



The South Indian Association's

The S.I.A. College of Higher Education  
Affiliated to University of Mumbai  
Accredited B+ by NAAC

“Beware of a little expenses.  
A small leak will sink a great ship”.  
By Benjamin Franklin

# Finance Manual

Policies & Procedures

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## Financial policy

To develop transparency, accuracy and efficiency in building a sound economic basis for the smooth functioning of the educational institution.

## Objectives

To establish stable relationship with various stakeholders for the smooth functioning of the financial system

To follow procedures meticulously within an economic framework for stability and sustainability

## Scope

This manual is to describe all the accounting procedures and to ensure that the financial statements are created according to the norms laid down by various entities and finances are managed properly by maintaining accuracy, efficiency and transparency.

## Pillars

- Management council
- Principal / Finance manager / operation manager
- Accountant

## Roll of Management council

- Reviews and approves the annual budget
- Reviews periodic financial statements and information
- Authorises payments to Employees, Contractors & Vendors
- Reviews and approves all the contracts / purchases
- Reviews and approves all extra-ordinary / contingency expenses
- Reviews/amends the accounting procedures and policies
- Reviews and approves all financial reports including cash flow
- Makes provision for fund deficiency

## Roll of Principal / Finance manager / operation manager

- Approves all the payments related to Bank/Cash/Salary
- Reviews all payrolls
- Approves cultural event / Seminars etc. expenses
- Approves advances/loans (Salary, cultural events & Salary)
- Reviews & monitors the budget periodically
- Maintains internal accounting controls and procedures
- Reviews and applies for fund deficit
- Reviews receivable accounts
- Monitors/ complies with the university/statutory payment
- Reviews financial reports

## Role of Accountant

- Cash/Bank Payments
- Fee Collection
- Monitor & follow-up of fee receivable accounts
- Cash/Bank Reconciliation
- Maintain cash flow
- Make statutory payment before due date (University Fee, TDS, PF, PT, IT etc.)
- Salary Processing and Payment
- Record procurements
- Attend (to) internal/statutory auditors
- Prepare Financial Reports
- Prepare Budget
- Compare Budget with Actuals
- Maintain Dead Stock Register
- Prepare MIS Reporting
- Prepare NAAC Reports
- Follow the Procedures & Policies laid by the management

## Accounting Policies

- ✓ Maximum cash balance should not exceed Rs. 2000/- at the end of the day.
- ✓ Encourage electronic payments, cash transactions should be avoided
- ✓ Fee collection to be deposited in City Union Bank and Punjab National Bank is to be used for salary, university and exam related payments only
- ✓ Before ordering any purchases, requisition slip should be filled with approval of principal and office superintendent
- ✓ Vendor's payment to be made fortnightly
- ✓ Every expenditure should be cross-checked with budgeted amount. For any contingency, special approval to be taken from the management and budget should be amended after discussing in the CDC meeting
- ✓ Student should pay full fees only; partial fee payment is allowed only under exceptional cases.
- ✓ Student's fees should be completed before end of the year else their result or hall ticket or noc/tc should not be issued. (In case of non-payment of students fees before the completion of the academic year, result, hall ticket, or NOC/TC is not issued)
- ✓ Expenses should be within budgeted amount.

## Procedures

### Cash Payments

As per the guidelines of the management, maximum of Rs. 2000/- can be kept as petty cash balance as the end of the day. Cash payments are settled on a day-to-day basis. Expense-vouchers which are recurring in nature are settled after the approval of office superintendent and principal. Cash Advance is also given in case of emergency with the approval of the principal.

## Bank Payments & Online Payments

All payments are made electronically. Payments are made after proper approval & authorisation. Accountant should gather the bank details and tax details of all the beneficiaries. Payments to Government, University & Municipal Corp. etc. need not require the approval.

**Payments to Vendors:** Accountant should check that the delivery of the material is received in full and signature of the receiver appears on the delivery note; the rates & quantity of the Invoice should match with the rates & quantity of the Purchase Order and the invoice is to be authorised by the higher authority. "PAID" stamp should be put on the invoice after the payment is made.

**Payment to Contractors:** Accountant should check that the rates mentioned on the bill match with the contract approved by the College Authorities. The work done by the contractor should be checked and verified by the person in-charge (Employee of the College) of the respective contract. Bill should be approved by the higher authority for payment. Taxes, wherever applicable, should be deducted from the amount before payment.

**Payment to Employees:** Salary is processed and approved by the Office Superintendent at the end of the month after considering the leaves availed by the employees. Accountant should deduct the LOP, PF, PT, IT and any other deductions such as advances, loan instalments etc., if applicable, from the salary and get it approved by the principal before crediting the salary into the respective accounts.

Applications for salary advance/loan received from the employees are sent to management for approval. Disbursements are made after the approval is received from the management.

Accountant should keep a track of Employee's Advance, loans & reimbursements.

**Examination Remuneration:** College exam remuneration is calculated by the Examination department as per University's guidelines and submitted to Accounts department for disbursement after the approval of the principal.

**Fee/ Deposits Refund:** Fee is refunded to the students in the following cases:

If the student wishes to cancel the admission, the fee is refunded after deducting cancellation charges as per university guidelines.

If the student receives scholarship or sponsorship from any Trust or Government Department (DBT), such fee is refunded to the student after settling of outstanding fee, if any.

On completion of the degree, students are entitled for refund of all the deposits collected at the time of admission. These are disbursed to the students after checking the eligibility.

**Loan Repayment to the Trust:** Management provides financial support to the college if any deficiency arises. The said amount is repaid as and when the fund is available as per the instructions given by the management.

**University & Statutory Payments:** Fees related to Affiliation, Enrolment, and Examination Share etc. are made through electronic mode in consent with Principal. Statutory payments are made on monthly basis by using tally software and the same is reported to the management.

### **Other Payment:**

Requisition slip to be filled by respective convenors of the department and committees and to be approved by the principal for further processing.

### **Fee Collection / Misc. Receipts - cash/cheque/online**

Receipts are further divided into three categories Academic Fee, Other Fee & Scholarships.

#### **Academic Fee:**

These are collected during the time of admission by adopting different modes such as cash, cheques or e-payments. With respect to E-payments, the file is downloaded from the payment gateway and updated in the system. Proper receipt is issued to the student.

**Other Fee:** Fees other than academic fee such as ATKT Fee, fine, industrial visit fee, crash course fee, scholarship etc. are also collected in all three modes.

All collections made through e-Sanchalan are then reconciled and posted in the main accounting software "Tally" by creating XML file on daily basis.

**Misc. Receipts:** Reimbursement of expenses of NSS & compensation for AISHE work is received from the respective departments and are disbursed subsequently.

### **Cash & Bank Reconciliation**

All Academic and Miscellaneous fees gets tallied with e-Sanchalan daily fee register and deposited in the bank. If excess funds are available, they are transferred to fixed deposit in consultation with the Principal and Management.

The financial situation is discussed with Principal for the payment of salary and for utility payments. If any deficit arises, the fund is utilised from the fixed deposits after the consultation with the Principal and Management. Every month minimum cash is maintained as petty cash for various payments that are required for the respective month.

### **Monitor & follow-up of fee receivable**

The payment of fee in full is encouraged at the time of admission. At the same time, provision to pay in instalments are also available. Regular follow-up are done by the office and course convenors.

### **Financial Reports**

Reports are maintained for the purpose of audit with the trial balance, outstanding fee reports, e-sanchalan fee register, fees reconciliation, receipt payments, salary register, college JV, Bank reconciliation as on 31<sup>st</sup> March and is duly send to the auditor.

### **Budget**

Proposed budget is prepared for every financial year in the month of February.

The budget is prepared on the basis of the proposed strength based on the examination results received from the examination committee

Purchase of any materials related to infrastructure are incorporated in the budget after receiving quotation from the infrastructure committee.

Department and committee budgets are prepared and the same is incorporated in the budget after the approval of the concerned heads of committees and departments.

A detailed analysis is done on the proposed budgeted v/s actual for previous financial year and along with that, the proposed budget for current financial is placed to understand the financial status of the institution.

The budget prepared is placed before the standing committee for discussion

Subsequently the final budget is placed before the college development committee for further deliberations and finally it is approved

In case of any urgent new expenses which is not referred in the earlier budget, the same can be presented in the half yearly standing committee or college development committee meeting for approval.



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