

FINANCE POLICY



Since 1947

PSG College of Arts & Science

Autonomous & Affiliated to Bharathiar University
Accredited with 'A' Grade Level by NAAC (3rd Cycle)

College with Potential for Excellence
(Status Awarded by the UGC)

Star College status awarded by the DBT-MST

An ISO 9001:2015 Certified Institution

Civil Aerodrome Post

Coimbatore - 641 014

FINANCE POLICY

Preamble

PSG College of Arts & Science was founded by PSG & Sons' Charities Trust, with the vision to make education accessible to all, in pursuit of knowledge. The founders envisaged charity through education and founded this Premier Institution, which scales up from one quality parameter to another, providing the best of services to its beneficiaries.

In addition to the legislative and professional practice related compliances, a large part of the funding received by the College is governed by the terms and conditions attached by funding agencies. These stipulations require the College to have an effective system of financial practices, internal controls, and reporting systems.

The authority to establish this procedure is derived from the Managing Trustee, who delegates responsibility for the financial planning and the related activities of the College to the Secretary and Principal, who in turn formulate policies and procedures, specifically for the purpose.

Purpose

The purpose of the finance policy is to:

- Prescribe policies for financial transactions taking place in the Institution, so as to ensure that those handling the processes shall abide by the defined procedures
- Ensure that the College complies with all statutory requirements
- Ensure adequate availability of finance
- Mobilize and utilize funds effectively and efficiently
- Maintain sustainable fund flow in the determined areas, for continual institutional development
- Obtain grants for academic reformation
- Safeguard the assets of the College

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Scope

The policy will cover the input, processing, output, control and distribution of financial data. It pertains to

- Ensuring that the books of accounts are prepared in conformance to the Generally Accepted Accounting Procedures (GAAP) and statutory requirements.
- Enabling the management to obtain accurate and timely financial reports thereby promoting sound financial management.
- Assuring correct and responsible use of funds and other resources.

Policy

- The College will ensure that financial management activities and practices provide appropriate and effective utilization of all College funds.
- The College will conduct its financial operations based on the following principles:
 - i) Comply with the terms and conditions applicable as per the legislation, College policies and procedures, and fund providers
 - ii) Estimate the financial and nonfinancial results, which would encourage a forward focus, highlighting the key drivers and risks, in support of informing and creating proactive action plans.
 - iii) Collect revenue and fees, disburse payments, financial transactions of the college and proper accounting thereof, and all incidental matters including correspondence relating thereto, as per the Accounting Standards and Procedures.
 - iv) Leverage technology wherever appropriate

Budget

- Develop an operating and capital budget, on an annual basis, such that the college conducts its operations within these budgets, as they relate to the priorities and directions outlined in the strategic plan.
- Prepare the Annual Financial estimates, every April, for the ensuing year, based on the requirements received from the departments for the following activities:

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- Infrastructure
 - Academics (Eg: BOS, Lab, Seminars, etc.)
 - Seed Money for Research
 - Maintenance
 - Salary
 - Equipments
 - Staff and student training
 - Cultural and Sports events
- Get the estimates approved by various committees and Board of Management and circulating the same to concerned departments.
 - Preparation and presentation of annual financial estimates, annual accounts and balance sheet.

Sources of Funds

- Various sources of funds received by the College include
- Government - for Grant-in-aid Programmes
- Student fees
- Government Agencies (Infrastructure, research, etc.)
- Non-governmental agencies
- Individuals/ Alumni sponsors
- Management
- Consultancy
- Incubation Center
- Student Council
- Department Association

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Expenditure

- Purchase proposals submitted by departments and sections
(These proposals are submitted along with the Administrative authorization, for which financial sanction is provided by way of Sanction Order)
- Purchase of equipment
(Such purchases beyond the powers of the concerned officers are done only with prior permission from the Managing Trustee)
- Expenditure approved by the Board in the annual financial estimates
(Prohibit over expenditures, except in approved situations)

Scholarships/Free ships

- Ensure that students are notified of available scholarships from the government/ Individuals/Alumni every academic year.
- The eligibility conditions of the scholarships as per the awarding bodies are notified to the concerned stakeholders appropriately.
- All the financial transactions related to scholarships from government agencies are carried out through PFMS / DBT which are PAN/AADDHAAR linked.

Research Grants

- Forwarding proposals to funding agencies like Government of India, UGC sponsored schemes, ICAR, ICSSR, DBT, etc.
- Receiving all grants from funding agencies and maintaining accounts thereof.
- Maintaining accounts for schemes sponsored by Government and Private bodies
- Preparing and documenting audited statements, utilization certificates and technical reports for the funds received for projects from funding agencies.

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Pension

- Processing of pension proposals of all permanent employees of the College and forwarding the same to concerned department
- Sanction of pension, revision of pension and other arrears, commutation, family pension, life-time arrears of the deceased pensioners, Family Security Fund.
- Issue of pension payment order books to first-time pensioners, issue of duplicate books whenever requested.
- Payment of pension, commutation, Family pension, Family Security Fund and other arrears
- Maintenance of pensioner records and service registers.

Insurance

- Group Insurance scheme implementation and maintenance.
- ESI implementation and maintenance for the employees as per the provisions of the Act.

Audit

- Maintaining appropriate and effective systems of internal controls with the emphasis on data integrity and optimizing utilization of available resources.
- Enabling and supporting internal and external audits of the funds received by the College through tuition fee, grants from government agencies and alumni.
- Acknowledging the receipt of money from any stakeholder, immediately, with proper receipts.
- Presenting the books of accounts and documents for the concurrent audit conducted by the audit team of the accounts department of the PSG Trust.
- Presenting the books of accounts and documents for the Annual Audit conducted by the Chartered Accountant appointed by the Management.
- Submitting the reports to the Managing Trustee for further action.

