

BAPATLA ENGINEERING COLLEGE

BUDGET POLICY

1. POLICY:

The purpose of Budget Policy is to improve the process of budgeting and develop a common basis for assessing performance in terms of effective use of financial resources, as it requires the use of budgets to efficiently allocate resources and manage ongoing operations.

The objectives are

1. To provide excellent, consistent, and professional service to constituents regarding all budget matters.
2. To understand and guide the estimation of tuition and fees for students.
3. To ensure accurate budget information is provided for timely decision making by monitoring and controlling operational spending.
4. To develop and communicate budget guidelines and controls and budget spending procedures at all levels.

2. BUDGET PREPARATION:

The Program and Evaluation Committee with the assistance from the Administrative Office sends the Budget proposal templates to all Departments/Centers/Sections/Units at least one month before the finance Committee meeting to consider the budget proposal for the next financial year.

Each Department, Center, Section or unit of the College assigns to a Senior Staff member to coordinate the preparation of the Budget for concerned Department/Center/Section or unit.

The Head of the Department/Center/Section/Unit, after receiving the Budget proposal, places it before the Department Committee for approval and then forwards it to the Convener, planning and Evaluation committee. The committee overviews the completeness and correctness of the proposal, requests the Department/Center/Section/Unit for correction. The

committee prepares a consolidated budget with the help of the administrative office and submits all the proposals to the Principal by both hard and soft copies.

The Planning and Evaluation committee should coordinate the preparation of the Budget with all the Departments, Centers, Sections and the general administration. The Principal of the college is required to submit the consolidated budget of the next financial year to the Finance committee.

The Finance Committee of the College peruses the proposed budget with insight. After approval, the chair of the Finance Committee submits the budget to the Governing Body for approval.

The Governing Body of the college is responsible for approving the annual budget of the College. The Governing Body approves the budget in February-March prior to the beginning of the financial year (April 1-March 31) each year. The GB may revise the budget after the interim internal financial audit.

The principal communicates the approved budget Department/Center/Section/Unit wise for implementation. The Administrative and Accounts Office, led by the Principal, is responsible for all day-to-day financial operations of the College, including budget operations, and for ensuring that a system of sound internal controls is in place.

The Planning and Evaluation Committee assists the Departments/Centers/Sections/Units in preparing the operational Budget with scheduling of activities including procurement.

IQAC and the Planning and Evaluation committee prepares the templates for monitoring the implementation of the budget and the controls needed as per the College norms and guidelines. IQAC conducts the internal budget audit twice a year along with the academic audit and submits a report to the Principal.

The Principal places the report before the finance committee of the College for review and suggestions if any for modification of the budget. Principal may also request the head of the Department/Center/Section/Unit to submit any additional requirements above the sanctioned budget and to surrender the unutilized budget.

The chairman of the finance committee refers the recommendations of the finance committee to the governing Body of the College for final approval.

Budget Pool

The College treats all the budget allocated to non-recurring items within a department as a pool of budget funds, so that changes in the prices of some equipment can be accommodated without change in the total budget allocated.

The budget allocated to the student activities (co-curricular and extra-curricular) is also treated as a pool of budget funds to adjust the changes in the expenses of some activities considering the total expenses do not exceed the budget pool amount of these activities.

Funds shall not be co-mingled or transferred between these distinct budget pools without approval of the authorities

Delegation of Financial Powers

Decentralization of financial powers is essential for effective functioning of the College. In order to make it effective for accounting purposes and ease of governance, Imprest system is provided along with authority to expend as follows:

Centers/Sections/Units: An imprest of Rs. 5000 to be replenished from time to time after submitting the bills of the amount to the Principal. The Head/Convener of the Center/Section/Unit can authorize for payment a single bill of not more than Rs. 2,000. Beyond that amount, the bills must be submitted to the Principal for approval.

Departments: An imprest of Rs. 10000 to be replenished from time to time after submitting the bills of the amount to the Principal. The Head of the Department can authorize for payment a single bill of not more than Rs. 4,000. Beyond this amount, the bills must be submitted to the Principal.

Principal: The Principal can authorize for payment a single bill of not more than Rs. 10,000. Any bill beyond this amount, either from his office or from the Department/Center/Section/Unit must be referred to the management authority.

Budget Proposal Templates are given in Annexures I to X.

Amendments:

Any amendments to this policy must be approved by the Governing Body of the college.