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CHAPTER 1

1. Introduction

Education is on the "Concurrent list" subject to Entry 66 in the Union List of the Constitution and thus the Government is responsible to provide for planned development of educational institutions. The Ministry of Human Resource and Development (MHRD) regulates university level Institutions through the Department of Higher Education. The Ministry obtains grant from the Ministry of Finance through Budget for Plan expenditure and Non Plan Expenditure. The NITs are set up by the Government as Autonomous organizations in terms of GFR 208 and sanctions grant-in-aid for its requirement. These NITs receive Plan grant for creation of assets such as infrastructure, scientific equipment and all other necessities of the Institute, The Institute also receive non-plan grant for salaries and non salary expenditure for running the Institute.

1.1 The Government had found the need for sound accounting and common financial reporting framework for promoting accountability and for development of the Education sector. Therefore, MHRD introduced the implementation of new uniform accounting standard for educational institutions to ensure proper accountability. Financial discipline, end use of funds and to meet the needs of the stakeholders under MHRD letter no.21-16/2012-TS.II dated 21.2.2012 and no.29-4/2012-IFD dated 17.4.2015. The new system for accounting and financial reporting has been introduced from the financial year 2013-14 which is further updated. This manual incorporates all the changes that have been introduced.

CHAPTER 2

2. Finance and Accounts Functions

The Finance and Accounts Department is primarily concerned with receiving funds of the Institute in the form of Grants-in-aid (Plan and Non-plan), fees from students, and any other receipts and accounts for these receipts. Institute also receives grants for Sponsored projects for Research and Development from other ministries and organizations. Similarly, the Finance and Accounts department is concerned with all payments for salaries, utilities, academic and student related activities, for procurement and creation of capital assets for infrastructure and other requirements to run the Institute. Based on information contained in vouchers and bills for procurements, and other expenses compilation of accounts is made classifying all receipts and payments.

2.1 Accounting is defined as the systematic recording, reporting, and analysis of financial transaction of an entity to permit examination of the financial performance to make such corrective measures as are required keeping in view the trends and future plans and projections.

CHAPTER 3

3. ACCOUNTING CONCEPTS

Accounting concept refers to the basic assumptions, rules and principles which work as the basis of recording financial transactions and prepare records. The main objective is to maintain uniformity and consistency in accounting records which constitute the very basis of accounting. All these concepts are empirical and developed over the years and are universally accepted. Following are the universally accepted accounting concepts

- Entity concept – The accounting records are made in the books independent of the stakeholder. Investment made by the stake holder is treated as liability of the entity.

- Money measurement concept – All financial transactions are recorded in the currency of the country. Transactions which cannot be expressed in money terms are not recorded.

- Going concern concept – This concept assures that the entity will continue to carry on its activities for an indefinite period of time unless it is dissolved.

- Accounting period concept – Accounting concept states that all assets are recorded in the books of accounts at their purchase price including cost of acquisition and installation and not at its market cost. Cost means original or acquisition cost only for new assets and for the existing one in use cost means original cost less depreciation. This concept is also known as historical cost concept.

- Dual aspect concept – This concept assumes that every financial transaction has a dual effect i.e., it affects two accounts in their respective opposite sides. Thus both the aspects are to be recorded in the books of accounts. Dual aspect is fundamental accounting equation: Assets = Liabilities plus Capital i.e., every transaction has an equal impact on assets and liabilities in a way that the total assets are always equal to total liabilities.

- Realization concept – This concept states that the revenue from any business transaction should be included in the accounting records only when it is realized. The term realization means creation of legal right to receive money.

- Accrual concept – The meaning of accrual is something that has fallen due- that some expenses which have fallen due and income which has fallen due to be received within and relating to the accounting period. Thus, the accrual concept makes a distinction between the actual receipt and right to receive money as regards revenue and actual payment and obligation to pay money as regards expenses. Thus, accrual concept requires that revenue is recognized when fallen due irrespective of the time of actual receipt and expenses are recognized when they become due and payable without regard to the time of payment of money.

- Matching concept – This concept states that the expenses incurred to earn revenue related to a particular period must belong to the same accounting period. The implication of the concept is that all revenues earned during an accounting year whether received or not and all cost incurred whether paid or not during the year should be taken into account while ascertaining profit or loss for that year.

CHAPTER 4

4. **Accounting convention**- This refers to common practices which are universally followed in recording and presenting accounting information. They are also empirical practice evolved through regular and consistent practice over the years to facilitate uniform recording in the books of accounts. Following common practices facilitates comparing accounting data of different entities for different periods. The most important conventions which have been used for time immemorial are consistency, full disclosure, materiality and conservatism.

- Consistency – accounting principles adopted should be used for preparing financial statements year after year to enable meaningful interpretation and comparison of financial statements over a period of time. There are 3 types of consistency i) Vertical consistency within the group of inter-related financial statements of an organization on the same date. ii) Horizontal consistency – between financial statements of one entity from period to period to compare performance of business between two years i.e., current year with past year. Iii) Dimensional consistency – to be found between different business entities of the same period. This consistency assists in making comparison of the performance of one entity with other entity of the same activity on the same date. Where however change in method is necessary, it should be disclosed by way of footnotes in the financial statements of that year.

- Full Disclosure – this requires that all material and relevant facts concerning financial statements should be fully disclosed. Disclosure should be full, fair and adequate that will leave the stake holder with no doubts as to any of the details recorded in the Financial Statements.

- Convention of materiality – to be meaningful only material facts which are important and relevant should be supplied to the stakeholders. Thus important and significant items should be recorded in their respective heads.

CHAPTER – 5

5. Generally Accepted Accounting Principles (GAAPS)

In order to maintain uniformity and consistency in accounting records throughout the world certain rules and principles have been developed which are generally accepted by the Accounting Profession. These rules, principles, concepts, conventions, postulates or assumptions are taken as generally accepted rather than universal acceptability. Hence, are called generally accepted accounting principles (GAAP).

CHAPTER 6

6. ACCOUTING STANDARDS – Adopting Accounting Standards enable Institute to maintain uniformity in presentation of financial statements, proper disclosure and transparency. The Accounting Standards applicable to Educational Institutions are: AS-1 Disclosure of Accounting Principles, AS-4 Contingencies and Occurring after the Balance Sheet date, AS-5 Prior period items and changes in accounting, AS-10 Accounting of Fixed Assets, AS-6 Depreciation Accounting, AS-12 Accounting for Government Grants.

- AS-1: Deals with disclosure of significant policies followed in preparing and presenting financial statements. Eg. Indication of: foreign currency transactions, Valuation of inventories and investments.

- AS-4: Contingencies and events occurring after the Balance Sheet date. Eg., Obligation to pay on the outcome of a pending court case. Liability arising, consequent to legislative measures, with retrospective effect.

- AS-5: Extraordinary items appearing in the Income and Expenditure account, changes in accounting estimate and prior period items.

- AS-6: Depreciation: Different accounting policies are adopted by different enterprises. Such differences need to be indicated.

- AS-9: Policy for recognition of revenue adopted for disclosing in books of accounts.
- AS-10: To disclose information relating to fixed assets such as assets utilized for the purpose of activities of the entity and those kept for sale.

- AS-12: Capital approach versus Income approach. Capital Approach – Grant is treated as stakeholder's fund and Income approach is taken to indicate income over 1 or more periods.

- AS 13: Accounting for investments. Investment is valued at the principal cost and market value or maturity value is not taken for disclosure.

CHAPTER 7

7. ACCOUNTING FRAMEWORK

Accounting Framework is about the general purpose financial statements which are prepared and presented annually for the common information need of the users who rely on the financial statements. Thus the accounting framework comprises the following:

a) Elements of financial statements basically comprise income, expenses, assets and liabilities. It identifies and defines the items that should be considered as income, expenses, assets and liabilities. Assets are resources controlled by an entity from which future economic benefits or service potential is expected to flow. E.g., Land, building, furniture and equipment etc,

b) Principles of recognition of items of income, expenses, assets and liabilities. These principles lay down timing of recognition of these items in the financial statement. A grant is recognized as income in the financial statement under accrual basis of accounting when it becomes reasonably certain that the grant will be received.

CHAPTER – 8

8. INTERNAL CONTROL

Internal control is an arrangement which provides for proper division and definition of tasks and responsibilities, introduction of an appropriate accounting system and the institution of forms of internal check. By internal check is meant the checks on day to day transactions which operate continuously as part of the routine system whereby the work of one person is proved independently or is complimentary to work of another, the objective being the prevention or early detection of errors or fraud.

8.1 The following are internal control points relating to Accounting functions:

- Accounting of cash receipts and payments-
- Realization of receipts
- Sanctions to expenditure and authorization to disburse
- Disbursement of subsidy, scholarship and utilization
- Prompt making of entries in the books of accounts
- Evidence for substantiation of the entries in books of accounts
- Measures for periodical surprise check of physical cash
- Method matching Balance in the Bank with balance as per books of accounts
- Classification of capital and revenues

8.2 The process of internal control measures are as under:

1. Depositors; students and other parties depositing money should be requested to deposit only cheques/drafts or other electronic modes such RTGS/NEFT etc. Cash as such should be deposited only in exceptional cases.
2. Printed receipt from Tally Software or Bank counterfoils or other forms must be issued. Pay in slips for depositing in the Bank account should be retained as record in support of the deposit. This requires that the receipt is classified and recorded in the ledger.
3. Cheques/drafts and other direct credits should be checked from Bank Statement as appearing in the net-banking access. This check should be carried out by the superintendent or other senior staff next day or within few days of credit in the Bank and the pay in slip or deposit receipt should be verified. This also requires that the Institute migrate all bank accounts to net banking facility so as to enable periodic direct viewing of the Bank account for reconciliation purpose.

4. Similarly all cash receipt should be deposited in the Bank account every day before the close of business of Bank.
5. All Bank accounts should be reconciled with the Bank account in the books of accounts and a reconciliation as appearing in the Tally software be printed and kept in a separate file for audit purpose duly authenticated by the in charge, Accounts section. Un-cleared cheques deposited in the bank and cheques not presented by the beneficiaries should be closely checked to ensure that the same has been cleared or presented in subsequent month or months. Such clearance must be noted in the month's reconciliation to which the same relates. Long pending cases be carefully investigated and pursued to ensure that there is no misappropriation or fraud.
6. Periodically, cash balance in hand should be surprised checked and results recorded to be produced to audit when called for. It will be advisable to obtain this through an external authority not related to the Institute administratively.
7. Payments must invariably be made by cheque or other E process such as RTGS/NEFT.
8. Before payment is made the relevant Bill is checked for correctness and submitted to the appropriate delegated authority and approval obtained on the passing endorsement of the Accounts Section authority.
9. The bill or claim or invoices for services obtained must be addressed to the name of the Institute and should have all details of Registration, PAN/TAN, Service Tax, VAT. It should be checked to see that the same bill/invoice has not been produced to claim any other payment.
10. Documents evidencing of obtaining service, arrival of stores purchased should be looked for to ensure that the service/stores have been actually received and recorded in the relevant Stores Registers.
11. After making payment the documents submitted in support of the claim, bill/invoice should be stamped "PAID & CANCELLED" and signed by the staff passing the bill for payment to prevent making a second payment on the same document/bill.
12. It should be checked to see that purchase of service/stores be made only after calling for tenders/quotations following laid down purchase procedure and placing Purchase Orders authorized by the competent authority.
13. It should be looked for to ensure that entries are regularly made in the Assets' Registers to be maintained in terms of GFR.
14. Periodically at least once in a year stores/assets are physically verified for its serviceability and working condition.
15. Investments made in the form of Term Deposit Receipts should be periodically verified and linked to the relevant ledger entries.

16. All payments above Rs.5000.00 is required to be stamped with Revenue Stamp to be legally tenable.
17. All letters/remittances through cheques/DDs received directly or through post should be opened by a responsible person in the Accounts section and action taken immediately to avoid delay.
18. It should be checked to see that only one cheque book for each bank account is in use and all cancelled cheques are retained in record for eventual check by Audit or other authorities.

CHAPTER 9

9. REGISTERS/DOCUMENTS TO BE MAINTAINED IN THE FINANCE & ACCOUNTS SECTION:

- All original documents relating to Registration with TAX authorities such TAN/PAN, Customs/Excise exemption certificates, Service Tax Registration, Vat Registration and all other important documents relating to Corporate function of the Institute.
- Cheque Books register to record all cheque books received in bulk and taken for issue periodically. The Cheque books should be kept in the custody of the head of accounts section.
- Register to record all recurring payments such as Electricity, Water, internet charges etc. This register could be preferably maintained in Excel format.
- Register of Earnest Money Deposit and entries made as and when relevant receipt or payment relating to parities is made in the relevant ledger accounts in a consolidated form. In this register, entries to be made party wise and receipt and payments linked to relevant entry in the ledger giving reference to relevant receipt/voucher number with details of contract or purpose of receiving EMD. Periodically the total balance in the register should be reconciled with the ledger balance,
- Register of Security Deposit – Receipts and payments of Security Deposits party-wise and the purpose and relevant contract should be recorded in this register. Entries made should relate to the relevant voucher number as recorded in the ledger accounts. Periodically the balance appearing in the ledger account in a consolidated form should be reconciled with the balance in this register. This register could be maintained in Excel format.
- Register of investments- Investments shall be classified under long term i.e., for more than one year term and current investments under less than one year and are intended to be held for purpose of ready encashment to meet exigencies. Each earmarked and endowment fund investments should be individually and separately recorded and other short term investments from revenue receipts must be separately recorded. This register will show number and date of the term deposit, period for which invested, rate of interest, and maturity value. Entry will be made for all renewals and encashment including premature encashment indicating interest earned. A separate section will be made for recording accrued interest and how the same was adjusted later when the instrument matures. Entries made will indicate the relevant ledger entry and the amount under individual classification and total shall agree with the compiled actuals.

- Register of Grant in aid- The number and date of sanction of Grant in aid under each classification such as Plan Grant Asset's creation, General, SC/ST Non recurring and Recurring should be separately recorded in this register. Receipt during the year under each head should be recorded under each classification. Annually, expenditure incurred under each head of account be recorded and unspent balance/deficiency be recorded on which basis Utilization Certificate be submitted to the Ministry/Grantor.
- Register of sponsored /Research and Development Projects. Number and date of sanctions for each project, Name of Grantor, Period of the project, amount of sanction, amount released during the year, name of the project, name of Coordinator along with break up details of grant as sanctioned for Capital expenditure and other recurring expenditure for each year should be recorded in this register. Amount of expenditure incurred each year and unspent balance/deficiency arrived for rendering Utilization Certificate to the Grantor authority.
- Register of Scholarship/free ship to indicate the name of the grantor, number and date of the sanction, amount of scholarship, period to which it relate, name of the student, Department and Semester details. Amount paid to the student amount adjusted towards hostel or other fees. Receipts and payments should indicate date and number of voucher. The total and net remaining balance should match with the Ledger balance.
- Daily Receipts Register – All receipts during a day will be recorded in this Register with classification of the receipts, Cheque/DD number of the deposit, Name of Bank, Ledger head of account, Receipt number allotted, and date of deposit in the Institutes account. Total as per head of account should match with Bank Account entry. This Register will be in Excel format.
- Daily Fee Register – Since Fees are paid into the bank and Students generate the medium of deposit from the net, receipt can be entered into the ledger in a consolidated form on a monthly basis. However, after making entries in to the ledger direct, the data can be exported to make this register in Excel form as readily available data. This register will be on the basis of Semester-wise, department-wise and Student-wise. Data generated from the Bank Statement could also be source for building up this Register.

CHAPTER 10

10. General principles relating to expenditure and payment of money.

10.1 Standards of financial propriety:

Rule 21 GFR: Every officer incurring or authorizing expenditure from public money should be guided by high standards of financial propriety. 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. 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 public 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 money should not be incurred for the benefit of a particular person or a section of the public, unless a) a claim for the amount could be enforced in a Court of Law, or b) the expenditure is in pursuance of a recognized policy or custom.
v) The amount of allowance granted to meet expenditure of a particular type should be so regulated that the allowance are not on the whole a source of profit to the recipients.

CHAPTER 11

11. Finance and Accounts department of the Institute's responsibility to carryout transactional audit of all expenditure:

It is the responsibility and function of Finance and Accounts to ensure expenditure is approved by the authority to whom powers to incur expenditure is delegated. The Statute of the Institute which forms part of the NIT Act 2007 as amended by amendment of 2012 lays down the Registrar is the custodian of the assets of the Institute and the Director exercises financial powers to incur expenditure from the funds of the Institute. The Ultimate authority rests with the BoG and with its approval, Director's power could be authorized to any other lower authority.

11.1 Responsibility of Accounts Department to ensure that:

a) Any and every expenditure is approved by the competent authority to whom powers to incur expenditure from Institute's funds are delegated.
b) The expenditure is provided for in the Institute's Budget and is within the allocation or revised allocation.
c) If expenditure is related to procurement or creation of assets a formal Purchase Order or Work order after calling for quotations following laid down procedure in Chapter 6 GFR.
d) The Stores/Capital assets procured are taken possession of and are properly accounted for. Before passing a bill/claim under contract/Purchase/Work order evidence of inspection, installation and accounting of Asset in the Assets' Register of the Institute or other Store Accounts should be looked for. The claim should generate from the Stores and after approval by the competent authority to be forwarded to Accounts section for further action.
e) If the claim relates to free-ship, scholarship and stipend it is to be ensured that there is sanction for the expenditure and if it relates to sanction from external agency, funds sanctioned has been actually received from such agency. The receipt entry in the Bank account should be linked before authorizing release of payment. The claim related to such claims should generate from the Academic section and submitted for further processing the claims
f) Salary bill has to be passed for payment before the last date of the month except for the salary for the month of March which will be released in April of the following financial year. While passing salary bill the following points should be scrutinized: a) The previous month's salary bill should be seen to ensure that there is no addition in the current month's salary bill. If addition is noted, it should be seen that there is sanction of the competent authority in

the form of Appointment Order. It should be checked to ensure that the scale-of pay and grade pay claimed are correct as per sanction. b) If increment is claimed that such increment is sanctioned. Deductions made from salaries are authorized. It should be ensured that the deduction from salary such as Income Tax, New Pension scheme deductions and any such deductions are remitted to the appropriate authorities. Salary bill should generate from the Establishment section and forwarded to Accounts section for authorizing payment. Bills for NPS employer's contribution should also be submitted by Establishment section and submitted to the Accounts section for further action.

g) No claim or bill should be generated by the accounts section as the internal check function and transaction audit function will be compromised.

h) Check of civil/electrical construction work: a)The following checks are to be exercised: The Contract if the work is allotted to Civil/Electrical engineering contractor or Memorandum of Understanding if the work is assigned as Deposit work to the State/Central PWD/NBC should be looked for. b) Before passing a civil/electrical works, the contract concluded by the competent authority should be scrutinized to observe whether the General principles for contract laid down in GFR 204 have been fully complied with. c) While passing Running Account Receipt bills, the value of work completed as assessed and certified by the Engineer in Charge and signed by the Contractor should be seen. This certificate should be supported by the entries in the Measurement Books which are legally authentic record of work completed. If the RAR is second or third bill, it should be checked to see that the earlier advance paid through the earlier RAR is deducted from the total amount of completed work. d) Deductions on account TDS, for water and electric consumption charges, Labour-Cess and any other recovery as laid down in the contract is appropriately made. e) The final bill should be supported by complete entries in Measurement Book(s) and supported by a completion certificate signed by the Engineer in charge. f) It should be checked to see that the completion cost does not exceed cost of construction as administratively approved. If exceeds revised administrative approval should be asked for before passing the bill.

i) While checking utility Bills for Electricity consumption it should be checked to see that the amount claimed is as per agreed contract load. In the event, the bill is claimed on the basis of contract load exceeding the consumed unit; downward revision of contract load should be asked for.

j) In respect of claims for outsourced services, it should be checked to see that the Service Provider complies with all statutory requirements and such deduction and deposit of EPF/ESI to the authorities should be looked for.

CHAPTER- 12

12. Budget Estimate

12.1 Budget is an instrument of Financial Control. Budget is defined as "A comprehensive plan, expressed in financial terms by which an operating programme is effective for a period of time. It includes estimate of services, activities and projects comprising the programme" (Chapter 9 GFR). As the Institute is substantially funded by the Government of India through the MHRD Budget, Institute has to follow instructions contained in Appendix – 3 GFR 48 which refers to estimates for expenditure on two categories: Non-Plan expenditure (Recurring) and Plan (Non-recurring).

A) Non-Plan for Revised Budget estimate the current year should always precede estimation for the ensuing year. Revised Estimate should be framed with great care to include only those items which are likely to materialize for payment during the current year, in the light of i) actual so far recorded during the current year, compared with the actual for corresponding period of the last and previous years. (ii)Seasonal character or otherwise of the nature of expenditure (iii) sanctions for expenditure and orders of appropriation of re-appropriation already issued or contemplated and (iv) any other relevant factor, decision or development. The Budget estimate for the ensuing year be prepared on the basis of what is expected to be paid during the ensuing year including arrears of the previous years if any. Due attention to considerations of economy must be paid and while all inescapable and foreseeable expenditure should be provided for, care should be taken that the estimate is not influenced by undue optimism.

B) Plan Expenditure Estimate- Revised Estimates for the current year and Budget Estimates of the ensuring year should follow instructions for preparation and submission on Non-Plan Expenditure Estimate will apply to the extent relevant. Plan Outlay for "Works Expenditure" should be separately shown from other Asset Creation. New services must be specifically highlighted.

12.1 Factors to be noted when framing Budget:

1. Objectives of the entity
2. Plan outlay and its outcome
3. Target to be achieved
4. Cost overrun
5. Savings in some segments and excess in others
6. Additional onsite eventualities

12.2 Budget has three primary functions to perform:

1. Control: It is a process of enforcing the limitations and conditions set in the budget. Comparison of actual attainment with the Budget provision by variance analysis should facilitate for taking corrective action or revision.

2. Management: Budget provides authority to ensure efficient use of resources.
3. Planning: It refers to the process of determining objectives and evaluation of programmes.
   - Budget has to indicate quantifiable deliverables, process and timelines, and also what kind of factors could affect the timelines, deliverables physical outputs and achievements.
   - Variance analysis includes analysis of outlays and outcomes.

12.2.1 Non-Plan (Recurring) Budget estimate is forecast under each head of account

1. Salaries and
2. Non-salaries etc.
3. In order to do so the Budget has to follow the same layout of Accounts heads which from part of the ledger accounts maintained by the Accounts Department. The layout of ledger accounts are planned and systematically laid down to match the layout plan of the new MHRD Annual Financial Report format. The broad division recurring expenditure appearing in the Income and Expenditure are:
   a. Staff Payments and Benefits
   b. Academic Expenses
   c. Administrative and General Expenses
   d. Transportation Expenses
   e. Repair and Maintenance
   f. Finance Costs
   g. Other Expenses.

12.2.2 Thus, Budget has to be forecast under this broad division with sub-divisions. The sub-divisions of these Major head are as follows:

- STAFF PAYMENTS & BENEFITS
  a. Salaries and Wages with further subheads separately for i) Teaching Staff ii) Non-Teaching Staff iii) Ad-hoc staff iv) Arrears of DA iv) Salary arrears due to increment/pay-fixation on promotion etc.
  b. Allowances and Bonus
  c. Contribution to New Pension Fund
  d. Staff Welfare Expenses
  e. Retirement and Terminal Benefits
  f. LTC facility
  g. Medical facility
  h. Children Education Allowance
  i. Honorarium
  j. TA/DA expenses
  k. Others

- ADMINISTRATIVE AND GENERAL EXPENSES
  a. Electricity and Power
  b. Water charges

c. Insurance
d. Rent, Rates, and Taxes (including Property Tax)
e. Postage and telegram
f. Telephone and Internet Charges
g. Printing and Stationery
h. Travelling and Conveyance Expenses
i. Expenses on Seminar/Workshops
j. Hospitality
k. Auditors Remuneration
l. Professional charges
m. Advertisement and Publicity
n. Magazines and Journals
o. Other if any to be specified

- TRANSPORTATION EXPENSES
  a. Vehicles (owned by Institution) i) Running Expenses, ii) Repairs and Maintenance, iii) Insurance expenses and Taxes.
  b. Vehicles taken on rent/lease a)Rent/lease expenses

- REPAIRS AND MAINTENANCE
  a. Building
  b. Furniture & Fixture
  c. Plant & Machinery
  d. Office Equipments
  e. Cleaning Materials and services
  f. Others to be specified

- FINANCE COSTS
  a. Interest on fixed loans
  b. Interest on other loans
  c. Bank charges
  d. Others to be specified

- OTHER EXPENSES
  a. Provision for Bad and Doubtful Debts/Advances
  b. Irrecoverable Balances written off
  c. Others to be specified.

CHAPTER 13

13. Audit of Accounts of Grant in Aid.

In terms of GFR 211 being a grantee institution, the accounts of the Institute is open to inspection authority and audit, both by the Comptroller and Auditor General of India under the provisions of section 14 of the C&G Act 1971 and internal audit by the Principal Accounts office of the MHRD.

Chapter 13

13.1 C&AG carry out audit of Institute's accounts annually as under:

A. Certificate Audit- Once the annual accounts are made and Annual Financial Statements are made and approved by the Finance Committee and Board of Governors, the C&AG authorities are intimated of the readiness and a team of auditors arrive to carry-out the process of audit and certification. After certification the C&AG authorities render Separate Audit Report (SAR). The Annual Financial Statement and SAR along with action taken there on is submitted to the FC and BOG for approval. Thereafter, the report is submitted to the MHRD who arranges the Annual Financial Statement of the year along with SAR is arranged to be placed before both the Houses of Parliament.

B. C&AG also conduct regularity audit of the Institute on all aspects of the Institute which covers all functional areas of the Institute. The normal areas of audit extends to cases of Stores purchases, establishment functions such as salaries and service matters of faculties and staff, pay fixations, leave entitlements and related documents, Academic functions and departmental activities relating to store holding. The C&AG team after completion of audit will render an audit objection statement which needs to be replied to them.

C. C&AG also conducts performance audit of the Institute periodically examining the Institute's functional aspects and render a report.

CHAPTER- 14

14.1 Budget reports

MHRD in terms of GFR 209 calls for requirement of funds with supporting details by the end of October every year. In addition MHRD may call for requirement of funds every quarterly for release of quarterly installments of funds. The Finance and Account department is also required to submit expenditure details against budgetary allotment each quarter to the Finance Committee and Board of Governors. The reports submitted at the end of October will give details of expenditure up to September of the year and expenditure up to September of the previous year. This report should also contain details of budget and expenditure thereof of the previous three years and forecast budget of the following year. The projection for the ensuing year may indicate anticipated amount of internal revenue generation by way of fees and interest on deposits if any. The MHRD will use this information for releasing grant and quarterly installments. Therefore these reports are to be carefully and properly prepared.

14.2 Utilization Certificate

GFR 212 requires the grantee Institute to render a Utilization Certificate in form GFR 19-A certifying the actual utilization of the grants received for the purpose for which it was sanctioned for all non-recurring grants. Similar Utilization certificate is to be rendered for recurring grant in terms of GFR 209 (6) providing reasonable evidence of proper utilization of the grant.

CHAPTER 15

15. Institutes authorities and executive and financial powers.

15.1 Board of Governors (Section 13 (F) NIT Act 2007 (29 of 2007) states that the BoG shall consider and pass resolutions on the annual report, annual accounts and budget estimates of the Institute for the next financial year as it thinks fit and submit them to the Council together with a statement of its development plans. The Accounts department is responsible for making annual account and the budget estimates of the Institute and submit these reports through the Finance Committee of the Institute.

15.2 The NIT Act 2007 (29 of 2007) as amended by Act of 2012 under section 20 and 21 deals with Grants by Central Government and Fund of the Government in which all grants, fees and other receipts are to be credited to the Fund and the manner the funds are to be applied towards meeting expenses of the Institute including expenses incurred in the exercise of powers and discharge of duties under this Act.

Section 22 deals with maintenance of accounts and other relevant records and preparation of Annual statement of accounts to be eventually audited by the C&AG. The audited accounts shall be forwarded to the Central Government (MHRD) who shall cause the same to be placed before both the house of Parliament.

15.3 Statutes of the Institute, being part of the Act 2007, lay down other Committees. In particular Finance Committee, Building Works Committee and Stores Purchase Committee whose decisions directly relates to the Accounts and Finance function of the Accounts section is of particular importance.

15.4 FORM OF UTILISATION CERTIFICATE

GFR 19-A (Rule 212 (1)

Sl. No.	Letter no, and date of sanction	Amount

Certified that out of Rs. Grant-in-aid sanctioned during the year in favour of under the MHRD letter number stated in the margin and Rs…………….. on account of unspent balance /deficiency of the previous year, a sum of Rs……..has been utilized for the purpose of…….for which it was sanctioned and that the balance of Rs…….remaining unutilized at the end of the year will be adjusted towards the grant-in-aid payable during the next year……

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised;
1
Signature……
2
Designation
3 Date

CHAPTER 17

F & A Manual Mapping of ledger

The MHRD under their letter number 29-4/2012-IFD dated 17.04.2015 introduced revised Accounting and financial reporting format which is to be implemented from the financial year 2014-15 are as under. Notes related to the relevant head are detailed below along with Schedule under which the details are to be presented is indicated against each head. While mapping ledgers under these head will be treated as main heads and ledgers for sub-classification as required will be treated as sub-heads and grouped under the main head. Similarly it may become necessary to further classify transactions and present such accounts under sub-heads and the same are grouped under the sub- heads of accounts. This method of recording and main head and sub-head will facilitate quick presentation of data required for review and decision making and reporting. The main head and sub-head will be used for making Budget for Non-Plan Grant.

Thus, mapping of the Head of account, sub-head account and classification will match with Budget classification and Ledger lay-outs which should eventually form part of Schedules of the Annual Financial Statement. The Ledgers in the Tally Software will be numbered with the schedule numbers under which the Main head of Income and Expenditure will be presented in the Annual Financial Statement. Thus the entire system of finance control will be linked to each other and facilitate easy access to information.

17.1 General Instructions

The Financial statements i.e., Balance sheet and Income and Expenditure Account should be prepared on accrual basis. A statement of all significant accounting policies adopted in the preparation and presentation of the Balance Sheet and the Income and Expenditure account should be included in the Balance Sheet and Income and Expenditure Account. Accounting policies should be applied consistently from one financial to the next. Any change in the accounting policies which has a material effect in the current period or which is reasonably expected to have a material effect in later periods should be disclosed. Where such amount is not ascertainable wholly or in part, the fact should be indicated.

Notes to the Balance Sheet and the Income and Expenditure Account should contain in explanatory material pertaining to the items in the Balance Sheet and Income and Expenditure Account. The corresponding amounts for the immediately preceding financial year for all items shown in the Balance Sheet and the Income and Expenditure Account have to be shown against each item or explained in the notes of account in case there is no such item in the current year.

Rounding off of figures in the Annual Financial Statement:
Less than one lakh – No rounding off, Ten lakhs or more but less than ten lakhs, Hundred; One lakh or more but less than one crore, thousand; One crore or more but less than one hundred crore, Lakh/Million; One hundred crore or more but less than one thousand crore , Crore/Billion

17.2 Balance Sheet

Accounts grouped under source of funds will be mapped as under:

Schedule 1(A)- CAPITAL Fund- The balance in the income and expenditure after appropriation i.e., surplus/ (deficit) is transferred to this fund.

Particulars	Current Year	Previous Year
Balance as at the beginning of the year		
Add / Deduct : Balance of net Income / Expenditure transferred from the Income and Expenditure A/c.		
BALANCE AT THE YEAR –END		

Schedule 1(B) - Corpus- This fund is in the nature of "Endowment" which includes the founders' or promoters' contribution or amount set aside from surplus. In the case of NITs Government of India is the promoter and established the Institutes as a statutory corporate under the law passed in the legislature. The Institute authorities may identify resources for this corpus such as Interest on Corpus investments, Development fees, entrance fees, subscriptions etc., which are in the nature of Capital receipts could be recognized as source for the Corpus either directly or through appropriation. Corpus is built as a financial security to run the Institution when the Government of India ceases to provide funds for running the Institute.

Particulars	Current Year	Previous Year
Balance as at the beginning of the year		
Add: Contributions towards Corpus:		
Appropriation from Income & Expenditure A/c		
BALANCE AT THE YEAR –END		

Schedule 2(i) – Designated/Earmarked/Endowment Funds:

These are funds set aside by the educational institution for specific purpose or to meet specific future commitments. Staff Development fund, Maintenance fund, Depreciation fund, Sports fund, Awards fund, Prize fund, Student aid fund are some of the funds set aside by the education institute to meet certain specific purposes. Disclosures shall be made under each head with the conditions/criteria governing the funds.

Assets, such as investments, bank balances and liabilities related to each designated fund must be disclosed separately.

Plan grant received from the MHRD received for creation of assets under different classification such as General, SC/ST are to be shown as separate fund.

These funds with breakup details for each fund should be shown in detail in the schedule indicating Opening Balance, Additions during the year through further installments, income from investments and other additions and details of utilization/expenditure towards objectives of the funds for Capital expenditure (Fixed assets and others separately) Revenue expenditure on Salaries, and allowances, rent and other administrative expenses showing under each classification.

(ii) – These funds are subject to certain conditions set out by the contributor and agreed to by the educational institutions with certain legal restrictions. These heads includes: a) Funds that are received with the stipulation that only income earned can be used for the general purposes of educational institution or for specific purposes. B) Funds related to depreciable/non-depreciable assets in respect of which assets are still to be acquired. Balances of deferred income or unamortized value of assets procured from grants and donations in respect of which specific depreciable assets have been acquired. D) Funds related to specific items of revenue expenditure not yet incurred. Disclosures shall be made under relevant heads based on conditions/restrictions to the grants. Assets, such as investments, bank balances and liabilities related to each restricted fund shall be disclosed separately.

Every fund by designation should be shown with opening balance, Additions such as further installments, accrued interest on investments of the funds and any other specified additions, and details of utilization/Expenditure towards objectives of the funds i) Capital Expenditure – Fixed assets and others and Revenue Expenditure on salaries and allowances Rent and other administrative expenses with the net balance. Assets such as investments, bank balances and liabilities related to each fund shall be disclosed separately

Particulars	Current Year	Previous Year
a) Opening balance of the funds		
b) Additions during the year		
c) Income from Investments		
d) Accrued Interest on Investments		
e) Other additions (specify nature)		
Total (a)		
Utilizations/Expenditure towards objectives of funds		
i) Capital Expenditure		
ii) Revenue Expenditure		
Total (b)		
BALANCE AT THE YEAR –END (a-b)		

Represented by (a) Cash and Bank balance (b) Investments (c) Interest Accrued

Schedule 3 – Current Liabilities & Provisions – Where any item constitutes ten percent or more of the total current liabilities and provisions, the nature and amount of such item should be shown separately and should not be included under "Others". Caution money received from students refundable to students during 12 month from balance sheet date should be shown as from current students and from ex-students. The details shall be furnished as under:

A. Current Liabilities.

1. Deposits from staff
2. Deposits from students
3. Sundry creditors a) for goods & services b) others
4. Advances received
5. Interest accrued but not due on: a)Secured Loans/Borrowings b) Unsecured Loans/borrowings
6. Statutory Liabilities (NPS, GPF, TDS, WC Tax) a) Overdue b) Others
7. Other current liabilities a) Salaries b) Receipts against sponsored projects b) Receipts against sponsored projects c) Receipts against sponsored fellowships & scholarships d) Unutilized Grants e) Grants in advance f) Other funds g) Other liabilities

B. Provisions

1. For Taxation
2. Gratuity

3. Superannuation/Pension
4. Accumulated leave encashment
5. Expenses payable
6. Trade warrants/claims
7. Others to be specified

The receipts against sponsored projects, fellowships and scholarships and other funds should be shown by way of sub-schedule to the above schedule Ministry/Department wise with details of balance brought forward, receipts during the year, utilized for Capital expenditure, utilized for Revenue expenditure and Balance carried forward.

A. Current Liabilities. 1.Deposits from staff 2.Deposits from students 3.Sundry creditors a) for goods & services b) others 4.Deposits- others EMD, Security Deposit 5.Statutory Liabilities (TDS,WC Tax, GIS, NPS) a) Overdue b) Others 6.Other Current Liabilities a) Salaries b) Unutilized Grant c) Other Liabilities		
Total (A)		
B. PROVISIONS 1. For Taxation 2. Leave Salary Pension Contribution 3. Others		
Total (B)		
Total (A+B)		

Note: - Schedule 3(a) Sponsored Projects is not mapped here. The same is being covered under Earmarked funds.

SCHEDULE – 3(b) SPONSORED FELLOWSHIP AND SCHOLARSHIPS

Sl. No. 1	Name of Sponsor 2	Opening Balance as on 01.04……		Transactions during the year		Closing Balance as on 31.03…..	
		3	4	5	6	7	8
		CR.	DR.	CR.	DR.	CR.	DR.
1	Ministry___________						
2	Others						

Note:-
1. Total column (Credit) will appear under the above head on the liability side of the Balance Sheet.
2. Total column 8 (Debit) will appear as Receivables on the Assets side of the Balance Sheet in schedule 8(Loans, Advances and Deposits)

SCHEDULE 3 (c) UNUTILISED GRANTS NON-PLAN GRANT

	Current Year	Previous Year
Plan grants: Government of India (Recurring Grants) Balance B/F Add: Receipts during the year		
Total (a)		
Less: Refunds Less: Unutilized for Revenue Expenditure Less: Utilized for Capital Expenditure		
Total (b)		
Unutilized carried forward (a-b)		

Note: Unutilized Plan Grant appears as closing balance of Earmarked fund as Plan grant is dealt with as Earmarked Fund. Expenditure incurred in excess of grant will be shown as Receivables on the Assets side of the Balance Sheet in schedule 8 (Loans, Advances and Deposits).

These schedules will be shown in the Liability side of the Balance sheet. Thus, Ledger related to these heads will be numbered with these schedule numbers and these ledgers will be grouped with their main heads and any subsidiary accounts under these main heads will be laid as sub-heads.

Schedule 4 – Fixed Assets – Ledger for each head of classification will be maintained in the Accounts and disclosed in the Annual Financial Statement as under:

Land – includes freehold and leasehold land classified distinctly.
Buildings – include Institute's buildings like Academic buildings such as lecture hall, laboratories and workshops, Administrative offices, staff residences, hostels and temporary structures and sheds.
Plant and Machinery – includes air conditioners, water air coolers, generators, fire extinguishers etc.
Electrical Installation- includes electrical fixtures and fittings such as fans, tube-light led light fittings
Vehicles – include buses, Trucks, ambulance, vans, cars, motorcycles etc.
Office Equipments include such items as fax machines, photocopiers and EPABX.
Computers and Peripherals include computers, printers and other peripherals like CDs, UPS, and Server etc.
Furniture, Fixtures and fittings includes desks/benches, cabinets, almirahs, tables, chairs and partitions.
Electrical appliances includes Electrical fixtures and fittings such as geysers, heaters etc.
Library books – includes books/journals/Electronic learning devises.
Laboratory and Scientific equipment include microscopes, telescopes, dissection equipment, glass apparatus, measurement instruments and other types of laboratory equipment etc.
Audio Visual Equipment includes Television sets, overhead projectors, tape recorder, DVD player, Camera, movie projectors, CCTV and sound system.
Sports Equipments include Table tennis table, Gym equipment etc.
Tube wells and Water supply system- Tube-wells and water supply systems may be shown as a distinct category.
Intangible assets include computer software and other soft learning devises, patents, trade-marks etc., and shall be specified separately.
Capital Work in Progress – Fixed assets Buildings in the course of construction should be shown against this head till they are ready for their intended use. Plant, machinery and equipment acquired and pending installation should be included here. Advances to suppliers/contractors on capital account should also be included.

- Fixed assets are those assets which are held by the entity with the intention of utilizing for the purpose of providing service and not held for sale in the normal course.
- Under each head, the original cost, addition there to and deduction there-from during the year, depreciation written off or provided during the year, and the total depreciation written off or provided up to the end of year should be stated.
- The cost of fixed assets either constructed or procured should be determined by adding to the purchase price any cost incurred by way of purchase of material consumables cost of labour incurred to bring the asset to working condition for its intended use.
- Advance payments to contractors and suppliers should not be classified under the specific fixed assets but disclosed as separate item.
- For budget and control purpose ledgers should be created for each asset, department wise. E.g., Furniture & Fixtures of Electrical Engineering Department, Computers and Peripherals of Computer Science Department, Science Equipment of Mechanical Engineering department and so forth. This will facilitate planning additions for future, and control of expenditure on each asset departmentally.
- Assets received as donations should be accounted on assessed value and shown in a separate ledger.

These ledgers mapping in the classified form is intended to prepare Gross Block schedule as under:

SHEDULE 4 - FIXED ASSETS		**GROSS BLOCK**				**DEPRECIATION (A.S.6)**				**NET BLOCK**	
DESCRIPTION	**Depreciation %**	**Cost/ Valuation As at beginning of the year**	**Additions during the year**	**Deductions during the year**	**Cost/ Valuation at the year end [A]**	**As at the beginning of the year**	**On Additions during the year**	**On Deductions during the year**	**Total up to the year end [B]**	**As at the Current year [A-B]**	**As at the Previous year**
INTANGIBLE ASSETS											
E-BOOK											
SOFTWARE											
TOTAL											
TANGIBLE ASSETS											
LAND											
BUILDING											
LAB & SCIENCE EQUIPMENTS											
PLANT & MACHINERY											
VEHICLES											
FURNITURE & FIXTURE											
OFFICE EQUIPMENTS											
COMPUTER & PERIPHERALS											
ELECTRICAL INSTALLATION											
LIBRARY BOOKS											
SPORTS EQUIPMENT											
TOTAL											
TOTAL OF CURRENT YEAR [A]											
CAPITAL WORK IN PROGRESS [B]											
BALANCE (A+B)											

Schedule 5 Investments

a) Investments shall be classified and disclosed under long term investment and current investments

b) "Current investments" means an investment that is by nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made.

c) "Long term investment" means an investment other than a current investment.

d) Investment shall further sub-classified as investments from endowment/earmarked funds and other investments in each case and disclose accordingly.

e) Long terms investment should be measured at cost. The book value of long-term investments should be reduced to recognize a decline, other than temporary, in their value. Such reduction should be determined and made for each investment individually.

f) Aggregate amount of the Educational Institution's long terms quoted investments and also the market value thereof should be shown. Aggregate amount of the Educational institution's 'unquoted investment' should also be shown.

g) "Quoted investment" for this purpose means an investment in respect of which a quoted or permission to deal on a recognized stock exchange has been granted, and the expression 'unquoted investment should be construed accordingly.

h) Current investment should be shown at the lower of cost and fair value, which should be determined either on an individual investment basis or by category of investment.

i) The significant restrictions on the right of ownership, reliability of investment shall be disclosed by way notes.

j) Both 'long term investment' and 'Current investment' shall be disclosed as 1) in Central Government securities 2) in State Government Securities 3) Other approved Securities 4) Shares 5) Debentures and Bonds 6) Others (to be specified)

Sl. No.	Funds	Current Year	Previous Year
1	Corpus Fund		
2	Earmarked Fund		
3	Others		

Current Assets- Schedule 7

1. The current assets shall be classified and disclosed as follows:
   a) Inventories including items that are held in the normal course, or in the form of materials or supplies to be consumed like publications held for sale.
   b) Mode of valuation of the inventories shall be disclosed.
2. Receivables shall be classified and disclosed as
   a) Grants in respect of which there is reasonable assurance that
      i) the Institution will comply with the conditions attached, and
      ii) the grants will be received.
   b) Others - specify
   c) Any debts due by the employees of the entity should be separately stated.
3. Balances with the Banks to be indicated with each Bank Account numbers.
4. Cash and cash equivalents to be disclosed.
5. Other current assets should be classified and disclosed as follows:
   - "Other current assets" is an all-inclusive heading, which incorporates current assets that do not fit into any other asset categories.
   - Interest accrued on investment on Earmarked/Endowment Funds and that on other Investment should be shown separately.
   - Where any other constitutes ten percent or more of the total or more of the total current assets, the nature and amount of such items may be shown separately.

1. Stock a) Stores and spares b) Loose Tools c)Publications
2. Sundry Debtors a) outstanding for a period exceeding six months b) Others.
3. Cash Balance in hand (including cheques and drafts and imprest)
4. Bank Balance to be further classified as of Earmarked and Endowment fund or otherwise.

1. SUNDRY DEBTORS	Current Year	Previous year
a) Debts Outstanding for a period exceeding six months		
b) Others		
2. CASH AND BANK BALANCES		
Cash in Hand		
Bank Balance (Current Account No. wise)		
Bank Balance of Earmarked fund to be shown separately		

Loans, Advances and Deposits - Schedule 8

1. These shall be classified and disclosed as follows: a) Loans and advances to-
- Staff (interest bearing and non-interest bearing advance shall be shown separately)
- Others includes (i) other amounts recoverable in cash or kind for vale to be received like to contractors for capital works; to other contractors/suppliers, for services; and (ii) prepaid expenses.
- When any item constitutes ten percent or more of total loans, advances and deposits, the nature and amount of such item may be shown separately and the same may not be included under the head 'Others'.

	Current Year	Previous Year
1. Advances to employees (Non-interest bearing)		
a) Salary		
b) Festival		
c) LTC		
d) Medical advance		
e) Other (to be specified)		
2. Long term advances to employees (interest bearing)		
a) Vehicle loan		
b) Home loan		
c) Others (to be specified)		
3. Advances and other amounts recoverable in cash and in kind		
a) on Capital account		
b) to suppliers		
c) other expenses,		
4. Prepaid Expenses		
a) Insurance		
b) Other expenses.		
5. Deposits		
a) Telephone		
b) Lease Rent		
c) Electricity		
d) AICTE, if applicable		
e) Others (to be specified)		

6. Income Accrued		
a) On investment from Earmarked/Endowment Funds		
b) On investments – others		
c) Loans and Advances		
d) Others (includes income due unrealized)		
7. Other- Current Asset receivable from sponsored projects		
a) Debit balances in sponsored projects		
b) Debit balances in sponsored projects		
c) Grants Receivable		
8. Claims Receivable		
TOTAL		

These heads of accounts forming part of the Assets side of the Balance sheet will be grouped together under each head of account and sub-heads grouped under main head of account. As stated earlier, the Main head of account shall bear the Schedule number as prefix with sub heads with decimal numbers for sub-numbers.

17.3. INCOME AND EXPENDITURE ACCOUNT

1. The Income and Expenditure Account should disclose every material feature and should be so made as to clearly disclose the result of the working of the educational Institution during the period and grants covered by the account.

2. Donations and grants should be recognized only at a stage when there is reasonable assurance that the educational institution will comply with the conditions attached and the donations and grants will be received.

3. Any item under which income/expense exceeds 1% of the total fee receipts of the educational institution or Rs.50,000 whichever is higher should be shown as separate and distinct item against an appropriate account head in the Income and Expenditure Account. These items therefore should not be shown under the head miscellaneous and other income/expense.

4. Depreciation should be provided so as to charge the depreciation amount of a depreciable asset over its useful life.

5. Grants of different nature is recognized as income to the extent of actual expenditure incurred there from and the unspent balance will be shown as liability or asset as the case may be.

ACADEMIC RECEIPTS – Schedule 9

	Current Year	Previous Year
FEES FROM STUDENTS		
Academic		
1. Tuition fee		
2. Admission fee		
3. Enrolment fee		
4. Library Admission fee		
5. Laboratory fee		
6. Art & craft fee		
7. Registration fee		
8. Syllabus fee		
Total (A)		
Examinations		
1. Admission test fee		
2. Annual Examination fee		
3. Mark sheet, certificate		
4. Entrance examination fee		
Total (B)		
Other fees		
1. Identity Card fee		
2. Fine/Miscellaneous fee		
3. Medical fee		
4. Transportation fee		
5. Hostel fee		
Total (C)		
Sale of Publications		
1. Sale of Admission forms		
2. Sale of syllabus and Question Paper, etc.		
3. Sale of prospectus including admission forms		
Total (D)		
Other Academic Receipts		
1. Registration fee for workshops, programmes		
2. Registration fees (Academic Staff College)		
Total (E)		
GRAND TOTAL (A+B+C+D+E)		

Note: In case fees like entrance fee, subscriptions etc. are material and are in the nature of capital receipts, such amount should be recognized to the Corpus Fund. Otherwise such fees will be appropriately incorporated in this schedule.

Grants (Irrevocable grants) Schedule 10

The grants received shall be classified and disclosed as follows:

1. Central Government
2. Government Agencies
3. Institutions/Welfare Bodies
4. International Organizations
5. Others (Specify)

Particulars	Plan	Current Year	Previous Year
Balance B/F Add: Receipts during the year			
Total			
Less: Utilized for Capital Expenditure (A)			
Less: Utilized for Revenue Expenditure (B)			
Net Balance			

A. Appears as addition to un-amortized value of assets in the liability side of the Balance Sheet and also as addition to Fixed Assets in the year.
B. Appears as appropriation in the Income & Expenditure Account.
C. (I) Appears under Current Liabilities in the Balance Sheet or as Receivables if expenditure is more than balance of Loans and Advances.
   (II) Balance of Unutilized Grant will be represented bank balance, Investment and advances.

Income from investments – Schedule 11

(Income on investment from Earmarked/Endowment Funds transferred to Funds)

1. Interest a) on Govt. Securities b) Other Bonds/Debentures

2. Income received (each fund separately)
3. Income accrued (each fund separately)
4. Others (Specify)

Income from investments – Schedule 11

Particulars	Earmarked/ Endowment Funds		Other Investments	
	Current Year	Previous Year	Current Year	Previous Year
1. Interest on FDR 2. Income accrued but not due on FDR/ Interest bearing advances to employee 3. Others				
Total				
Transferred to Earmarked/ Endowment Funds				
Balance	NIL	NIL		

Schedule 12 is not applicable to the Institute.

Schedule 13 – Other Income

Items of material amounts included in Miscellaneous Income should be separately disclosed.

Other incomes shall be classified and disclosed as follows:

- Income from major activities of the educational institution should be disclosed as a separate head; e.g., in case major activity of the institution is to publish books, journals, documents etc., then income from royalty and sale of publications should be separately disclosed.

- In case of income from investments, distinction should be made in respect of a)Owned by the educational institutions b) Those held against earmarked/endowment funds
- Profit on sale of investments
- Items of material amounts included in miscellaneous income should be separately disclosed.

A. Income from Land & Buildings		
1. Hostel Room Rent		
2. License Fee		
3. Hire charges of Auditorium/Play Ground/ Convention Centre, etc		
4. Electricity charges recovered		
5. Water charges recovered		
Total		
B. Sale of Institute's Publications		
C. Income from Holding events		
1. Gross Receipts from annual function/ sports carnival		
Less: Direct expenditure incurred on the annual function/sports carnival		
2. Gross Receipts from Fetes		
Less: Direct expenditure incurred on the fetes		
3. Gross Receipts for educational tours		
Less: Direct expenditure incurred on the tours		
4. Others		
Total		
D. Others		
1. Income from consultancy		
2. RTI fees		
3. Income from Royalty		
4. Sale of application form (Recruitment)		
5. Misc. Receipts (Sale of Tender form, waste papers)		

6. Profit on sale/ Disposal of Assets		
a) Own assets b) Assets received free of cost		
7. Others		
Total		
Grant Total (A+B+C)		

A. Income from Land & Building 1. Hostel Room Rent 2. License fee 3. Hire charges of Auditorium/Playground/Convention centre 4. Electricity & Water charges
B. Sale of Institute's publications
C. Income from holding events 1) Gross receipts from annual function/sports carnival Less Direct expenditure incurred on the annual function/sports carnival 2) Gross receipts from fetes Less: direct expenditure incurred on the fetes 3) Gross receipts for educational tours 4)Others (to be specified and separately disclosed)
D. Interest on Term Deposits a) with Schedule Banks b) Non-scheduled Banks c) with Institutions d) others
E. Interest on Savings Accounts a) with Scheduled Banks b) with Non-Scheduled Banks c) others
F. Interest on Loans a) Employees/Staff b) Others
G. Interest on Debtors and Other Receivables
H. Others 1) Income from consultancy 2) RTI fees 3) Income from Royalty 4) Sale of application forms (recruitment) 5) Misc., receipts (Sale of tender forms, waste paper, etc.) 6) Profit on sale/disposal of Assets a)Owned assets b) Assets acquired out of grants or received free of cost

Schedule 14- PRIOR PERIOD INCOME

Amount in Rupees

Particulars	Current Year	Previous Year
1. Academic Receipts		
2. Income from Investments		
3. Interest earned		
4. Other Income		
Total		

STAFF PAYMENTS & BENEFITS – Schedule 15

- These shall be classified separately for teaching and non-teaching staff; adhoc staff
- Arrears of DA, Salary arrears due to increment shall be shown separately.
- These shall be disclosed as follows:

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
a) Salaries and Wages						
b) Allowances and Bonus						
c) Contribution to Provident Fund						
d) Contribution to other fund (specify)						
e) Staff Welfare Expenses						
f) Retirement and Terminal Benefits						
g) LTC facility						
h) Medical facility						
i) Children Education Allowance						
j) Honorarium						
k) TA Expenses						
l) Others (specify)						
TOTAL						

Schedule 15A- EMPLOYEES RETIREMENT AND TERMINAL BENEFITS

Amount in Rupees

	Pension	Gratuity	Leave Encashment	Total
Opening Balance as on ______________ Addition: Capitalized value of contributions received from other organizations				
Total (A)				
Less: Actual Payments during the Year (B)				
Balance Available on 31.03. (C) (A-B)				
Provision required on 31.03 as per Actuarial Valuation (D)				
a. Provisions to be made in current year (D-C)				
b. Contribution to the New Pension Scheme c. Medical Reimbursement to Retired Employees d. Travel to Hometown on retirement e. Deposit linked Insurance Payment				
Total (a+b+c+d+e)				

Note:

1. The total (a+b+c+d+e) in this sub-schedule will be the figure against retirement and terminal benefits in Schedule 15.
2. Items b, c, d & e will be accounted on accrual basis and will include bills preferred but outstanding for payment on 31.03.

ACADEMIC EXPENSES – Schedule 16

These shall be classified and disclosed as follows:

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
a) Laboratory expenses						
b) Field work/ Participation						
c) Seminar/Workshop						
d) Payment to visiting faculty						
e) Examination						
f) Student Welfare expenses						
g) Admission Expenses						
h) Convocation expenses						
i) Publications						
j) Stipend/Means-cum-merit scholarship						
k) Subscription expenses						
l) Others (Specify)						
TOTAL						

ADMINISTRATIVE AND GENERAL EXPENSES – Schedule 17

These shall be classified and disclosed as follows:

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
1. Electricity and Power						
2. Water charges						
3. Insurance						
4. Rent, Rates and Taxes (including property tax)						
5. Postage & telegram						
6. Telephone and Internet Charges						
7. Printing & Stationary						
8. Traveling and Conveyance Expenses						
9. Expenses on Seminar / Workshop						
10. Hospitality						
11. Auditors Remuneration						
12. Professional Charges						
13. Advertisement and Publicity						
14. Magazines & Journals						
15. Others (Specify)						
TOTAL						

TRANSPORTATION EXPENSES - Schedule 18

- In respect of vehicles owned by the educational institution
- In respect of vehicles not owned by the educational institution

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
1. Vehicles (owned by educational institution)						
a) Running expenses						
b) Repairs & maintenance						
c) Insurance expenses						
2. Vehicles taken on rent/lease						
a) Rent/lease expenses						
3. Vehicle (Taxi) hiring expenses						
TOTAL						

REPAIR & MAINTENANCE – Schedule 19

Repair & Maintenance cost shall be classified and disclosed as follows:

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
a) Building						
b) Furniture & Fixture						
c) Plant & Machinery						
d) Office Equipment						
e) Computers						
f) Laboratory & Scientific equipment						
g) Audio Visual equipment						
h) Cleaning material & services						
i) Book binding charges						
j) Gardening						
k) Estate Maintenance						
l) Others (specify)						
TOTAL						

Fixed assets are shown in the Balance Sheet on written down method. The Institute writes off depreciation from the assets and charges the depreciation direct to the amortized amount of procurement from Plant Grant Assets creation shown in the liability side of the Balance Sheet. The revised format for Annual Financial Statement lays down the following depreciation rates:

Tangible Assets:

1. Land 0%
2. Site Development 0%
3. Buildings 2%
4. Roads & Bridges 2%
5. Tube wells and Water supply 2%
6. Sewerage and Drainage 2%
7. Electrical Installation and equipment 5%
8. Plant & Machinery 5%
9. Scientific & Laboratory equipment 8%
10. Office equipment 7.5%
11. Audio Visual Equipment 7.5%
12. Computers & Peripherals 20%
13. Furniture, Fixtures & Fittings 7.5%
14. Vehicles 10%
15. Library Books & Scientific Journals 10%

Intangible Assets (Amortization):

1, E-Journals 40%

2. Computer Software 40%

FINANCE COST –Schedule 20

Finance cost shall be classified and disclosed as follows:

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
a. Bank charges						
b. Others (specify)						
TOTAL						

OTHER EXPENSES - Schedule 21

Other expenses shall be classified as write-offs, provisions, miscellaneous expenses, loss on sale of investments and fixed assets etc., and disclosed as accordingly.

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
a) Provision of Bad and Doubtful Debts/Advance						
b) Irrecoverable Balance written-off						
c) Others (specify)						
TOTAL						

PRIOR PERIOD EXPENSES - Schedule 22

Amount in Rupees

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
1. Establishment expenses						
2. Academic expenses						
3. Administrative expenses						
4. Transportation expenses						
5. Repair & Maintenance expenses						
6. Other expenses						
TOTAL						

NOTES TO ACCOUNTS - Schedule 22

1. Institute should disclose their significant accounting policies and this disclosure should be made at one place. An illustrative list of accounting policies that an educational institution could disclose is as follows: a) The basis of recognition of major types of expenses and revenue b) Accounting for income from and expenditure on specialized activities such as research c) Conversion or translation of foreign currency (in case of organizations receiving foreign funds) d) Method(s) of depreciation e) Valuation of inventories f) Valuation of investments g) Treatment of employee benefits h) Valuation of fixed assets i) Treatment of contingent liabilities.
2. In respect of funds Institution should disclose following in the schedules/notes to accounts: a)In respect of each major fund, opening balance, additions during the

period. Deductions/utilization during the period and balance at the end. b) Assets such as investments, and liabilities belonging to each fund separately; c) Restrictions, if any, on the utilization of each fund balance d) Restrictions, if any, on the utilization of specific assets.

3. Addition to "Corpus" should be shown in the notes to accounts, disclosing the amount contributed by the founders/promoters/donors/contributors (along with their names and individual contribution).
4. Educational institution should host following information in public domain so as to enable all other stakeholders to have a bird's eye view of educational institution's capacity and capability: a) No. of students b) number of teachers c) collection on account of building fund and expenditure thereof d) collection for sports activities and expenditure thereof e)collection for co-curricular activities and expenditure thereof f) collection on account of development charges and expenditure thereof. g)collection for medical expenses and expenditure thereof h)compliance with statutory dues like EPF and ESI i)Salary structure of teachers

The above information can also be calculated on per student basis.

17.4 NAME OF ENTITY: NIT UTTARAKHAND SRINAGAR (GARHWAL)
RECEIPTS AND PAYMENT ACCOUNT FOR THE PERIOD ENDED…..

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
I. Opening balance a) Cash Balance b) Bank Balance			I. Expenditure a) Establishment expenses b) Academic expenses c) Administrative expenses d) Transportation expenses e) Repairs and maintenance f) Prior Period Expenses		
II. Grants Received from MHRD a)Plan/b)Non-Plan			II. Payments against earmarked/endowment funds		
III. Academic Receipts			III. Payments against sponsored projects/schemes		
IV. Earmarked/Endowment fund Receipts			IV. Payments against sponsored fellowships/scholarships		
V. Sponsored Projects/schemes Receipts			V. Investments and Deposits made a) Out of earmarked/endowment funds b) out of own funds		
VI. Sponsored fellowship and scholarships- receipts			VI. Fixed Deposit Receipts		
VII. Income from investments			VII. Expenditure on fixed assets and capital		

a) Earmarked / Endowment funds b) Other Investments			works in progress a) Fixed Assets b) Capital work in progress		
VIII. Interest received on Fixed Deposit Receipts			VIII. Other Payments including statutory payments		
IX. Fixed Deposit Receipts encashed			IX. Refunds of grants		
X. Other income (including Prior Period Income)			X. Deposits and Advances		
XI. Deposits and Advances			XI. Other payments		
XII. Miscellaneous Receipts including statutory receipts			XII. Closing balances a) Cash in hand b) Bank balances		
XIII. Any other receipts					
Total			Total		

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Consultant
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