advance from Contingency Fund :** When a need arises to incur unforeseen expenditure in excess of the sanctioned grant or appropriation or on a new service not provided in Budget and there is not sufficient time for placing the Supplementary Demand before the HO before close of the financial year, an advance from the Contingency Fund set up could be obtained from the authorities before incurring the expenditure. An advance from the Contingency Fund shall also be obtained to meet expenditure in excess of the provisions for the service included in an Appropriation The application for an advance from the Contingency Fund should indicate *inter alia*

the particulars of the additional expenditure involved and the sanction to the advance has also to indicate the sub-head and the primary unit of the Grant to which the expenditure appropriately relates.

28. **Preparation and presentation of Accounts :** Accounts of the AUH shall be prepared every year showing the receipts and disbursements for the year, surplus or deficit generated during the year and changes in liabilities and assets, if any – to be placed before the Finance Committee and the Governing Board. The accounts so prepared shall be certified by the appointed Auditor of AUH or RBEF. The report of the Auditor relating to these accounts shall be submitted to the Chancellor as Chairperson of the GB.
29. **Principles of Accounting:** The main principles according to which the audited accounts of the University shall be maintained should be stated in terms of the Accounting Rules of all Amity Universities as laid down by the RBEF. Detailed rules and instructions relating to the forms of the initial and subsidiary accounts to be kept and rendered by the CFO may be laid down in the respective Accounts Manuals of the AUH relating to different budget heads/subjects by the Board of Management of AUH.
30. **Period of Accounts & Currency:** The annual accounts of the AUH shall record transactions which take place during a financial year running from the 1st April to the 31st March thereof. The accounts of the University shall be maintained in Indian rupees. All foreign currency transactions and foreign aid shall be brought into account after conversion into Indian rupees.
31. **Classification of Heads of Accounts:** As a general rule, classification of transactions in AUH Accounts, shall have closer reference to functions, programmes and activities of the University and the object of revenue or expenditure, rather than the department in which the revenue or expenditure occurs or is generated. It is divided into Major Heads (comprising Sub-Major Heads wherever necessary) and Minor Heads as may be necessary.
32. **Capital and revenue expenditure :** The allocation between capital and revenue expenditure on a Capital Scheme for which separate Capital and Revenue Accounts are to be kept separate, and shall be determined in accordance with such general or special orders as may be prescribed by the GB/BoM. The Capital receipts during construction mainly to be utilized in reduction of capital expenditure. Thereafter their treatment in the accounts will depend on circumstances, but except under special rule or order of GB/BoM, they shall not be credited to the revenue account of the department or undertaking. Expenditure on account of reparation of damage caused by extraordinary calamities such as flood, fire, earthquake, enemy action, etc., shall be charged to Capital, or to Revenue, or divided between them, depending upon whether such expenditure results in creation/acquisition of new assets. As a general rule, capital cost of works which are non-productive in nature is met from ordinary revenues.
33. **Authority to open a new Head of Account:** The CFO, with the permission of the GB or BoM will be authorized to open and operate a new bank Account, should a requirement arise from time to time. Each Cheque will have co-signatories as may be decided by the BoM for this purpose.
34. **Classification should be recorded in all the bills and challans:** Suitable classification shall be recorded by the officials concerned on all bills drawn by them. Similarly, classification on challans crediting AUH money into the Bank shall be indicated or recorded by Officers responsible for the collection of dues, etc. In cases

of doubt regarding the Head under which a transaction should be accounted, the matter shall be referred to the CFO.

35. **Adequate regulations to be framed:** Where accounts are maintained for the purpose of assessment of the cost of an article or service, or for import of an item, the Head of the concerned unit shall ensure that adequate regulations are framed with the approval of Governing Board (GB) in order to ensure that the cost deduced from the accounts is accurate and true.
36. **Adjustments:** Adjustment shall always be made unless otherwise agreed upon- (a) If a unit or department or the store section of a department is concerned, or (b) If under the operation of any rule or order of the grant giving authorities, an adjustment would have been made for particular transactions, and also for petty and isolated claims.
37. **Projects jointly executed by several Parties:** In the case of Joint Projects, jointly executed by several institutions, or with a Government Department, where the expenditure is to be shared by the participating institutions/parties as per agreed upon proportions as laid down in the MoUs or Agreements, but the expenditure is *ab-initio* incurred by one party and shares of other participating party recovered subsequently; such recoveries from other party shall be exhibited as abatement of charges under the relevant expenditure Head of Account in the books of the AUH incurring the expenditure initially.
38. **Adjustments with foreign Governments:** Unless exempted by Government by general or special orders, services shall not be ordinarily rendered to any foreign Government or non-Government body or institution or to a separate fund constituted as such except on payment.
39. **Procurement of Goods and Services:** The term 'goods' used in this chapter includes all articles, material, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant etc. purchased or otherwise acquired for the use of University but excludes books, publications, periodicals, etc. for a library. The University may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time frame for its completion or outsource certain services. Once the specifications in terms of quality, type etc., as also quantity of goods to be procured are decided and approved by the authorities, tenders should be invited following a fair, transparent and reasonable procedure. The AUH may go for a Rate Contract, or select a vendor out of Registered outlets, or call for Limited/Single Tenders or by Advertised Tendering – as the case may be, by following the standard procedures. Purchase of goods without quotation should be restricted to a certain amount in maximum by a Purchase Committee.
40. **Maintenance Contract :** Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery for the AUH laboratories or classrooms
41. **Advance & Part Payment:** Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases: (i) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc. (ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts etc. These exceptions could be made subject to approval of the authorities. Depending on

the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

42. **Terms of Reference (ToR) for Consultants:** The TOR for Services of Consultants should include: (i) Precise statement of objectives; (ii) Outline of the tasks to be carried out; (iii) Schedule for completion of tasks; (iv) The support or inputs to be provided by the University to facilitate the consultancy; and (v) The final outputs that will be required of the Consultant.
43. **Outsourcing of Services :** AUH may outsource certain services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the basic guidelines. A list of likely and potential contractors on the basis of formal or informal enquiries will be made for this purpose.
44. **Outsourcing by Choice :** Should it become necessary, in an exceptional situation to outsource a job to a specifically chosen contractor, the Competent Authority of the AUH may do so in consultation with the CFO. In such cases the detailed justification, the circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve shall form an integral part of the proposal.
45. **Inventory Management:** While receiving goods and materials from a supplier, the officer-in-charge of stores should refer to the relevant contract terms and follow the prescribed procedure for receiving the materials. All materials shall be counted, measured or weighed and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the required specifications and there is no damage or deficiency in the materials. The materials and/or equipment may then taken to Stock/asset Register, as the case may be