

ST. THOMAS COLLEGE, KOZHENCHERRY



INSTITUTIONAL BUDGET POLICIES & PROCEDURES



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Chapter I Institutional Budget: Policies and Procedures

I.1 Introduction

Budget allocation is a cyclical process that supports the mission of academic institutions. In this view, UGC, NAAC, and MHRD accord crucial role for the budget allocation of the HEIs. Without a perfect budget allocation, institutions will not be able to provide quality public service. A democratic form of administrative system demands participatory budgeting for the institution. Meticulous progression never neglects the pertinency of budget planning, budget implementation, and budget auditing. The budget is the bedrock of the institution, and auditing patterns are the corrective measures established by the institution. Budgeting and auditing are the complementary, reciprocal and constructive remedies to redress the grievances and lacunae of the institution. Therefore, the IQAC of St. Thomas College proposes a policy document for Institutional Budgeting: Policies and Procedures in consultation with the faculty members, students and members of the PTA.

I.1.1 Definitions

Academic Year: The academic year follows the academic calendar and schedule of classes by the direction of the affiliated University. Usually, an academic year is from 1st June to 31st May of the following calendar year.

Fiscal Year: The institution's fiscal year is the twelve months beginning from April 1 and ending on March 30 of the following calendar year.

Capital: All the accumulated resources, instruments, and buildings come under the definition of capital.

I.2 Objective

Ensure participatory budgeting, transparent auditing and accounting.

I.3 Issues Addressed

A couple of questions addressed in connection with the UGC-NAAC stipulations on and regarding the annual budget, and auditing procedures compelled the IQAC team to draft a policy document for the institution. The questions addressed are;

1. Are all the stakeholders aware of the budget allocations?
 1. Are students aware of the budget allocation for the Students Union?
 2. Are students aware of the income and expenditure of the hostel facilities, maintenance, sports and recreational facilities etc.?
 3. Are the students, teachers, and parents aware of the Institution's income?
2. Are the faculty members aware of the management, budget and fiscal allocations to the departments, library, sports and other amenities?
3. Is there any centralised auditing mechanism for PTA, Alumni, and Philanthropic contributions to the Institution?

4. What are the contributions of IQAC to the monitoring of budget allocation and auditing?
5. What are the key areas of budget allocation, and how are they monitored?
6. Explain the institutional policy of Budget allocation and auditing procedures.

Prior to addressing the issues taken up, we sense the need to address the concept of budgeting for a precise formulation of the policy.

I.4 Concept of Budgeting

The budget is not the sum total of a plethora of words and numbers. Above all, it is a visionary statement of the institution's future. It reflects the institution's policies and the marking of the development path of the institution. Aided Higher Education Institutions (HEIs) are primarily dependent institutions, have no clear-cut income generative mechanism. Towards 2030, the central government decided to eliminate the status of aided colleges to philanthropic institutions. Funding allocation is based upon the performance base of the institutions irrespective of their status as financed or self-financed. The budgeting process ought to consider the aforesaid realities to visualise the institutional budget. A well-established institution needs to follow budgeting procedures to formulate and present a comprehensive annual budget:

1. Responsibility Budget
2. Programme Budget
3. Functional Budget
4. Financial Budget
5. Capital Budget

I.4.1 Responsibility Budget

Responsibility Budget in HEI mainly focuses on the Faculty Performance Budget (FPB). Each faculty in the institution is entrusted to perform specific statutory duties, including teaching, evaluation and curriculum development. A higher education institution is expected to serve as a knowledge production centre. To fulfil this mission, the faculty members shall prepare FPB before the commencement of an Academic Year (before 1st June). Total teaching hours stipulated by the University/Government, Projects, Publications, Community welfare programmes, seminars, workshops etc. are to be organised, and participation enlisted properly with the timeline. Unexpected schedule changes may occur, but that shall not be counted as personal liability.

These shall be part of FPB:

1. Preparation of Time Table
2. Orientation/Refresher Course Planning
3. Signing of Agreement with publishers
4. Undertaking of Projects/ Consultancy etc..

I.4.2 Programme Budget

Organising a programme at the intuitional level is a collective responsibility. Each academic department can plan its specific programmes as a part of the institutional programme. A coordination committee shall gather details from the departments and chart out an annual programme, and its budget shall be added explicitly

to each programme. Each programme shall cover three heads of fund contributions. The sources of funds shall be marked explicitly as UGC/State Government, Management, PTA, as well as if other sources any. The programme schedule shall be submitted to the Staff Council to minutes approval and remarks properly, and the copies of the minutes shall be shared with IQAC. Forward a copy to the Governing Council. All programmes conducted at any level shall seek prior approval from Governing Council via Staff Council. The programme budgets shall be approved with an order by the Governing Council before June 1st of every academic year:

1. Common Time Table
2. Association Activities
3. Students Union Programmes
4. Extension Activities
5. Job Fairs
6. Sports & Arts Day Celebrations
7. Internal Examinations
8. University Calendar if available
9. Commemoration, memorial lectures etc.

I.4.3 Functional Budget

A functional budget is related to the functions of the institutions. It includes funding student-supportive activities, faculty development programmes, and research and development activities. The functional budget of the institution is its backbone, mainly prepared by the management with the proper feedback from institutional stakeholders. It is a fiscal budget based on the previous experience of fund allocation. Future objectives of the fund allocation are charted out based on the vision and mission of the institution. Previous audit reports thoroughly verified, and the preparation of the functional budget and the community auditing are required to strengthen the institutional functions:

1. Budget for student supportive activities
2. Budget for faculty development programmes
3. Budget for infrastructure development
4. Budget for running expenses etc.

I.4.4 Financial Budget

A financial budget is an annual budget that states the income and expenditure of the institution. Sources of Income, Income generative mechanism and expenditure statements are listed here. It covers the financial aspects of all other budgetary allocations. Funds from governmental and non-governmental sources are being identified and pooled to the institution's development.

I.4.5 Capital Budget

Capital budget mainly focuses on developing infrastructural facilities, including buildings, laboratories, amenity centres etc. Capital budget must have originated from a master plan that covers 10-15 years of development pre-requisites of the institution. The capital budget must be future-oriented.

I.5 Policies and Procedures

As per the directions of NAAC, institutions should have a budget policy. The budget policy must complement the vision and mission of the institution. The preparation and implementation of the budget of the St. Thomas College, Kozhencherry uphold the virtues of democracy with a commitment to society. The funding for the institution evolved from the bottom to the top. All budgetary allocations affirm the stakeholders' visions and aspirations. A student-centric, community-oriented, productive budget allocation is the vision of the Institution.

1. The institutional Budget Committee oversees the annual budget process.
2. The reports of the budget committee are directly submitted to the Manager.
3. The College Principal and Treasurer are members of the budget committee; they are responsible for presenting the budget before the Governing Council.
4. The committee members consist of all Heads of the Departments, the Convenor of the Planning Board, the Scholarship Committee Convenor, the Librarian, Convenor of Research and Publication and IQAC Coordinator, two student representatives and one member from PTA.
5. The budget submitted to the Governing Council, with the proposal (s) of the Staff Council, has to be properly presented and recorded at the Governing Council and the corrections and suggestions emerging thereof have to be re-presented at the Staff Council. The Staff Council will act as the implementation body of the final proposal.
6. The budget committee has a particular right to seek expert opinion if necessary.
7. The budget will be approved after the final signature of the Manager, and its minutes must be placed before the Staff Council. They shall hand over a copy to the IQAC Coordinator to incorporate the same in AQAR.
8. The Governing Council shall coordinate the annual auditing process.