



# SIR C R REDDY COLLEGE

ELURU, WEST GODAVARI DISTRICT, ANDHRA PRADESH, INDIA - 534007

Affiliated to Adikavi Nannaya University, Rajamahendravaram

(Thrice accredited at 'A' Level by NAAC : Bengaluru) AN ISO - 9001:2015 CERTIFIED INSTITUTION



College e-mail: [principal\\_sircrcollege@yahoo.com](mailto:principal_sircrcollege@yahoo.com)

website : [www.sircrreddycollege.ac.in](http://www.sircrreddycollege.ac.in)

Phone : 08812-230084

## Finance and Accounting Policy

### 1. Preamble

Sir C R Reddy College, Autonomous, Eluru stringently follows the accounting standards stipulated by the Government of A.P. for higher educational institutions (non-profit organizations) to ensure accuracy, consistency, transparency, accountability, disclosures and ethical responsibility.

### 2. Sir C R R Educational Institution Society

Sir C R Reddy College is managed the society “Sir C R R Educational Institution, Eluru”. The society was registered under the societies Act XXI of 1860 Society No.10 of 1950. Strategic decisions pertaining to the development of the institution is taken by the Board of Governors. The Chairperson of the G.B. shall be the President, of the society.

### 3. Objectives

The objectives of the accounting policy of the institution are:

- 3.1 To implement an accounting system for the accurate recording of financial transactions.
- 3.2 To adhere to the accounting standards of the Government of A.P.
- 3.3 To integrate transparency, integrity, accountability and confidentiality of the accounting process.
- 3.4 To Provide guidelines for budgeting, mobilization and utilization of funds.
- 3.5 To report financial results for strategic decision making.

### 4. Organization Structure of Finance Function

The Administrative office shall have the organizational structure as in Figure 1 for the execution of finance function.



**Fig. 1 Organizational Structure of Finance function**

## **Financial Functions:**

### **a) General Body**

- i. Review and approve the audited statements of accounts of the Society and the Institutions under its Management for the previous year.
- ii. Discuss and pass the annual budget of the Society recommended by the Managing Committee for the ensuing year.
- iii. Appoint auditor for the Society and its institutions and fix their remuneration. Such auditors should hold office till the conclusion of the next Annual General Body Meeting.
- iv. The General Body shall have powers necessary or incidental to the carrying out of the objects of the society.

### **b) Managing Committee**

- i. Exercise general control over the policies or the institutions, establish and maintain sound traditions to attain the aims and ideals of the Society.
- ii. Have the power to lease, sell, transfer or purchase any property or properties on behalf of the Society or for the Institutions under its Management.



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- iii. Maintain, construct or alter any structure or buildings and provide amenities to the staff and students.
- iv. Determine the conditions of appointment and service of members of the teaching staff and other employees of the Institutions.
- v. Make arrangements for the audit of the accounts of the Society and the institutions under its management by the auditors who shall be appointed by the General Body.
- vi. Consider the annual accounts including the Balance Sheet and the audit report of the previous year and Budget estimates for the succeeding year placed before it by the Secretary prior to its presentation before the Annual General Body meeting.
- vii. Control the expenditure of various institutions under its management and keep them within the sanctioned limits under various heads.

## 5. Fund Mobilization

The structured and streamlined process of fund mobilization shall be followed with accountability in every stage of the process. Fund mobilization shall be from the following sources:

- 5.1 Tuition Fee.
- 5.2 Sponsorship and endowments from Government / non-government agencies.
- 5.3 Contribution and donations from Philanthropists.
- 5.4 Project funding / research grants from Government / non-government agencies.
- 5.5 Revenue generated from consultancy and training.
- 5.6 Loans from banks.
- 5.7 Renting of facilities.

## 6. Fund Authorization

The fund authorization mechanism shall be as follows:

Particulars	Secretary & MC & OB & GB	Principal / Correspondent	Financial Administrator
Revenue Expenditure			
Up to Rs.50,000			



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Up to Rs.1,00,000			
Above Rs.25,00,000			
Capital Expenditure			

## 7. Budgeting Process

The Finance Officer shall prepare the annual budget for the entire institution in consultation with the Principal and submit it to the Finance Committee for final approval. The budgeting process shall include:

- 7.1 Comparison of budget and actuals (current financial year)
- 7.2 Projected income and expenditure statement for the subsequent financial year.
- 7.3 Expected capital expenditure for the subsequent financial year.
- 7.4 Heads such a capital investment on land and infrastructure, expenditure on physical and IT infrastructure, learning resources, maintenance of physical an academic facilities, research, university affiliation fee, staff salary, welfare measures, green initiatives, student enrichment and support, academic and co-curricular events and extracurricular events.

## 8. Financial Statement Formats

The format of financial statements of the institution shall be as follows:

- 8.1 Format of balance sheet:

Particulars	Amount (Rs.)
<b>Source of Funds</b>	
Capital fund	
Corpus fund	
General fund	
Restricted funds	
Loan funds	
Current liabilities	
Total	
<b>Application of Funds</b>	
Property, Plant and Equipment	
Investments	
Currents assets	
Total	



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## 8.2 Format of Income and Expenditure account :

Particulars	Amount (Rs.)
<b>Income</b>	
Fee Collection	
Income from investments	
Other income	
Total	
<b>Expenditure</b>	
Personal expenses (Staff Salary and Gratuity)	
Academic expenses	
Administrative expenses	
Repairs and maintenance	
Other expenses	
Deductions	
Total	

## 8.3 Internal Control

Internal controls mechanism of the institution shall be as follows:

- 8.3.1 Finance officer shall ensure adherence to policies and regulations of statutory compliance.
- 8.3.2 Internal audit shall be conducted quarterly and it shall be undertaken by internal members or external auditors.
- 8.3.3 Internal audit shall ensure accountability and transparency, and present misappropriation of funds, fraudulent dealings and errors.
- 8.3.4 Internal control shall facilitate optimal utilization of resources.

## 9. Statutory Audit

Statutory audit shall be carried out through an authorized chartered accountants from. The audited financial statements shall be presented to the General Body.

## 10. Instructional Accounting Practices

To ensure smooth and transparent accounting transactions, the following accounts shall be created:



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- i. Principal & Correspondent
- ii. Sir College Account
- iii. UGC account
- iv. RUSA account

## **10.1 Accounting Practices and Procedures:**

- 10.1.1 The method of accounting shall be Cash Basis.
- 10.1.2 Accounting consistency shall be ensured in all transactions.
- 10.1.3 Revenue shall be recognized as and when income is received actually.
- 10.1.4 Expenditure shall be recorded as and when it is spent.
- 10.1.5 Cheques shall require dual signatures of Secretary and Treasurer.
- 10.1.6 Bank reconciliation statement shall be review by the Accounts officer.
- 10.1.7 The institution shall adopt a digital payment system.
- 10.1.8 Fixed assets register shall be maintained by the Financial Administrator or an authorized person.
- 10.1.9 All receipts shall be supported the relevant documents.
- 10.1.10 Payroll shall be maintained by the accounts section and salary payment shall be paid through the bank.
- 10.1.11 Foreign currency transactions shall be subject to FCRA regulations.
- 10.1.12 All accounting records shall be maintained according to the government regulations.
- 10.1.13 The accounting and financial information and documents shall be maintained with confidentiality.