



RAJAGIRI COLLEGE OF SOCIAL SCIENCES (AUTONOMOUS)

Kalamassery, Kochi – 683104, Kerala

Finance & Accounting Policies & Procedure Manual



PRINCIPAL
Rajagiri College of Social Sciences
(Autonomous)
Rajagiri P.O., Kalamassery-683 104

April 2017

Contents

1. Overview	3
2. Objectives of the Manual	3
3. Departmental Structure of Finance.....	3
4. Fund Mobilization Mechanism.....	4
5. Budgetary Process.....	4
6. Authorization Matrix.....	5
7. Internal Controls	6
8. Accounting Policies & Procedures	6
9. Financial Statements Format and Audit.....	7
10. Guidance on General Accounting Procedures	10

1. Overview

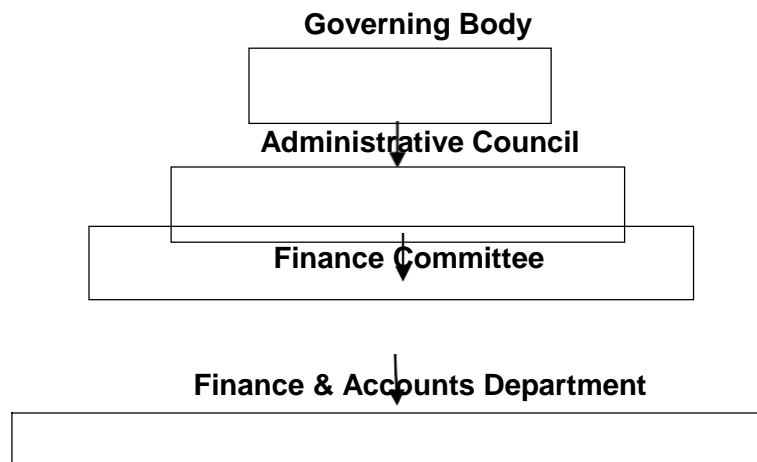
Rajagiri College of Social Sciences Society (“RCSS”) is committed to remain accountable to the members of the society. RCSS believes in creating and maintaining sound financial and accounting system for safeguarding the interest of stakeholders, by inculcating efficient mechanism to administer the financial system. This manual foresees to provide guidelines to the finance functions with the objective that all RCSS activities are carried out in an orderly manner, to safeguards and add value to the assets, facilitate and enhance financial reporting and meet all accreditation standards and statutory compliances.

2. Objectives of the Manual

The key objectives of this manual is as given below:

- a) To provide guidelines for the orderly functioning of the finance and accounting processes.
- b) To provide basic framework of internal controls including budgetary control
- c) To provide guidelines for the preparation of financial statements and internal audit reports.

3. Departmental Structure of Finance



4. **Fund Mobilization Mechanism**

The Institution funds its endeavours through a combination of

1. The primary source of income earned by the institution is sourced through fee collection, which includes Academic fees, Hostel fee and other related incomes.
2. Funds are also mobilized by the institution for various activities. The other sources include, funds mobilized through Sponsorship, Consultancy Faculty Development Programmes, Workshops and Seminars and Donations/Contributions from individuals and philanthropist.
3. Grants and Financial Aid from Government
4. Borrow Loans from banks for infrastructure development.

Each of the funds are routed through the five accounting entities of the college, so that the funds mobilized are utilized for the purpose for which it was mobilized. The sanction and approval authorities given in the manual approve the utilization of the funds.

5. **Budgetary Process**

- a. The Finance Officer/a person authorized by Finance Committee shall prepare an annual budget on the basis of consultation with various departments or units. The budget shall include –
 - Projected income and expenditure for the subsequent financial year.
 - Comparisons with the current financial year.
 - Commentary on major deviations if any.
 - Cash flow projections.
 - Projected Capital and Operating Expenses for subsequent financial year.
- b. The Budget shall equate between the estimated income and estimated expenditure focusing on the vision of RCSS, Term goals and other key performance indicators.
- c. The Budget shall be submitted by Finance Committee after periodic reviews to the Governing Body of the college for approval, and shall be ratified prior to the commencement of the new financial year.
- d. Periodic review as recommended by the Finance Committee shall be in place to monitor budget vs. actual, and to initiate remedial steps for achieving the financial goals.



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- e. The autonomy budget is kept before the finance committee/governing council for approval prior to the commencement of the next financial year.
- f. Management budget is kept before the administrative council for approval prior to the commencement of the next financial year.

6. Authorization Matrix

Table 1. Transaction in which Single Authorization Required									
Distribution of Funds	Provincial	Director	Executive Director	Assistant Director	Principal	Finance Officer	IQAC Chairman	HOD	Accounts Officer
Payment above Rs. 2 lakhs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
Payment above Rs. 1lakh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Payment above Rs. 50,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Payment above Rs. 1,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Up to Rs. 1,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>

Table 2. Transaction in which Joint Authorisation Required									
IQAC					<input type="checkbox"/>		<input type="checkbox"/>		

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Department Funds					<input type="checkbox"/>			<input type="checkbox"/>	
Students Activity Funds					<input type="checkbox"/>			<input type="checkbox"/>	
Government Funds *					<input type="checkbox"/>				

*Grants/aids from government for the research/any programmes/ any other purposes will be operated only by the Principal of the Institution.

7. Internal Controls

- a. The Finance Officer or any person appointed by the Finance Committee shall ensure that the finance regulations, policies and procedures as detailed in this Manual are followed and complied with efficiently by performing periodic internal audits (Internal or through External Qualified Professionals).
- b. The objective of the audit shall be Preservation of Asset, Prevention of Fraud, Mismanagement, Detection of Errors and to ensure the accuracy and completeness of accounting and financial data.
- c. The Internal audits shall be conducted on regular Intervals-Quarterly or half yearly basis using an Internal Control Questionnaire and the scope shall be reviewed annually by the Finance Committee.
- d. The focus of the questionnaire shall include (but not limited to) the below areas:
 - i. Adherence to the accounting policies and practices for income, expenditure and other transactions.
 - ii. Adherence to the approval matrix for the transactions executed
 - iii. Quality and regularity of bank reconciliations. iv. Physical verification of the assets.
 - v. Physical verification of cash balances. vi. Confirmations from parties on periodic basis for the amount receivable from or payable to and its related reconciliations. vii. Reviews of the profit and loss and balance sheet statements.
 - viii. Budget vs Actuals analysis

8. Accounting Policies & Procedures

For the smooth function and for ease of accounting the college maintains four accounting entities namely:

- Rajagiri College of Social Sciences - Accounting of Recurring and Non-recurring Transactions of the College.



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- Rajagiri Transcend - Accounting of Donations/Charity.
- Rajagiri Outreach - Accounting of CSR linked activities and live Labs. □ Research Institute Rajagiri - Accounting of Consultancy, Training and Allied Income.

a. Accounting Practices:

- i. Method of Accounting: Cash Basis.
- ii. Consistency shall be maintained in applying the accounting policies for each transaction. Due approvals have to be obtained for any deviation and the same shall be disclosed in the financial statements.

b. General accounting policies to be followed:

- i. **Revenue Recognition:** The income is recognized in the books of accounts as and when fees/ contributions are received or in the case of student fees there is considerable certainty that it shall be received provided necessary obligations in terms of course content have already been met.
- ii. **Expenditure:** Expenditure shall be accounted as and when it is incurred.
- iii. **Depreciation:** Depreciation is charged on the basis of Written down Value Method (WDV) based on the user-life of the asset
- iv. **Fixed Assets:** Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respect of construction, related direct expenses form part of the value of the assets capitalized.
- v. **Foreign Currency Transaction:** Transactions denominated in foreign currency are accounted at the exchange/bank rate applicable for the date of transaction. Foreign currency transactions are subjected to FCRA account.
- vi. Any other transaction which requires specific accounting policy shall be

disclosed in the financial statements appropriately.

9. Financial Statements Format and Audit

RCSS is subjected to following Audits.

- Internal Audit

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- External Audit □ Government Audit



Financial Statements Format.

- a. RCSS shall prepare the financial statements as prescribed below. The same shall contain:
- Balance Sheet
 - Income and Expenditure Account
 - Statement of Receipts and Payments
 - Schedules to the above Financial Statements
- b. Balance sheet shall comprise broadly of the following:

Assets	Current Year	Previous Year
Fixed Asset Land Buildings Computer and Accessories Machinery & Equipment Electrical Fittings Furniture & Fittings Vehicles Library Books		
Non-Current Assets Long Term Receivables Long Term Investments		
Current Assets Cash and Bank Balances Accounts Receivable Short Term Receivables Loans and Advances Short Term Investments Deposits		
Total		
Liabilities	Current Year	Previous Year
Capital Account Reserves & Surplus Depreciation Reserve		

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Loans from Banks Term Loans Overdrafts		
Advances and Deposits Payable Advance Received Deposits Received Others (Specify)		
Other Payables Expense Payable Taxes Payable Other Payable		
Total		

c. Income and Expenditure Account shall comprise broadly of the following

Income	Current Year	Previous Year
Income from Fees		
Income from Amenities Provide		
Contributions and Grants Received		
Other Income (Specify)		
Total		

Expenditure	Current Year	Previous Year
Personnel Maintenance Salaries & Allowances Faculty Development Expenses Staff Welfare Expenses Statutory Contributions Others (Specify)		

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University Affiliation & Other Charges		
Student Amenities Expenses Training Expenses Uniform Expenses Academic Facilities / Support Financial Assistance Other Amenities		
Administrative Expenses Repairs and Maintenance Electricity & Water Travelling Expenses Telephone and Postage Printing and Stationery Professional Fees Audit Fees Others (Specify)		
Donations and Charity Expenses		
Financial Charges		
Depreciation		
Total		

d. Receipts and Payments during the financial year shall disclose the following. The net inflow/outflow shall be the movement between current and

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previous financial year in the Cash and Bank balance accounts.

i. Source of Receipts

- Revenue Receipts
- Receipts from Loans
- Advances/Deposits

ii. Application of Funds

- Opex Payments
- Capex Payments
- Loan Payments □ Other Payments

- e. Schedules wherever necessary shall be included in Financial Statements for efficient disclosure.
- f. The Annual Financial Statements shall be subject to audit by the auditors as appointed by the Administrative Council. Audit shall be completed as per prescribed timeline as mandated by the Administrative Council from time to time.
- g. The audit objections pointed out by the auditor are discussed with the finance committee, which enables the management to take remedial action immediately. The objections are rectified by the accounts department and a report with explanation is submitted to the Finance Committee. The report is also sent to the auditor for further ratification, if any, and for final approval

10. Guidance on General Accounting Procedures

a. Cash and Bank

- i. Bank Reconciliation Statement shall be prepared on a monthly basis for active accounts and quarterly basis for inactive accounts. The statement shall be reviewed independently by the Accounts Officer.
- ii. Cash and Cheque receipts shall be deposited in the Bank account in the next working day and duly accounted.
- iii. Cheques shall be drawn only after the voucher and the supporting documents have been properly prepared by the accountant and duly approved as per the approval matrix.



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- iv. All cash receipts and payments shall be in compliance with the relevant regulations mandated by the Government and Income Tax Department.
- v. Physical verification of cash shall be done monthly and shall be performed by internal auditor.

b. Fixed Assets

- i. All purchases shall be on the basis of the annual budget and procurement procedure mandated by the Financial Committee.
- ii. A fixed asset register has to be maintained by the finance officer/authorized person.
- iii. The register should contain the following information:
 - Date of purchase
 - Description of item purchased
 - Cost of the asset purchased
 - Depreciation rate/useful life
 - Serial number of the asset Vendor details, warranty period
- iv. Physical verification of the assets shall be conducted annually by the internal auditors.

c. Loans and Advances

- i. Any staff advances shall be provided only as per staff policy and periodic review shall be considered for recovery.
- ii. Travel and other advances shall be made as per internal policy. All staff shall be required to submit travel and expenses statement within 30 days from completion of trip or incurring the expenses and any payment or refunds shall be performed monthly during payroll processing.

d. Income & Expenditure

- i. Collection of fees, contributions and grants shall be supported with Receipts/ Invoices / Sanction orders or other documents and cross referenced with supporting.
- ii. Any cash receipts or contributions have to be in accordance with government regulations.
- iii. Reconciliation reports shall be prepared periodically between fees due vs fees collected to avoid any revenue leakages.



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iv. All expenditure incurred shall be on the basis of budgets and procurement.

v. Appropriate tax deductions shall be made before payment of any expenditure.

e. Payroll

i. Personnel files of all staff persons shall be maintained and shall be accessible only to authorized officers.

ii. Personnel files shall contain the following

- Employment Application or Resume
- Offer and Appointment Letter
- Increment Letters
- Date of Employment
- Position, Pay Rates and Changes therein
- Authorization of Payroll Deductions

iii. Before processing the payroll, the following activities are to be performed

- Attendance Verifications
- Leave Taken Verifications
- Loss of Pay Verifications

iv. The final payroll summary shall be reviewed by finance officer and authorized.

v. All payroll payments shall be executed through bank.

f. General

i. Documents, Records and Other Financial and Accounting Information shall be kept manually and electronically.

ii. All records shall be maintained for minimum 8 years or as stipulated by government regulations.

iii. The accountants are responsible for maintaining the confidentiality and accuracy of records, which must be stored, archived in a proper and secure manner, as mandated by internal and external audits.

iv. Removal of original documents shall be done with the prior approval of finance committee and administrative council.



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- v. The Finance Committee may consider any amendment in or modification of or deviation from this Manual to meet emerging practical exigencies in procedural matters in unavoidable situations, from case to case, with the approval of the Administrative Council.
- vi. Prior to the beginning of the financial year, it is the duty of the finance officer to present respective budgets in the trust meeting.



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Notes/Remarks

12 July 2017: GST bills –Reimbursements will be done for GST Bills.

Digital Payment of Fees- Relating to Admission, Exam and Other Allied Activities.

All the billing/commercial transactions imposed to be GST or other taxes shall be routed through the entities of Research Institute Rajagiri (RIR) / Rajagiri Outreach Service Society.



A handwritten signature in green ink, appearing to read "L. J. Amirth", is written over a faint rectangular stamp.

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