2015

University of Kashmir







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Report of the Committee on Financial Reforms in Kashmir University

University of Kashmir Srinagar, Kashmir J&K State

April 2015

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7.1.4	Inclusion	and	Situatedness	(10))
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• Number of specific initiatives to address locational advantages and disadvantages during the last five years (5)

• Number of initiatives taken to engage with and contribute to local community during the last five years (Not addressed elsewhere)(5)

	Number of initiatives to	With the Control to rocky Control				
	address locational advantages and	Number of initiatives taken to engage with and contribute to	Date and duration of the	Name of the	Issues	Number of participating
Year	disadvantages	local community	initiative	initiative	addressed	students and staff
		·				



University Of Kashmir Hazratbal, Srinagar, Kashmir

The Committee for Effecting Financial Reforms in University of Kashmir was Reconstituted Vide order No. KU/Reg/ Reforms/2014, Dated 11-12-2014, consisting of the following members:

1.	Prof. Khursheed Ahmad Butt	Chairman
	Department of Business & Financial Studies	
2.	Prof. A. S. Bhat	Member
	Controller of Examinations	
3.	Prof. Mushtaq Ahmad Darzi	Member \
	The Business School	INI
4.	Dr. Reyaz Ahmad Rainayee	Micheler W C
	Associate Professor, Department of Business & Financial Studies	
5.	Associate Professor, Department of Business & Financial Studies Dr. Bashir Ahmad Joo.	Member
	Associate Professor, The Business School	0.
6.	Deputy Registrar (Development)	Member
7.	Deputy Registrar (Accounts)	Member
8.	Deputy Registrar (Budget)Memb	er Secretary

The committee held series of meetings between December 2014 and April 2015 (Schedule of meetings at Annexure I). Discussions were also held with the various concerned officers & officials.

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In the lap of two precious jewels of nature, the Dal Lake and the Nigeen Lake, lies an important National treasure 'University of Kashmir'. its mesmerising natural surroundings and lush green gardens, the University Campus, finds its place among selected few beautiful Universities in the country. Universities are not known by the natural beauty bestowed, but by their successes and quality in teaching, Research and Extension. The academic leaders of our University were well aware of this fact and have accordingly accorded priority towards making Higher Education more accessible to people for their socio-economic prosperity by focusing on Teaching and Learning, Research and Development, Outreach and Engagement aiming, etc. to create, convey, and apply knowledge for expanding personal growth and opportunity, advancing social and community development, foster economic competitiveness for improved quality of life. It is pleasing to note that the University has made significant contribution over the decades on many fronts, yet it is a long way to go in achieving its pursuit to create and deliver superior value, to its immediate constituencies. It also understands to accomplish its Vision and Mission. Moreover there is an equal need to have an effective system of governance in place. One such system is Effective Financial System, the only goal being adequate funding to achieve its strategic and operational goals.

Financial Management Systems of the University are believed to be constrained with a number of inaccuracies and inefficiencies. Therefore, to unravel the deficiencies in the existing system and more importantly to seek policy recommendations for the betterment of the system, a Financial Reforms Committee was constituted. Knowing the significance of the committee, we have held a detailed study by analysing financial data and interactions with various constituencies. Based on the prudent financial theories and best practices, conclusions were drawn and policy recommendations made for better resources mobilisation, Expenditure Management and overall effective Financial Administration for the University. Since the current accounting system was found incomplete and extremely unscientific rather crude, a Fund Based Accounting system has been designed for the University. We understand that generally it is not possible for any organisation to implement all the recommendations in one go or the other reason but we are confident that these realistic recommendations once implemented will give more impetus to the overall operational efficiency. Major highlights of this report include:

- Explored possibilities of generating more funds both internally and externally without causing much burden on the students.
- Redesigned financial architecture to make more funds available for "Scholarships" to the "needy students" without constraining operational efficiencies.
- Focused on Building Reserves to meet exigencies. Besides designated more funds towards the development of Student Centric Infrastructure.
- For promoting complete financial discipline, Local Fund Committee, High Powered Budget Review and Appropriations Committee have been recommended.
- Fund based AIS designed to generate detailed records in a systematic and transparent manner.
- For greater accountability, systems of Internal Financial Aaudit, stock audit, Book Audit, Cost and Works Audit and Academic Audit emphasised with well defined and meaningful goals.

It is universally true that people generally resist a change in the organisation. But change is permanent thus important for remaining relevant, therefore, organisations cannot do well without changing its systems and practices. Successful implementation require two pronged strategies; Total Commitment of the Top Management and Secondly create awareness among stakeholders so as to push the change rather implement it in a scientific/calibrated manner. Education and training of people is verily the key factor for successful implementation of such a system.

To conduct this important study and come-up with well meaning policy recommendations, it would not have been possible without the cooperation and support of many people. At the outset we would like to acknowledge with great reverence the encouragement and support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and particularly Mr Masood support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancellor, His office in general and support extended to us by the Prof Khurshid Iqbal Andrabi Hon. Vice Chancell

Members Of The Committee

1. Prof Abdul Salam Bhat (Controller of Examinations)

2. Prof Mushtaq Ahmad Darzi
(The Business School) (De

3. Dr Riyaz A Rainayee

(Department Of Business & Financial Studies)

4. Dr Bashir Ahmad Joo (The Business School)

5. Mr Altaf Ahmad (Deputy Registrar Budget & creation) Mr Haroon Ahmad Bhat (Deputy Registrar Accounts)

7. Dr Tanveer Ahmad Shah (Deputy Registrar Development)

(Prof. Khursheed Ahmad Butt)

Department of Business and Financial Studies

Gist of Proposed Financial Reforms

Summary of Proposed Financial Reforms

A) Mobilisation of resources

I. Own Source Revenues

- 1. To improve the financial position of the University, minimal periodic increase in Registration Fee, Service Charges, Examination Service Charges and other fees is required. Besides, introduction of two new fees namely, Cultural-cum-Literary Fund and Students Welfare Fund are recommended for specific purposes.
- 2. Strengthening/establish Corpus Fund, Student Welfare Fund, Research Fellowship Fund, Infrastructure Maintenance & Development Fund and Other Dept. Development Fund.
- 3. Revise rates of rent of shops, canteens, cafeterias and other establishments.
- 4. Charge for electricity to all revenue centres @10% of revenues generated internally by these centres.
- 5. To offer equal opportunity to all, convert self finance seats into normal seats with likely revenue losses be compensated by increasing the admission and other fees.

Grant-In-Aid

- 1. Propose grant in aid for 100% salary and pension only.
- 2. Explore more funding under State Plan and other agencies/schemes. For this purpose prepare a 'Five Year Infrastructure Development Plan'.
- 3. Diversion of funds in no case should be allowed across all funds.
- 4 Get the budgetary provisions of Satellite Campus upgraded.

B) Expenditure Management

Electricity Charges

- 1. Operationalise existing Photovoltaic Project and commission more such renewable projects.
- 2. Launch educational & awareness campaign against reckless use of electricity.

3. Replace all lamps with energy savers preferably with LED lamps.

Examination Expenses

- 1. Make invigilation of examinations initially at PG level part of duty, thus remuneration free.
- 2. Revise rates of remuneration of practical's which are currently exorbitant.
- 3. Explore possibilities of reducing printing and stationary costs.

Hot and Cold Charges

1. Do away with the conventional hard-coal iron stoves (Bukharis), install split ACs or central heating systems in the administration block, examination wing and teaching departments., however, the top priority should go to classrooms and labs.

Advertisement Expenses

- Put a blanket ban on paid advertisements, publication of date sheets and other notices pertaining to the students who are currently enrolled in various teaching departments of the University.
- 3. Publish only abstracts of the notices with the direction that for further details visit official website of the university.

Printing and Stationary

1. Digitalise some of the stationary items which is expected to save around Rs.10-15 facs.

Transport Expenses

2. Cap the maximum mileage for each vehicle deployed with the officers. More appropriate would be to provide transport allowance in lieu of official vehicle or Outsource transport facility.

Maintenance and Repairs

1. Put in place appropriate systems of assessment and review of repair proposals to check wastages leakages and repetitions.

Casual Labour

- 1. Blanket ban on all casual engagements whatsoever the nature of engagement.
- 2. Outsource some multi-tasking jobs

3. Seek more financial support from the government for the salary of casual labourers.

Endowment Funds

1. Create endowment funds, one each for medals and Bed colleges.

Refreshment and Honorarium

- 1. Revisit the list of employees who are currently eligible for refreshments, honorarium and mobile charges.
- 2. If no limit stands fixed for refreshment, honorarium & mobile charges, the same shall be fixed

Teaching Departments

- 1. Local fund committee with a statutory status is recommended for the utilisation of local funds.
- 2. Each department be mandated to prepare and present the departmental budget before Central Budget Review & Appropriations Committee.
- 3. Each dept. be made to transfer 10% of the closing balance of local fund accounts to the university consolidated capital fund account.

Satellite Campuses

- Allow SCs to retain all fee dues except Corpus Fund, Alumni Fund, Student-aid-Fund, Research Fellowship Fund, DIQA Fund, Cultural-cum-Literary Fund, NSS and Red Cross Fee.
- 2. Local fund committee with statutory status also recommended for the utilisation of local funds of these campuses.
- Each satellite campus also mandated to prepare and present the budget before Central Budget Review & Appropriations Committee
- 4. Separate '5 Year Infrastructure Developmental Plans' shall be prepared for satellite.

C) Budgeting

- 1. Decentralize the existing centralised budgeting system.
- Budgeting to be extended to teaching departments & other expenditure centres using 'Zero Base Budgeting Mechanism'.

3. Constitution of high power 'Central Budget Review & Appropriations Committee' recommended for assessing and approving departmental and university budget:

D) Internal Audit

- 1. Institutionalise the systems of audit in the interest of accountability which requires total commitment of top management
- 2. In addition to Internal Audit, Stock Audit, Book Audit, Cost & Works Audit and Academic Audit is recommended

E) Accounting Information System

- 1. Use fund based accounting system a detailed manual prepared for its effective implementation in the university.
- 2. Accounting and audit cadre shall be created for successful implementation of the proposed Accounting Information System.
- Statement of Receipts and Payments, Income and Expenditure, Statement of Changes in Capital Funds and Balance Sheet shall be prepared fund-wise periodically and reported to the Top Management.

F) Infrastructure for AIS

- 1. Create an accounting & audit cadre consisting of the people who are qualified to discharge duties of accounting & audit efficiently and professionally.
- 2. Train and educate the selected group about different aspects of accounting.
- 3. Have a well defined transfer policy for the cadre. Transfer after every three years within the cadre only.
- 4. Computerised accounting system is recommended in view of its greater speed & transparency.

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April 2015

Introduction

Modern organisations whether business or not-for profit aim to deliver superior value to different stakeholders continuously. The immediate stakeholders of educational institutions are students, who want quality and better educational pursuits complying with the international standards & practices. To deliver superior value, universities would need to have a realistic vision and mission. However, to achieve the vision and mission of achieving greater excellence in the field of education, universities would need to have sufficient & human and financial resources. Even to ensure quality human resources for achieving academic excellence, among other things the management of an university would need to manage its financial resources efficiently so that there is no constraint of financial resources. This in turn calls for putting in place an efficient financial management system which aims to mobilise requisite funds both internally & externally & ensure efficient utilisation of financial resources to yielded maximum. Conversely, If the system is not efficient, the organisation is bound to suffer from the lack of financial resources or mismanagement of financial resources resulting into financial wastages, leakages & financial indiscipline and above all, fails in financial planning which is important for achieving excellence in its pursuits.. It is in view of this fact, healthy organisations lay much emphasis on the management of finances.

In not-for-profit organisations, financial management is mainly concerned with the following three aspects:

- Mobilisation of Funds.
- Utilisation of Funds
- Financial Administration

To comment & reform the existing financial systems of the university, the need was to critically analyse the existing system and based on the findings of the study, suggest the reforms to the existing system in light of the established financial theories & practices. For the purpose, the data was collected from almost all the revenue & expenditure centres which was summarised and analysed to draw meaningful insights about the present state of financial management system. However, the latest data was not available baring a few revenue/expenditure centres. As such the financial data of 2011-12 & 2012-13 has been used to draw conclusions about the financial health of the university. The non-availability of latest data is a clear reflection of the existing financial system of the university's financial system is that

Chapter 1: Mobilisation of Financial Resources

the same type of data maintained by different departments/ sections was found not matching. So in view of these difficulties, we have largely based our analysis on the estimates arrived at on 2011 & 2012 data.

1: Mobilisation of Funds

Efficiency of financial management is measured in terms of the ability of the finance dept. to mobilise more & more funds both internally & externally in order to ensure requisite funds for achieving vision & mission of an organisation. In order to decide how far we have been successful in the achievement of this goal, we would require to look into the different fund sources. The university mobilises funds both internally & externally which have been classified as under:

- Own Source Revenues
- Grant-in-aid
- State Plan
- Plan Funds (5-year plans)
- PMR Fund
- Corpus Fund
- Other Funds

1:1: Own Source Revenues

Own revenue sources is the 2nd major revenue source of the university. The state govt has fixed a target of Rs 38 crore for revenue generation from own sources. There is no authentic data available about the quantum of internal generations but conservatively it is estimated to be Rs 45 to 50 crores which comes to around 33.57% of the approved budget estimates of 2014-15. The revenues are generated internally from varied sources like examination fee, admission fee, self-finance seat fee, DCDC income, university service charges, registration fce, sale of publications etc. As per 2011-12 figures, the bulk of the revenues were generated on account of examination fee. Around Rs 27.30 crore have been generated in 2011-12 from examination fee which account for 54% of total revenues generated internally. The other major own revenue sources of the university includes; self-finance seat fee (5.14 cr), DCDC income (4.68 cr), service charges (4.5 cr), admission fee (2.55), sale of publications & entrance test fee (1.53 cr) and registration fee (0.74 cr).

Though, currently the university is able to meet the target fixed for own revenue sources yet, there is a strong case for exploring the possibilities of enhancing the generation of own source revenues by innovating new revenue sources, rationalisation of rate structure of existing sources & through better realisations for the following reasons:

- Currently the financial position of the university is not comfortable rather somewhat
 precarious & also liberal funding from the state govt. or other funding agencies is
 unlikely.
- Non-plan expenditures of the university are growing on an average @ 22% annually
 which means that the size of the university's budget will double in next 4 years to
 more than 350 cr which given the weak financial health of the state will be beyond its
 capacity.
- After the next pay revision, salary will bulge to an extent that will be burdensome for the govt. thus it is most likely that the current target will get revised upwards significantly.
- On the one hand, the non-plan expenditures of the university on an average are growing at 22 -25% annually & on the other hand, the own source revenues have been stagnant for the past 5-7 years. Under such a scenario, it is unlikely that the university would be able to meet the revised target to be fixed by the state Govt. for internal generations in future.
- For some major expenditure heads like electricity, hot & cold, printing & stationary, salaries of casual labour, the budget provisions provided by the Govt are significantly less than the actual expenditures. The deficit on these heads is around Rs. 9-10 crores which makes the financial position of the university very precarious.
- Over a certain period of time, there has been no increase in grant-in-aid for office contingencies which includes some important expenditures like; lab. expenses, books/ journals, scholarships etc. The insufficient budget provision for these and other office contingencies has constrained operational efficiency of different responsibility centres, thus calling for generating more funds internally to ensure requisite funds to meet these important expenditures.

- The university is presently working on thin margins without any cushion for unforeseen contingencies as such the university administration finds itself into financial difficulty now and then.
- Above all the financial soundness in terms adequacy, flexibility & autonomy is one of
 the important determinants of success for any organisation. The research has revealed
 that the organisations which are heavily dependent on others, theirs management are
 generally overburden with financial problems thus 'Become Myopic'.

Given the existing rate structure of own revenue sources, there is a scope to enhance the existing rates. Accordingly the enhancement of rates of the own revenue sources is recommended which is guided by the following considerations:

- Burden of revenue augmentation is spread over a large group in order to leave minimum impact on the individual on the one hand and on the other hand enable to generate requisite funds.
- There are some who argue that we should charge less to the students so as to leave less burden on those who cannot afford. But our approach should be to charge reasonable amount of fee but at the same time support needy students with requisite financial support.
- Revenue mobilisation is guided more in terms of generating more student development centric funds and less for merely meeting operating expenses.
- Promote financial autonomy to different responsibility centres but with adequate checks and balances in place to avoid misappropriation and wastage of financial resources.
- Equal focus on building reserves for contingencies and also to make available infrastructure needed to achieve excellence.

Guided by the above principles, the following revised rates of fee are recommended for the different own revenue sources:

1.1a: Registration Fee

This is not one of the major own revenue sources. But an enhancement in this revenue source is recommended for the reason that a little enhancement in this fee will result into some

sufficient revenue addition as large number of college students, both professional & non-professional pay this fee. Besides, the current rate is in no way more rather less than the amount charged by the Jammu University. As such, the fee is recommended to be charged at the following revised rates:

Registration Fee

Course	Revised Rate	Existing Rate	Net Increase	Remarks
Non-professional	150	100	50	Increased as the current rate is very low compared to professional courses
Professional	500	200	300	More increase is recommended as there was a disparity with the other professional course i.e. B.Ed.
B. Ed (Professional)	500	400	100	Less increase recommended to bring it par with the other professional courses

1.1b: University Service Charges

This is one of the important own source revenue of the university. Again an enhancement in this revenue source is recommended for the reason that a little enhancement in this fee will result into some sufficient revenue addition as large number of college students, both professional & non-professional pay these charges towards the university. Besides, the current rate is in no way more rather less than the amount charged by the Jammu University. Currently, Jammu university charges corpus fund to the students of govt run colleges at Rs. 110 per student and to the non-govt run colleges @ Rs. 660. As compared to this, we charge a mere Rs 15 from all students other than B.Ed students who pay Rs 220 per student towards corpus fund. Under service charges head, university development fund and sports fee is charged from all college students, both professional & non-professional. In addition to these charges, two new fees namely, "Cultural-cum-Literary Development Fund & Students Welfare Fund" are recommended which should be spent on cultural & literary activities organised by the university both for post-graduate & under-graduate students & to financially weaker students. It is also recommended that the sports fee be called as "Sports Development Fund" which should be spent specifically on the development sports. As such the following revised rates are recommended for service charges revenue head effective:

University Service Charges

Name of Fee	Revised	Existing	Net	Remarks
	Rate	Rate	Increase	
University Development Fund				
• Non- professional college	100	80	20	Increase suggested as the
students				existing rate is very low
• Professional college students	300			
Professional B.Ed students	300			_
Sports Development Fund				
• Non professional college	60	50	10	University needs to create
students				huge infrastructure for
Professional college students	100			sports.
Professional B.Ed students	100			
Cultural-cum-Literary			· · · · · · · · · · · · · · · · · · ·	To be utilised for the
Development Fund				promotion of our traditional
• Non- professional college	15	X	15	culture & literary activities
students				
Professional college students	50			
Professional B.Ed students	50			
Students Welfare Fund				***************************************
Non- professional college	25	X		
students				To be utilised for the
Professional college students	75	X	-	welfare of the students of
1	75	X		the university.
Professional B.Ed students				
Corpus Fund	70	1.5		337
Non- professional	70	15	55	Was not revised over a long
college students	500	•		period of time while as
• Professional college	500			Jammu university kept
students	500			revising & as on today they
• Professional B.Ed	300			charge Rs 110 to 660 per student
students				Studelli

1.1c: Examination Service Charges

Examination fee is a major own revenue source, accounting for more than 50% of the total own source revenues. No increase in this important revenue source has been registered over a period of time rather it is likely to witness decline in this source in view of the changes that are likely to happen in future. Like registration fee & service charges, a minor enhancement in this revenue source is recommended for the reason that a little enhancement in this fee will result into sufficient revenue addition as the total no of examinees are large. Besides, the current rate is in no way more. The examination fee charged by the university has four components viz; examination fee, examination maintenance fund (EMF), hot & cold charges

and degree certificate fee which is charged only to the 3rd year/ 4th semester students. We see more logic in renaming the examination as examination service charges with four components namely, Examination expenses fee (EEF), Examination infrastructure development fund (EDF), Hot & Cold charges and Degree certificate fee. The EMF has been renamed as Examination Infrastructure Development Fund. The following revised rates are recommended for examination service charges revenue head:

Examination Service Charges

N 46 : 61		TO	
Name of Service Charge	Revised	Existing	Remarks
Examination Expenses	Rate @ Rs 175 per course,	Rate 1000	Currently same fee regardless
Fee	subject to a minimum of		of the no of papers is charged
	Rs 500. Wherever practical's/		& also charging same fees both to the programmes with
	project viva is involved,		or without practical's is
	Rs 200 per course subject to minimum of Rs 600		inappropriate thus recommended different rates
Examination	500		Fee divided into many parts to
Infrastructure Maintenance &		X	provide funds also to upgrade & maintain infrastructure to
Maintenance & Development Fund			make stay in the examination
•			halls comfortable & convenient
 Hot & Cold Charges 	50	50	
Degree Certificate Fee			
✓ Non- professional			
college students	250	150	
✓ Professional college	100		Increased as the current rate
students	400		is low
✓ Professional B.Ed students	400	WANTER CONTROL	

1.1d: Admission Fee - P.G. Students

Unlike admission fee for the courses offered by the Directorate of Distance Education, the admission fee applicable to other teaching departments is properly classified. However, there exists disparity with regard to the Development Fund charged under Part-A. For M.A./ M. Ed. courses development fund is Rs. 600 only, while as for other courses it is Rs. 1600, Rs. 1500, Rs 1000 & Rs. 1200 for MBA/ MFC/ MTHM/ LLM, M. Sc/ B Pharma/ M. Pharma, MCA, PGDCA/ Dietetics/ DIT/DM respectively. Keeping in view the nature of the fee, there should have been no difference between different courses. Besides, there are certain fees/ funds namely, Alumni Fund, DIQA Fund, NSS Fund, Corpus Fund and Red Cross Fee which form a part of Part-B but after collection from the students, these are transferred to the central pool. Further, there are some other fees which requires revision keeping in view their

significance & usage. For example, Rs. 250 is charged as Magazine/Gullala fee which by all standards is more than the cost of the magazine.

The purpose of charging fee is not to mobilise funds to meet operating expenses only but more importantly, the purpose is also to make funds available for meeting its social responsibilities and to facilitate overall development of students and scholars. Guided by this noble philosophy, the fee structure should be such which will on the one hand enables to generate more student development specific funds and on the other hand seek more funds for poor & socially disadvantaged students. This is more applicable to us as the poverty level in the state is still high. We in no way can afford to be oblivious of our responsibilities towards those who are capable but require our helping hand. But unfortunately we are not fully ceased with our social responsibility which is evident from the amount of scholarships given to the poor students. The fact of the matter is that we have failed to mobilise funds both internally and externally to meet these important obligations. Since we operate in a welfare state, therefore, we should impress upon the funding agencies to provide more funds for scholarships. Besides, we at our own are also required to mobilise more funds internally for the poor & needy students. This would require to introduce such type of fees/ funds which will provide funds for the needy students. Currently, fee structure of various courses offered by the university has two such type of fees/ funds namely, Student Aid Fund & Alumni Fund, however, these two types of fees does not make available sufficient funds for distribution among the needy students. On the other hand, there is a huge requirement of funds for helping the needy students. As such, there is a need to revise the rates of these two funds on the higher side.

The other deficiency of the existing fee structure is that very less amount of fee has been fixed for corpus fund which was introduced with great vision & purpose of building reserves for investment in the development of university. Our rate of Rs 15 per student is in no way comparable with the Rs 330 fixed for this fund by the Jammu University. As such there is also a need to revise the rate of corpus fund on the higher side.

It can also be observed from the existing fee structure of self-finance courses, Part-B in respect of M. Ed. & IMBA/BA LLB is very low as compared to the other such courses. The fee fixed for these courses has been fixed at Rs 6600 while as in respect of other courses it varies between Rs. 15,000 to Rs 75,000. Added to it, like other courses there is no classification of Part-B fee. Absence of classification is likely to lead to the problem of

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financial indiscipline & directionless usage of funds. As such, like other courses there is a need to classify the Part-B fee of self-finance courses.

A new fee by the name "Cultural-cum-Literary Fund" is recommended which shall be used in the promotion of our culture & literary activities among the students community. Further, in the interest of proper & effective utilisation, renaming of some type of fee is also recommended like; admission fee into enrolment fee, research development into research fellowship fund, sports fee into sports development fund & library fee into library development fund.

In the backdrop of the above, the fee structure of different courses has been redesigned & revised which is given as under:

Revised Fee Structure for Post-graduate and other Courses

Part-A

Particulars of Admission Fee	M. A./ M. Ed. Courses		MBA/MFC/ MTHM/ LLM Courses		M.Sc/ B. Pharma/ M. Pharma courses	
	Revised	Existing	Revised	Existing	Revised	Existing
Enrolment Fee	2500	1500	2500	2100	2500	2200
University Development Fund	1000	600	1000	1600	1000	1500
Library Development Fund	600	600	600	600	600	600
Sports Development Fund	150	150	150	150	150	150
Magazine//Gullala Fee	100	250	100	250	100	250
IT&SS Fee	150	150	150	150	150	150
Research Fellowship Fund	250	100	500	100	500	100
Students Aid Fund	500	250	500	250	500	250
Alumni Fund	250	100	250	100	2.50	100
DIQA Fund	50	50	50	50	50	50
NSS Fund	25	25	25	25	25	25
Corpus Fund	100	15	500	15	500	15
Cultural-cum-Literary Fund	25	Nil	25	Nil	25	Nil
Red Cross Fee	10	10	10	10	10	10
Grand Total	5710	3800	6360	5400	6360	5400

Part-A

Particulars of Admission Fee	MCA Courses		PGDCA/ Dietetics/ DIT/DM Courses		Mass Com/ MSW Courses	
	Revised	Existing	Revised	Existing	Revised	Existing
Enrolment Fee	2500	2000	2500	1500	2500	1500
University Development Fund	1000	1000	1000	1200	1000	1000
Sports Development Fund	150	150	150	150	150	150
Library Development Fund	600	600	600	500	600	600
Magazine//Gullala Fee	100	250	100	250	100	250
IT&SS Fee	150	150	150	150	150	150
Research Fellowship Fund	500	100	500	100	500	100
Students Aid Fund	500	250	500	250	500	250
Alumni Fund	250	100	250	100	250	100
DIQA Fund	50	50	50	50	50	50
NSS Fund	25	25	25	25	25	25
Corpus Fund	500	15	500	15	500	15
Cultural-cum-Literary Fund	25	Nil	25	Nil	25	Nil
Red Cross	10	10	10	10	10	10
Grand Total	6360	5400	6360	5300	6360	5400

Particulars of Admission Fee	M. Com/ LLB Courses		Diploma Courses		Certificate Courses	
	Revised	Existing	Revised	Existing	Revised	Existing
Enrolment Fee	2500	1700	1500	1000	750	600
University Development Fee	1000	1000	500	700	350	400
Sports Development Fund	150	150	150	150	150	150
Library Development Fund	600	600	600	500	350	300
Magazine//Gullala Fee	100	250	100	250	100	250
IT&SS Fee	150	150	150	150	150	150
Research Fellowship Fund	250	100	250	100	100	x
Students Aid Fund	500	250	500	250	500	250
Alumni Fund	250	100	250	100	250	100
DIQA Fund	50	50	50	50	50	50
NSS Fund	25	25	25	25	25	25
Corpus Fund	100	15	100	15	100	15
Cultural-cum-Literary Fund	25	Nil	25	Nil	25	Nil
Red Cross Fee	10	10	10	10	10	10
Grand Total	5710	4400	4260	3300	2910	2200

Part-B

Particulars of Admission Fee	PG/ Integrate Cou		Diploma/ P Cou	•
	Revised	Existing	Revised	Existing
Departmental Development Fund	2000	2000	1500	1600
Departmental Library Fee	500	500	350	350
Social Activity Fund	400	500	400	500
DIQAU Fund	100	100	100	100
Total	3000	3300	2350	2550
Computer Fee	Rs 500 (Wh education for curriculum	ere computer ms part of	Rs 300 (Wh education for curriculum	•
Lab Maintenance Fee	Rs 500 (For so only)	ience faculties		For science
Maintenance of Animal House	Rs 500 (For Pharmaceutical Time)	or Dept. of Science - One		
I Card Fee	Rs 50 (To be the office of DS		Rs 50 (To be the office of D	

Revised Fee Structure for Self Finance Courses

Part-A

Particulars of Admission Fee	M. Sc IT		M.A History/ M. Ed Courses		IMBA/ BALLB/ Courses	
	Revised	Existing	Revised	Existing	Revised	Existing
Enrolment Fee	2500	2000	.2500	1500	2500	1300
University Development Fund	1000	1300	1000	500	1000	600
Sports Development Fund	150	150	150	150	150	150
Library Development Fund	600	600	600	500	600	600
Magazine//Gullala Fee	100	250	100	250	100	250
IT&SS Fee	150	150	150	150	150	150
Research Fellowship Fund	500	100	500	100	500	100
Students Aid Fund	500	250	500	250	500	250
Alumni Fund	250	100	250	100	250	100
DIQA Fund	50	50	50	50	50	50
NSS Fund	25	25	25	25	25	25
Corpus Fund	500	15	500	15	500	15
Cultural-cum-Literary Fund	25	Nil	25	Nil	25	Nil
Red Cross	10	10	10	10	10	10
Grand Total	6360	5000	6360	3600	6360	3600

Particulars of Admission Fee	M. Sc Geo- informatics		B. Tech		M. P. Ed.	
	Revised	Existing	Revised	Existing	Revised	Existing
Enrolment Fee	6800	6000	2500	1500	2500	1000
University Development Fund	1500	2500	1000	1000	1000	500
Sports Development Fund	150	150	150	150	250	550
Library Development Fund	600	600	600	600	500	500
Magazine//Gullala Fee	100	250	100	250	100	250
IT&SS Fee	150	150	150	150	150	150
Research Fellowship Fund	500	100	500	100	500	100
Students Aid Fund	500	250	500	250	500	250
Alumni Fund	250	100	250	100	250	100
DIQA Fund	50	50	50	50	50	50
NSS Fund	25	25	25	25	25	25
Corpus Fund	550	15	100	15	100	15
Cultural-cum-Literary Fund	25	Nil	25	Nil	25	Nil
Red Cross	10	10	10	10	10	10
Grand Total	11,710	10,200	6360	4200	6360	3500

Particulars of Admission Fee	PG Diplom Remote Sens		PG DMM Urdu	
	Revised	Existing	Revised	Existing
Enrolment Fee	2500	2000	2000	1000
University Development Fund	1000	1500	500	600
Library Development Fund	600	600	500	500
Sports Development Fund	150	150	150	150
Magazine//Gullala Fee	100	250	100	250
IT&SS Fee	150	150	150	150
Research Fellowship Fund	500	100	500	100
Students Aid Fund	500	250	500	250
Alumni Fund	250	100	250	100
DIQA Fund	50	50	50	50
NSS Fund	25	25	25	25
Corpus Fund	500	15	500	15
Cultural-cum-Literary Fund	25	Nil	25	Nil
Red Cross	10	10	10	10
Grand Total	6360	5000	5260	3200

Part-B (To Be Deposited In The Respective Local Fund Accounts Of Teaching Depts.)

Particulars of Admission Fee	Courses						
	M. Ed.	IMBA/ BALLB	M. P. Ed.	B. Tech	M. Sc IT		
Tuition Fee	3500	2500	9,500	14,000	36,500		
Department Developmental Fund	1000	2000	2000	2000	2,000		
DIQAU Fund	100	100	100	100	100		
Departmental Lib. Fee	500	500	500	500	500		
Social Activity Fund	400	250	250	250	250		
Sports/ Games Fee			1000	·····			
Lab Maintenance Fee				3000	2500		
I Card Fee (To be reimbursed to DSW)	50	50	. 50	50	50		
Total	5550.00	5550.00	13,400	19,900	41,900		

Particulars of Admission Fee			Courses		
	M. Sc geo- Informatics	M. A. History	PGD DM/ Remote Sensing	PGDIT	PGDMM Urdu
Tuition Fee	58,000	21,500	14,500	10,000	21,500
Department Developmental Fund	2000	2000	2000	2000	2,000
DIQAU Fund	100	100	100	100	100
Departmental Lib. Fee	500	500	500	500	500
Social Activity Fund	400	250	250	250	250
Sports/ Games Fee	X	X	X	X	Х
Lab Maintenance Fee	3000	X	2000	3500	X
Field Trips/ Tour Fee	10,000	X	5000		X
I Card Fee (To be reimbursed to DSW)	50	50	50	50	50
Total	74,050	24,400	24,400	16,400	23,400

1.1e: Admission Fcc - Research Scholars

Currently appropriate amount of fee is charged to the research scholars, but the fee structure requires some sort of reclassification and readjustment. For example, the existing structure includes caution money which does not relate with the research programmes. Further, in the existing fee structure, very low fee has been fixed for research development which goes against one of the fundamental purposes of fee i.e generate more for meeting developmental needs of the scholars. Accordingly, the following readjustments are recommended in the existing fee structure of research programmes of the university:

Admission Fee - Research Scholars

Particulars of Admission Fee	M. Phil		Pl	ı. D
	Revised	Existing	Revised	Existing
Registration Fee	500	2000	1000	3000
Internet Fee	350	350	500	700
I Card/ Smart Card Fee	100	X	100	X
Supervision Fee	1500	300	2000	600
Examination Service Charges	3500	1650	4500	2750
Examination Expenses Fee	2700		3700	
Examination Maintenance Infrastructure Development Fund	800		800	
Research Fellowship Fund	650	200	750	300
Corpus Fund	500	X	750	X
University Development Fund	1000	X	1000	X
Library Development Fund (Non-Refundable)	750	1000	1250	1500
Cultural-cum-Literary Fund	50	X	50	X
Students Welfare Fund	200	X	300	X
Degree Certificate Fee	400	250	500	250
Bench Fee				
Science Faculties	2000	3000	8000	10,000
Other Faculties	500	1000	3000	4000
Total	11,500/ 10,000	9500/7500	20,700/ 15,700	18,850/ 12850

1.1f: Admission Fee - Directorate Of Distance Education

Apart from central pool, there are other revenue centres which among others include Directorate of Distance Education. The Directorate is the 2nd major revenue earner of the university with more than Rs 9 crores annually. On an average, it contributes around 70% of its revenues to the central pool which comes to around Rs 6.5 crores annually. There is some understanding regarding the revenue sharing between the Registry & the Directorate.

Currently the fee charged by the Directorate to the students of different courses is without any break-up. The lump sum amount is charged which is initially collected by the Directorate and later on as per revenue sharing agreement, 70% of the total revenues generated by the Directorate are transferred to the central pool. This revenue sharing seems to be sound but without proper classification it defeats the very purpose of charging of different kinds of fee. This way fee realised by the Directorate is merely treated as a revenue to meet deficits on account of certain operating expenses. The purpose of collecting fee from the students is not only to meet operating expenses but more importantly to contribute to the development of academics directly & also contribute towards the financially weaker students. It is in view of this fact, the fee collected from students of various formal departments has been divided into

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different components. This also helps in defining the usage of the fee collected thus greater promotes financial discipline and focused utilisation. Owing to these facts, it will be appropriate to:

- Classify the lump sum fee charged by the Directorate into different components on the pattern of other teaching departments.
- Already agreed fee sharing ratio shall be the basis for dividing the lump sum amount into Part - A & Part-B fee respectively.
- The following classification is recommended for the lump sum fee charged by the Directorate which among other things is guided by the principle of using own source revenues for creating enabling environment for teaching & research in the Directorate for one and all rather than treating it merely as a means for meeting peripheral operating expenses:

Part-A (To be Deposited in the University Chest)

	Courses					
Particulars of Admission Fee	M. Ed.	B. Ed.	Other P.G. Programs	Diplomas	DPTT/ CCKM	
Enrolment Fee	7,000	6,300	3500	2500	1000	
University Development Fund	2,000	2,000	1000	1000	600	
Research Fellowship Fund	500	500	500	250	200	
Students Aid Fund	500	500	500	150	100	
Alumni Fund	250	250	250	140	140	
DIQA Fund	50	50	50	50	50	
Sports Development Fund	50	50	50	50	50	
NSS	10.	10	10	10	10	
Corpus Fund	750	750	500	400	200	
Cultural-cum-Literary Fund	25	25	25	25	25	
Total	11,135.00	10,435.00	6,385.00	4,525.00	2,325.00	

Part-B (To be deposited in the Directorate of Distance Education)

	Courses				
Particulars of Admission Fee	M. Ed.	B. Ed.	Other P.G. Programs	Diplomas	DPTT/ CCKM
Tuition Fee	2,000	2,000	1,000	900	500
Study Material Fee	1,540	1,340	540	500	300
DIQAU Fund	100	100	100	100	50
Departmental Lib. Fee	500	500	250	250	200
Social Activity Fund	350	250	250	140	40
Computer Fee	x	x	250	X	X
Red Cross	10	10	10	10	10
I Card Fee	50	50	50	50	50
Total	4,550.00	4,250.00	2,450.00	1,950.00	1,150.00

1.1g: Self-Finance Seats

Some years back the university has introduced self-finance seats in each of the programmes offered by the university. The current amount of fee for these seats varies between different courses at Rs 20,000 to 200,000 per seat. The fee fixed depends upon the nature & demand for the course. In addition to the self-finance seat fee, the students admitted against these seats are required to pay the normal admission fee. Besides, admissions against these seats are made on the basis of merit. From these seats, the university mobilises around 4.75 crores which account for just 3.06% of the total annual expenditures of the university. With respect to own source revenue funds it accounts around 9.5% of the total own revenues thus not an major source of own source revenues. Though the introduction of self-finance seats have helped the teaching depts to generate more funds for utilisation towards the creation of academically important infrastructure in the departments as such expected to have contributed to meaningful growth & development of teaching depts, ultimately benefiting the students & scholars of the university. But the other side of the story is that there are many students who because of financial difficulties are not able to seek admissions even though meritorious. Some in the larger interests of their wards do arrange requisite fee from this way or that way but inflicts emotional torture to one & all in the family. So denying admission to meritorious students for being financially weak is seriously questionable for the university which preaches greater inclusive social good with equity. Therefore, we would need to revisit this decision with open mind. We also understand, that the university is constrained to arrange more funds internally as well. But it is possible to offer equal opportunity to higher education pursuits to all & at the same time enable the university to mobilise requisite funds without reserving some seats to raise more funds. This is possible if we embrace the 'Principle of Helping Each Other' by contributing little more by one & all rather leaving the burden on some selected group. Therefore, it is recommended that:

- In the interest of achieving inclusive greater social good by allowing equal opportunity to peruse higher education to one & all, change the status of Self-Finance Seats into normal seats.
- Revenue losses resulting from abolishing self-finance seats shall be compensated by increasing the following fees at the rates shown against each. This proposed enhance of fee is precisely on the above stated principle which preaches charging little more from large group to make available requisite funds on the one hand spreading the

burden on large group & on the other hand allowing equal opportunity to one & all regardless financial position. This precisely is based on the principle of contributing little more by everyone to fund those who otherwise could fund higher education:

Self-Finance Seat Fee

Name of Fee	Existing	Proposed Inc. to	Total Fee
	Proposed Amt.	Fund Abolishment of	
	of Fee	SFS	
Admission Fee			
 PG & other Courses 	8000 - 9500	2500	10,500 -12,000
 Self-finance courses 	9000 - 75,000	1000	10,000 -76,000
Distance Education	3500 - 15,400	1500	5000 - 16,900
Research Scholars	8900 - 19,000	2500	11,400-21500
Examination Service	1200	200	1400-1500
Charges			
Registration Fee	-		
 Non-professional 	150	100	250
 Professional 	500	150	650
 B. Ed (Professional) 	500	150	650

- Share the above fee with the teaching Depts in such a way that there is no loss to either of the two financial entities.
- Strengthen students welfare fund to provide more financial assistance to the needy students of the university.
- Charge admission fee on semester-wise so as to leave less burden of admission fee at a time.
- If the abolishing of self-finance seats is not feasible, at least charge self-finance seat fee semester-wise to leave less burden at a time.

1.1h: Certificate Fee Receipts

Many other fees are charged to the students for different certificates/ services provided by the university. These mainly includes, rechecking fee, revaluation fee, degree certificate fee, migration certificate fee, eligibility fee etc. Such type of fees contributes sufficiently to the own source revenue pool of the university. However, these fees have not been revised over a long period of time. As such to boost the own source revenue generation, there is some scope to revise some of these fees on the upper side. There is also a scope to introduce other fee based services mainly to facilitate the student community. Thus introduction of new fee based services would be a win-win situation both for the students community and the university. However, though we charge students for different fee based services, yet the quality of services provided by the university are below par. There are unnecessary delays etc. Our only Mantra should be to offer all sorts of services to the students community with ease even though they are being charged for different services.

The new services that are recommended to be added to the existing list includes the following:

- Photo-copy of answer scripts
- Advance Degree Certificate
- Division Improvement.

The following revised rates for the existing services & the rates of fee for the proposed new services are recommended:

Revised Rates for Different Fees

Name of Service Fee	Revised	Existing	Remarks			
Existing Fee Based Services						
Revaluation Fee	500 pp	500 pp	Current rate is appropriate			
Rechecking Fee	100 per paper	75	Charging flat rate is inappropriate as such suggested rate per paper.			
Migration Certificate Fee	500	280				
• Duplicate Migration Certificate Fee	550	530	Rounded to next hundred			
 Degree Certificate Fee ✓ Professional courses ✓ Non Professional Courses ✓ M, Phil/ Ph. D. 	400 250 400	300 150 250	Current Fee is little low as such revised on the higher side, however, the quality of the paper of the certificate needs to be improved			
Duplicate Degree & Diploma Certificate Fee	1000	2500	The current rate is quite high.			
 Eligibility Certificate Fee ✓ Under-Graduate ✓ B. Ed. 	125 225	110 200	Higher rate recommended as the current was little low			
Name Correction Fee	400	400	No Change suggested as the existing rate is fair rate			
 Verification of Marks/ Degree Certificate Fee 	300	300	No Change suggested as the existing rate is fair rate			
Provisional Certificate Fee	125	105	The quality of the paper of the certificate needs to be improved			
Character Certificate Fee	125	105	The quality of the paper of the certificate needs to be improved			
Degree in Absentia Fee	200	155	Higher rate recommended as the current was little low			
 Registration Revival Fee 	400	400				
 Late Fee ✓ 1st 10 days ✓ 11th to 20th days ✓ 21st to 30th day ✓ After 30th day 	300 400 500 1000	300 400 500 1000	No Change suggested as the existing rate is fair rate			
New Fee Based Services	.,					
Advance Degree Certificate Fee	1000	X	Will be a win-win situation both for the students community & the university			
Photo-copy of Answer Books Fee	250 per pa	per X	This will be in line with the RTI which applies to the university as well.			
Division Improvement Fee	500 per pa	per X	Provides right to the students community to improve his past performance			

1.1i: Sale of Admission, Examination & Other Forms

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For seeking admission & for sitting in the examination, students are required to submit forms for which they shall have to pay the cost of the form towards the university. Besides, for applying for issuance of certificates etc. application forms are to be submitted. This can be one of the most viable means to enhance own source revenue mobilisations. If the form fee is increased even by sufficient percentages, that will leave little financial burden on the students in absolute terms but at the same time will contribute sufficiently towards revenue generation from own sources. This is precisely in line with the prudent financial principle of charging less from large group to leave little financial burden on each payer. It is in view of this fact, it is proposed to increase the form fee. The following revised rates of fee for different forms are recommended:

Revised Form Fees

Name of Form	Revised Rate	Existing Rate
Examination Forms Fee		
Examination Form MA (Private)	20	50
Examination form for OCMIL Exam	20	50
Examination form for BE Exam.	20	50
Examination form fee for M.A/M.Sc/M.Com	20	50
Examination form for post Basic Nursing Exam	20	50
Examination Form fee for MBBBS/BUMS/BDS	20	50
Examination form fee for MD/MS	20	50
Application Forms		
 Application form for Registration as Post graduate student - MD/MS 	65	100
Application Form for one subject change	100	110
Application Form for change of stream	100	110
Application Form for transfer from one college to another	200	220
Application form for Duplicate Degree/Diploma Certificate	100	110
Application form for degree in absentia	5	25
Application form for migration certificate	5	25
Application form for grant of Reg. for M Phil and PhD programmes	5	25
 Application form for change of title/guide in respect of M Phand PhD programmes 	il 25	25
Application form for grant of Research Scholarship and Contingency grant	20	25
Application form for admission to M. Phil/PhD	20	25
Application form for Post graduate Merit scholarship	. 5	25
Application form for Correction in name/parentage/cast	5	25
Application form for Provisional certificate	5	25
Application form for Character certificate	5	25
Application form for Revaluation	5	25
Application form for grant of eligibility certificate	5	25
Application form for revival of registration	5	25
Application form for scrutiny and rechecking of marks	5	25
 Application form for issuance of duplicate marks card/ adm. card/ attempt certificate of MBBS/copies of examination form 	5 n	25
Bill form for scholarship	Nil	Nil

1.1j: Other Revenue Centres

There are other revenue centres which includes Alama Iqbal Library, Hostels, Hospitality & Protocol Chief Protocol, Transport, Estates, DSW, Convocation Centre, & IT & SS. These revenue centres together earn around Rs. 3 crores annually. These revenue centres retain the revenues generated by them, but surprisingly without any well defined mechanism for the operation of local funds in place. Such a policy has led to lot of inefficiencies in the system. Free access to the funds has allowed people to misappropriate the funds scot free. A classical example in this regard is the widespread engagement of casual labour by these and other revenue centres in total disregard to financial & administrative prudence. Most of the revenues generated by these centres are consumed for salaries of casual labour rather than the purposes for which such revenues are generated, thereby defeating the very purpose of collecting such fees from the students. For example, Allama Igbal Library, Hostels, Chief Proctorial wing, IT & SS consume, 45%, 82%, 25% and 75% of their revenues respectively. These figures reveals disturbing picture of these critical service centres. Therefore, the need is to put in place a well defined operational mechanism for the accounts maintained by these revenue centres so as to enforce financial discipline, otherwise missing in the university, which in turn has played havoc not only with the finances but more importantly has led to unethical administrative practices in the university. Which in ultimate analysis has played havoc with the otherwise serene & ethical work culture in the university.

In order to restore the sanctity of these revenue centres and more importantly make them to utilise the funds for the purposes for which generated, the following few recommendation are made:

- Explore possibilities of seeking financial assistance from the state govt. for the salary
 of casual labour
- Identify the officers who have misused casual labour route by recklessly engaging
 them in total disregard of norms and at least punish them by black listing for
 administrative responsibilities and important administrative positions in case of
 administrative officers.
- Strictly restrict the usage of funds for the purposes for which intended.
- In the interest of greater financial autonomy, the different revenue centres shall be allowed to collect revenues and operate accounts, but a well defined operational

mechanism shall be required to put in place for these centres by defining usage of funds and subject their expenditures to scrutiny by a competent body.

 After annual audit, the 90% of the year-end closing bank balances of different revenue centres other than the teaching departments shall be transferred to the University Consolidated Capital Fund Account.

Besides, the Department/Centre specific recommendation are given as under:

1.2a: Allama Iqbal Library

Library is central to educational institutions particularly to the institutions of higher learning. There can be a financial constraint for any responsibility centre but not for the library as being nerve centre of the university. Allma Iqbal Library in addition to the budgetary assistance from the Govt, generates resources internally. On an average, it earns annually Rs 75 lacs but unfortunately most of it (41%) is utilised for paying salaries of casual labour whose engagement is reported to have not been based on administrative considerations. The revenues generated from own sources i.e. library fee should have been utilised mainly for the acquisition of books & information technology. Such a situation would have been acceptable, had there been shortage of staff. The utilisation of own source revenues for engaging casual labour rather than the purposes for which such funds were meant, must have impacted its efficient functioning. This misuse of funds is equally attributable to the failure of the administration to put in place well defined mechanism for utilisation of local funds. Apart from the recommendation regarding utilisation of local funds for engaging casual labour given above, the following few recommendations are made to augment its financial resources:

- Make refundable library fee as non-refundable fee which is estimated to contribute around 15 lacs annually to the exchequer of the library.
- Charge Smart Card fee from student & scholars @ Rs 50 per student.

1.2b: Hostels

Different hostels together generate around Rs 45-50 lacs annually on account of annual rent & welfare fund. The annual rent is a revenue to the university for meeting operating expenses of the university as a whole. Welfare fund @ Rs 100 P.M. is also collected from each hostel boarder annually which is required to be utilised on the welfare of the hostel boarders. But again unfortunately these revenue sources are being utilised for paying salaries of casual

labour which is in contravention of all norms. In fact it defeats the very purpose of charging such fee which ultimately affects the living environment in the hostels adversely.

The living conditions in the hostels of the university are not satisfactory rather needs further improvements. Hostels in fact need continuous maintenance & up-gradation. It is unlikely that there will be financial assistance available from the govt on this account. Therefore, it has to come internally. There is a scope of mobilising more funds internally as the current fee structure is low. In this regard, the following few recommendation are made:

- Restrict the use of welfare fund on the activities which fall in the domain of the welfare of hostel boarders.
- Charge Hostel Maintenance Fund & electricity user charges @ Rs 50 p.m each. from
 each boarder which should be utilised exclusively on the maintenance & up-gradation
 of infrastructure of the hostels & to meet the short fall in grant-in-aid provided for
 electricity charges.
- No part of rent & electricity user charges fee shall be allowed to retain by the hostels

1.2c: Proctorial Wing

Proctoral wing of the university generates annually on an average Rs 16 lacs on account of parking fee, affidavit charges & proctoral charges. Like other centres, it also consumes certain part of own source revenues on the salary of casual labour though not to the extent of other responsibility centres. 25% of its own revenues come from parking fee while as affidavit charges account for around 64% of its own revenues. The university has so far developed only one parking space which is mainly used by the outsiders. Currently, there is a free entry to all which had the most dampening impact on the serene environment of the campus. Among other things, academic institutions require noise free environment. Therefore, it would be appropriate to restrict the movement of vehicles within the campus which in all respects would serve the great purposes, be it social, academic, environmental & economic. Given these & other reasons, the following few recommendations are offered:

- Develop another parking space next to the Rumi Gate.
- Allow entry only to the vehicles of employees. More appropriate would have been to
 make all to park their vehicles near the main entrances to ensure serene academic
 environment in the campus. Such a step will not cause inconvenience to the staff as
 there is not much distance to foot as the size of the campus is not large enough. Above
 all it will have positive impact on the health of employees.

- Atleast not allow entry to the vehicles of students, scholars, & others. This is mainly
 recommended keeping in view the serious socio-psychological implications that it has
 on those students belonging to lower strata of the society. This will be in the larger
 interest of those students also who have vehicles.
- Charge parking fee to the students & scholars @ Rs 200 p.m. and to the outsiders at Rs. 20 per day

1.2d: Hospitality & Protocol

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The university has two guest houses and the kitchens of the these two guest houses have been given on contract to outsiders, rightly so. But surprisingly, no rent is being charged from the contractors which is difficult to comprehend. More disturbing aspect is that the caterers working in the kitchens are on the payrolls of the university. No one on this universe will be ever able to explain such a situation. This reflects nothing but the ill-health of the administration, the root cause for all this is lack of accountability & transparency in the system. Besides, the rent collected from guests is retained fully. Retention of rent is not questionable but the pertinent question is that whether proper records are maintained and more importantly whether the utilisation of funds has remained efficient or not. Had the utilisation of room rent revenue been designated & proper mechanism put in place to control wastages & leakages, there would have been no problem with respect to the retention of room rent by the management of guest houses. But no such mechanism is in place, therefore, there is every probability of its mismanagement. During the last financial year Rs. 46 lacs have been spent out of the local funds of the guest houses. Spending such a huge amount without any well defined mechanism for expenditure management, is a question mark which needs to be looked into. It is in view of this fact, there is a need to streamline the financial managements systems of this revenue centre. Towards this goal it is recommended:

- To avoid the revenue loss to the university, the kitchens of the two guest houses shall be tendered on the pattern of other food outlets.
- As per the standard practice, charge rent from all guests whether on official visit or otherwise except visiting vice-chancellors.
- If the guest houses does not remain fully occupied, then we may seek possibility of entering into an arrangement with some other governmental or non-governmental

departments for accommodating their guests in our guest house. Even exploring other possibilities to have full occupancy shall be explored.

- Allow to retain only 50% of the room rent to be utilised for the upkeep of the guest houses & for meeting those operating expenses for which there are no budgetary provisions.
- At the end of the financial year, transfer 90% of the closing balance of the local fund to the University Consolidated Capital Fund Account

1.2e: Rent Revenue

The university also earns on account of rent from number of premises let out to different agencies to carry out businesses in the campus. The university has let out 28 shops, 3 cafeterias & one coffee house. It has also let-out a building to J&K Bank & has also provided space for ATMs & BSNL for telecommunications tower. The rent fixed for shops is quite low by all standards, the reasons for which are difficult to comprehend. Besides, same rent is not charged to the different similar type of shops which again is questionable. More disturbing in this regard is that the paltry amount of Rs. 50,000 per month has been fixed for a two storied 3000 SFT building located at prime location, let out to J&K Bank. The fair rent for this building keeping its size & location in consideration, cannot be less than Rs 2.5-3 lacs per month. The house rent charged currently for two bedroom house in the peripheries of the university campus ranges between Rs 10,000 to Rs. 15,000 per month. It is beyond ones imagination that how come revenue loss in this regard has not been taken note off by the authorities so far . A monthly rent of Rs 2 to 3 lacs for the bank would be peanuts in view of the business the bank generates at the current location.

The rent of the coffee house, cafeteria & ATMs is also on the lower side. It is worth mentioning here that the revenue generation cannot be the sole consideration for fixing rent for cafeterias but the dominant consideration has to be availability of suitable eatables at cheapest rates which even the poorer students can afford. But the low rent fixed for cafeterias is not for these noble reasons. Very luxurious eatables are sold in cafeteria & collee house and the rates are so high that even the students belonging to the upper middle class find difficult to bear and not to talk of students belonging to the low income groups. The rates at which coffee is being offered in the coffee house are at par with the rates of the coffee houses operated by the best Star Hotels in the valley. As such operating these essential service centres in the current form defeats the very noble purposes of canteens in the university which have turned into 'Status Symbol' places of visit. We all know canteens symbolises for low rates but the canteens operating in the university campus are exception to this fact, perhaps in the entire country.

By charging very low rates, conservatively it is estimated that there has been a revenue loss to the extent of Rs 30-35 lacs annually. As such, there is a need to revise the rent fixed for different establishments. Accordingly, the following revised rates of rent are recommended:

Revised Rates of Rent

Establishment	Revised Rate PM	Existing Rate PM	Remarks
J&K Bank	2.5 - 3.0 lacs	50,000	The proposed rent is very low compared
,	With 10% increase	,	with the market rates
	after every 3 years		
Fee Counter (J&K	25,000 - 30,000	15,000	The proposed rent is not comparable with
-	With 10% increase	12,000	the market rates
Bank)	after every 3 years		Marine Marine
Tea Shops	5000 - 7500		Rate for authorised food items should be
2 Out Shops	With 5% increase after		regulated & fixed as low as possible even
	every 3 years		though the university has to charge
			nominal & even no rent
Shops other than	3500 - 5000		Rate of Xerox Charges should be
tea shops	With 5% increase after		regulated & fixed as low as possible even
	every 3 years		though the university has to charge
			nominal rent for such shops
Main Cafeteria	75,000 - 125,000	16,750	Rate for authorised food items should be
(Humanities Block)	With 10% increase	•	regulated & fixed as low as possible even
Ì	after every 3 years		though the university has to charge
	• •		nominal rent
Main Cafeteria	75,000 - 125,000	3,804	Rate for authorised food items should be
(Allama Iqbal	With 10% increase		regulated & fixed as low as possible even
Library)	after every 3 years		though the university has to charge
• •			nominal rent
Canteen (Arts	15,000 - 25,000	6251	Rate for authorised food items should be
Block)	With 10% increase		regulated & fixed as low as possible even
	after every 3 years		though the university has to charge
	,		nominal rent
Coffee House	35,000 - 50,000 With	10,000	Rate for authorised food items should be
	10% increase after		regulated & fix as low as possible even
	every 3 years		though the university has to charge
			nominal rent
Library Cafe	10,000 - 15,000		Rate for authorised food items should be
	With 5% increase after		regulated & fix as low as possible even
	every 3 years		though the university has to charge
			nominal rent
ATMs	15,000 - 20,000	10,000	Guided by the principle of trying to
	With 10% increase		mobilise as much as possible
TO CONTRACT	after every 3 years	5.500	
BSNL Tower	25,000 - 30,000	5,500	
	With 10% increase		
771. 1	after every 3 years		
Kitchens (Guest	Auction Kitchens or		Amount of Rent fixed should be such
House)	charge a minimum rent		which should not cause unnecessarily
	of Rs 3 lacs pa		revenue loss to the university & at the
			same time should not add more to the cost
Room Rent			of food.
}			
Official Visit	650	500	Vening in view the motor in secure in
✓ Single	1000	800	Keeping in view the rates in vogue in
✓ Two Persons Personal Visit	1000	OUU	other universities, our revised rates would
rersonal visit ✓ Single	1000	1000	be in no way more
✓ Single ✓ Two Persons	1200	1000	
T WO F CISUIS	1200	1000	

1.2f: Electricity Charges

The annual bill for electricity charges of the university is around Rs 6 crores excluding off-site campuses while as the grant-in-aid provided for meeting this expenditure is Rs. 3 crores only. As such, there is a whopping deficit of more than Rs. 3 crores on this head of expenditure which also plays havoc with the finances of the university. To meet this whopping deficit, the university is constrained to divert funds from other heads meant for the purposes of the development of academics and the students. Thereby this diversion of development specific funds to meet this operating expenditure must have certainly impacted the desired and meaningful development of the university negatively. In the larger interest of the university, there is an urgent need to plug this deficit by mobilising requisite funds from all the possible sources rather than using student development specific funds to meet this expenditure. Certainly there must be a solution to this financial problem but needs to take some bold decisions, however, after proper assessment of the expenditure. To plug this deficit, the following few recommendations are offered which if not solve the problem fully but at least shall offer some reprieve from this problem.

- There is no denying the fact that there is reckless use of electricity by everybody, more unintentionally than intentionally, as such there is a need to launch an aggressive education/ awareness campaign with a slogan/ message "Switch-Off" all the lights during the day time; Don't keep lights & electric gadgets on when away" & Replace all lamps with energy savers most likely with LED Lamps.
- Policy of self-imposed Switch Down for one hour each in the morning from 8 a.m. to 9 a.m. & during the lunch break between 1:00p.m. to 2:00p.m shall be put in place.
- Long back the solar panels were installed in the campus but surprisingly these are yet to be made functional for one simple reason that there is no space for keeping the batteries. As such, it is proposed that either construct small room for keeping batteries at the site of solar panels or shift these panels & install either on the roof tops of Allama Iqbal Library or Convocation Complex which perhaps are the most appropriate places for their implementation. Besides, explore funding for more solar power generation in the campus which is likely to be easily available as the Govt. of India currently lays much emphasis for solar power generation.

- Seek more budgetary support from the state govt against this expenditure head which
 most likely will be offered if the above mentioned and other reformative measures are
 implemented.
- Charge user charges for electricity @ 10% of the revenues generated to all such centres which generate revenues internally.
- Make residents to pay electricity charges on the basis of actual consumption. If such a measure is not possible for one or the other reasons, then a consumption beyond Rs. 2000, is paid by the users. This will at least discourage people to use electricity recklessly. If again, this measure is not feasible, then a hike in electricity & other user charges at the following rates is recommended. It is pertinent to mention here that there is a perception that most of the electricity is consumed by the residents which is not a fact. The fact of the matter is that residents are not the only users. There are many other major users like hostels, & departments. Therefore, the entire burden cannot be put on the residents.

Revised Rates of House Rent & Other User Charges

Type of Accommodation	Electricity Charges		House Rent		Water Charges	
	Revised	Existing	Revised	Existing	Revised	Existing
Type - A	1000	750	500	360	100	10
Type - B	800	600	400	260	100	10
Type - C	800	600	300	220	100	10
Type - D						
Section Officer	450	300	150	80	100	10
Head Assistant	450	300	125	66	100	10
Sr/ Jr. Assistant	450	300	75	54	100	10
Type - E	350	300	50	40	100	10

- The above revised rates shall increase at 2.5% annually.
- The house rent realised from the residents shall be designated for the maintenance of staff quarters.
- Charge to the hostel boarders also though nominally @ Rs 50 p.m. per boarder but at the same time ensure interruption free electricity to the hostels.
- Electric meters be installed on all shops & other commercial establishments so as to recover electricity charges from these private establishments on actual consumption basis. If again it is not financially feasible to install meters, recover appropriate charges from these establishments.

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1.2g: Transport

The university provides transport facility to some of its officers and also to the staff and students of the university. The officers, who are eligible for university vehicle are provided free of cost. But other employees & students & scholars avail university transport facility on payment basis. Currently, university buses ply on different routes for pick & drop of the employees & students. Also pick & drop facility to the airport is made available to the employees on payment basis. For airport pick & drop, the university charges Rs 500 one side travel which is reasonable. But the rate charged on other routes is has been fixed to cover the fuel costs only. Which means that the university is meeting the expenses on account of normal repairs, maintenance & wear & tear costs. The university already suffers from deficit in grant-in-aid for transport expenses & by charging less than the running costs of the buses plying on different routes adds to the financial miseries on this account. So among other things, there is an urgency to revise the existing rates on the principle of "No-Profit-No-Loss Basis". Accordingly, the following revised rates are recommended to plug the revenue losses & also ensure the hassle free transport facility to the employees & the students:

- The university has many buses in operation which operate on different routes. These are used both by the students & the staff for which they pay user charges. The user charges should be fixed in a manner that at least the running costs including maintenance costs & depreciation of the vehicles are recovered fully. But the current user charges need to be revised on the higher side as the current rates are not sufficient to cover the costs fully.
- Not able to recommend the revised rates, as even after making repeated requests, the information about the current rates was not provided which.....???????
- In no case the transport section should be allowed to retain the revenues realised fully. They shall be allowed to retain only 20% of the revenues to meet emergencies.

1.3: Corpus Fund

An important decision of establishing 'Corpus Fund' was taken in 2003 which was duly approved by the university council with the purpose to create a reserve to meet exigencies as and when arise due to the paucity of funds. Among other things, the establishment of the fund was conditioned to be operated after a period of ten years or when the fund balance crosses a limit of Rs. 5 crores excluding interest earned whichever is earlier under the special

authorisation of the Vice-Chancellor. At the time of establishment of the fund, a contribution of Rs. 10 was fixed to be collected from each student at the time of admission from undergraduate, post-graduate students and @ Rs. 200 from each B. Ed. student. The authorisation to establish the fund was with the permission to review and revise the rate as & when required. The university could revise the fee only once to Rs. 15 in a period of 12 years which is questionable rather implies the failure of the authorities to build this fund. This fund has a great significance in the sense that it offers a much needed cushion to meet exigencies. It will serve this noble purpose only if over a period of time the fund accumulates to a size which offers greater cushion rather sufficient funds to invest in strategic decision aimed to contribute to greater excellence. We take this opportunity to express gratitude to those who have taken this great and much needed initiative. But our failure to give more impetus to this fund by periodically increasing the amount of contribution from each student is questionable. Perhaps the authorities have failed to give more impetus to this fund due to the lack of understanding of the significance of the fund. The counterparts of our university in Jammu university have utilised this opportunity to a maximum extent. They kept continuously revising amount of fee and as a result of which, the amount of fee charged under this head has reached to Rs. 660 per B. Ed. student & to other students the current rate is Rs. 330. As compared to this, our rate is Rs 200 from B. Ed. Students & a mere Rs.15 from other students. This huge gap in the rate of this fund speaks volumes about our failure to build reserves for exigencies. Our grapevine is that due to the increased rate, Jammu University has been able to build this reserve to the extent of Rs. 35 crores while as the size of our fund has reached to Rs. 4.59 crore only. Infact this is not the time to only resort to figure pointing. We are fully aware of the significance of building this reserve, as such have already recommended the increased rate for this fund under different heads mentioned above like university service charges & admission fee. In addition to these measures, it is recommended that:

- 10% of payment seat fee realised each year should be set aside and credited to the corpus fund.
- The existing rate has not been revised for a long period of time, as such, is quite low compared to rate charged by the Jammu University. Therefore, the following revised rates are recommended for the corpus fund:

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Revised Rates of Corpus Fund

Student Category	Revised Rate	Existing Rate
Non-Professional College Students	70	15
Professional College Students	500	
Professional B. Ed Students	500	200
P. G. Students	500	15
Research Scholars	500	15

- The moratorium period which has already expired should be extended by 2 more years so as to allow the fund to get accumulated to a reasonable size.
- Creation of following Designated Funds are also recommended for the purposes shown against each fund:

Students Welfare Fund: To be created by merging student aid fund & alumni fund into this fund which shall be utilised to provide scholarships to the financially weaker students of the university.

Research Fellowship Fund: To be utilised to offer fellowships to the research scholars of the university.

Infrastructure Maintenance & Development Fund: University development fund, examination infrastructure development fund, hostel maintenance fund, DIQA fund & library development fund shall form the part of this fund which shall be utilised to maintain & develop the infrastructure in the university.

Sports Development Fund: Utilisation restricted towards promotion of sports or creating new infrastructure for the development of sports in the university & colleges.

Cultural-cum-Literary Fund: Utilisation shall be restricted to the promotion of our age old culture and literary activities among the students fraternity of the university & colleges. As such it shall have to be specifically utilised on those activities which are meant for the promotion of culture & literature to be organised by DSW.

University Consolidated Capital Fund Account: Specifically utilised to meet to ma create new infrastructure, upgrade and maintain the existing infrastructure

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Revenue Deficit Coverage Fund: With respect to some major expenditure heads, the grant-in-aid provided is less than the actual expenditures. Without any provision, it becomes very difficult for the university to arrange funds for these deficits. It is in view of this situation, creation of this fund is recommended, to which the following own source revenues shall be set aside & credited to this fund:

- Rent of staff quarters, guest houses, canteens, shops, J&K Bank, & other establishments,
- Electricity charges collected from Teaching Detps & other consumption centres.
- Hostel Infrastructure Maintenance Fund
- 50% of funds transferred from IMDF

1.4: Interest Earned

The university keeps money in a bank account, some in current accounts, some in saving bank accounts & some in fixed deposits. On saving bank accounts & fixed deposits, the university earns interest. This gives rise to a policy decision about the treatment of interest income. Normally the interest earned is treated as other income thus, accounted for while calculating profit or loss for a given period. But university which is a non-profit organisation receives funding under different schemes/ agencies both for meeting plan and non-plan expenditures. Some grants with a condition to the use of interest income, generally require to be used to meet the operating expenses related to the implementation of the scheme. Under such cases we shall have to abide by the stipulations of the scheme with respect to interest income. However, the university shall have to take a policy decision with respect to the interest income on the funds where there is no condition as regards interest earned on bank deposits. In this regard, the following is recommended with respect to the treatment of interest income:

Proposed Treatment of Interest Earned

Nature of Fund	Treatment	Utilisation
Grant-in-aid	Treat Interest earned under the head Other Incomes	Utilise to meet non-plan expenditures
Own Source Unrestricted Revenue Funds	Treat Interest earned under head other Incomes	Utilise to meet non-plan expenditures
Own Source Designated Revenue Funds	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund only
State Plan Funds	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund only
UGC 5-year Plan Funds	Treat Interest earned under head Other Incomes	Utilise to meet non-plan expenditures
PMRF	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund only
Corpus Fund	Treat Part of the Fund	Utilise to meet the expenditures designated for the fund
University Consolidated Capital Fund	Treat Part of the Fund	Utilise to meet the expenditures designated for the fund
Departmental Local Fund	Treat Interest earned under the head Other Incomes	Utilise to meet non-plan expenditures of the dept
Departmental Consolidated Fund	Treat Part of the Fund	Utilise to meet the expenditures designated for the fund
Research Projects - Restricted Funds	Treat Part of the Fund	Utilise to meet the expenditures designated for the fund
Endowment Fund - Medals	Treat Interest earned under head Other Incomes	Utilise to meet expenditures on account of the cost of medals
Endowment Fund - B. Ed. Colleges	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund only
Teachers Welfare Fund	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund only
Staff Welfare Fund	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund
HBA Fund	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund
Convenience Fund	Capitalise Interest Earned	Utilise to meet the expenditures designated for the fund

1.5: Grant-in-aid

Grant-in-aid is provided by the State Govt on annual basis to meet non-plan expenditures which account for nearly 75% of the total annual expenditures of the university. Within the grant-in-aid, salary component constitutes the major portion at around 85% of the total grant. This in other words means only 15% of the grant-in-aid is available for other non-plan expenses. Out of the grants provided for office contingencies, major portion is spent on office expenses & other consumables and very little on books/journals, lab expenses, scholarships etc. The grant-n-aid provided by the state govt. which was to the tune of Rs. 26 Cr. in the financial year 2000-01 has reached to Rs. 140 crores in 2014-15, thus witnessing an annual growth of around 22%. Given the precarious financial position of the state, the university has been asked to generate more funds internally. Presently, the target fixed for own source

revenues is around Rs 38 crores which in view of the growing size of non-plan expenditures is likely to get revised on the higher side in future. The other fact about the grant-in-aid is that since the last 5 years or so there has been no enhancement in the grants provided under the expenditure head - office contingencies. As a result, the funds provided for office contingencies are insufficient to meet the requisite expenditures. Presently, the university suffers from huge deficits with respect to some important expenditure heads like electricity, hot & cold, printing & stationary and casual labour salary. The aggregate deficit on account of these heads is presently around Rs 9-10 crores which are reported to have been causing lot of strain on the finances of the university. The most straining expenditure is salary of casual labour which is around 5 crores for which the state provides a lump sum grant of Rs. 80 lacs only.

Grant-in aid is also received for satellite campuses which are presently in operation namely South Campus and North Campus. Other than grant-in-aid for salary, each of these campuses are provided a meagre budgetary support for office contingencies to the tune of Rs 1.54 lacs only which is not sufficient even to meet stationary expenses not to talk of major operating expenditures like electricity charges & other operating expenses. These campuses require on an average Rs. 17- 20 lacs annually for office contingencies & other consumables. The fact of the matter is that the budgetary provision of Rs. 1.54 lacs was fixed when they were run as P. G. Centres in Anantnag Degree college & Baramulla Degree Colleges respectively. When these were run from the premises of degree colleges, only two courses in each of these two centres were offered. Besides, there was no own infrastructure to operate & maintain. Consequently, a budgetary provision of Rs 1.54 lacs was somewhat sufficient at that point of time. Five to six years back these P. G. centres stand upgraded into full-fledged satellite campuses with adequate infrastructure to operate and maintain. Besides, since then many new courses were launched in these campuses. Given these facts there were strong reasons for getting the budgetary provisions for these campuses enhanced.

Given the facts as stated above, it is recommended:

• To propose to the govt that we will meet all operating expenses from own revenue sources, even for creating & maintain the infrastructure in the university and provide grant-in-aid for salary & pension only.

- If the above proposal is not accepted by the govt, at least seek more funding for electricity, hot & cold charges, salary of casual labour to cover the deficits with respect to these expenditure heads.
- Seek more funding for student support services like scholarships, books, lab expenses etc in view of the current very insufficient funding against these heads.
- Satellite campuses currently operate with the budget provisions which were fixed for P.G. Centres way back in 2003. Since these P.G. Centres have been upgraded into full-fledged satellite campuses, as such there is a strong case for upgrading their budgetary provisions, therefore, the matter needs to be presented & pursued before the authorities.
- The office contingencies part of the non-plan budget needs total revamping. For this part of the budget, a Zero Base Budgeting mechanism is recommended.
- Efforts are also needed to be made to get budgetary provisions approved for the other three campuses to be started from the academic year 2015.

1.6: State Plan

In addition to non-plan grants, state govt. also provides plan funds under state plan for the creation of requisite infrastructure. The plan grants received in 2011-12 were Rs 20 crores which declined to a mere 1.75 crores in 2014-15. The assistance under the state plan kept declining year after year during the last few years which is surprising in view of the fact that the university was entitled to receive more & more grants to meet growing needs of making capital expenditures. This simply reflects the failure of the concerned authorities to present and pursue the genuine demands of the university. Under the directions of the govt. or political establishments, the university has embarked on a massive expansion programme of establishing satellite campuses & Zakura campus to reduce congestion in the main campus. The university still suffers from insufficient hostel accommodation in the main campus. The lack of required hostel accommodation can be gauged from the fact that the hostel accommodation in the university is available only for 54 scholars when the university admits around 700 scholars. Although the university received a financial assistance of around Rs 119 crores for creating infrastructure in the main and other campuses. But still the university is in need of capital funds to augment the existing infrastructure. Perhaps the university

authorities are less focussed on this important source of finance. As such it recommended that:

- There has been a continuous & sharp decline in funding under state plan, the reasons of which needs to be looked into at the earliest.
- To augment the existing infrastructure we would need to develop a "5-year Infrastructure Development Plan" of the university for presentation before the different funding agencies.
- In no case, diversion of plan funds should be allowed and strictly adhere to the plan stipulations with respect to the utilisation of these funds.
- Involve all the concerned unit heads in the formulation of budgets for plan funding.

 Also there is a need for greater transparency in the utilisation of plan funds.

1.6: UGC Plan Funds

Plan funds are also received under the 5-year plans to augment the existing infrastructure and to create new infrastructure. Under 10th, 11th & 12th plan, the university was provided a total assistance of Rs. 5.04, 19.56 & 32.13 crores respectively. Compared to other universities, the assistance received by the university was not satisfactory. Insufficient assistance under different 5-year plans was not due to the failure of the university authorities to reflect its requirements fully but due to funding criterion of the UGC. One problem being reported regarding the management of 5-year plan funds has been failure of the concerned authorities to be proactive in getting the liabilities taken-over by the state govt in time. A classical case in this regard is that the taking over of liabilities on account of the positions created under 10th plan were initiated by the authorities as late as by 7 years. The failure of the concerned authorities in getting the liabilities taken-over by the state causes great inconvenience to the staff appointed against the plan positions for no fault of theirs. Therefore, the authorities would need to take timely action in this regard in future to avoid demoralising impact on the people appointed against the tenure positions. Therefore, it is recommended:

- To take timely action in getting the liabilities taken-over by the state govt.
- To utilise the plan funds in time and strictly for the purposes for which intended.

- To Communicate the approved plans to all the unit heads so as to keep them informed about the plan allocation for their units.
- The university has so far failed to seek funding under various schemes of the UGC like Faculty Recharge Scheme etc., as such, every effort needs to be taken to realise maximum from the various UGC sponsored schemes.

Chapter 2: Expenditure Management

Introduction

The other important goal of financial management is the efficient utilisation of financial resources. This goal assumes more significance in govt. entities for one simple reason that the government entities are constrained more by inefficient utilisation and less by the insufficiency of financial resources. It is an open fact that the govt entities among other things suffer from misappropriations, wastages and leakages of financial resources. Conversely the private entities have been found to outperform the government entities mainly for the reason that these are able to utilise all their resources more specifically finances very efficiently. This is mainly attributed to their effective expenditure management, the bedrock of which is the controlling of expenditures with the purpose to avoid wastages, leakages, and more importantly prioritise expenditures so as to create and deliver superior value to its stakeholders. Therefore, like other organisations, along with the goal of mobilising more & more funds, the university shall have to ensure efficient utilisation of its financial resources. In order to know whether the university has been able to avoid wastages, leakages, and to prioritise its expenditures to create and deliver superior value to its stakeholders namely, its students, industry, public policy making & the society at large.

2.1: Plan Expenditures

The university's expenditures are broadly classified into plan expenditures & non-plan expenditures. The plan expenditures are aimed at creation of capital assets (infrastructure) while as non-plan expenditures are for meeting operating expenses. Though both of these expenditures are necessary & important but more plan expenditures are preferred in view of their far reaching impact on the growth and development of an institution. Therefore, an effort is needed to be made to seek more & more funding for plan expenditures as well. The total expenditure of the university was Rs 162 crore in 2011-12 out of which 85% was non-plan expenditure which means a mere 15% was incurred creating much needed infrastructure. The university needs to create huge infrastructure to support the various expansion projects undertaken in the main and off-campuses as such the plan outlay of mere few crores will not suffice. More worrying fact is that instead of seeking more funding under the state plan, there has been a continuous decline in plan funding of the university under state plan For example, the total plan outlay (state plan) was Rs 20 crores in 2011-12, which declined to 13 cr., 8 cr. & 1.75 cr. in 2012-13, 2013-14 & 2014-15 respectively. Such a disturbing trend in state plan funding needs to be corrected otherwise it is likely to have a devastating impact on the

growth and development of the university. Requisite recommendations in this regard were made under revenue mobilisation section above.

The other more worrying aspect is related to the utilisation of plan funds. These funds are designated funds in the sense their utilisation has to be strictly in accordance with the plan stipulations. But it is being reported that the funds are not utilised strictly for the purposes for which provided. Diversion of plan funds if true is a serious administrative lapse. Loaning from account to the other should not be confused with the diversion of funds but it is considered legally & administratively a genuine financial transaction. But if the loan amount is not returned then certainly it raises questions about the financial administration. Rather it is a reflection of inefficient financial planning & management of the university. If the diversion is done without genuine reasons/intentions in that case such an action defeats the purposes for such funding was provided. Therefore, equally important is to curb this uncalled for administrative behaviour. In this regard it is recommended that:

- There has to be explicit instructions against the diversion of funds & every effort should be made to ensure the utilisation of designated & restricted funds specifically for the purposes for which intended. In case diversion of designated funds are necessary to meet some unavoidable contingency, under such circumstances, the proposal to this effect should be placed before the Budget Review & Appropriations Committee for scrutiny & recommendation to the vice chancellor.
- Annual utilisation reports prepared for presentation before the authorities to ensure transparency & accountability which otherwise are the reasons for many ills in the administration including financial indiscipline.
- Internal audit be extended to the utilisation of all funds including plan funds.

2.2: Non-Plan Expenditures

Non-plan expenditures constitute a major part of the total expenditures of the university. These expenditures are growing on an average annually @ 22-25% mainly on account of salary component. The non-plan expenditures of the university are broadly classified into salary/ pension and office contingencies. Expenditures on account of salary & pension constitute more than 85% of total non-plan expenditures. As such only less than 15% is spent on office contingencies which includes some important academic related expenses. However, out of office contingencies a mere 14.08% is spent directly on academic related items where

as major portion is expanded on meeting various operating expenses. Incurring operating expenses in no way are bad rather equally important for achieving the operating goals but spending less on academic related items is really a worry some factor as such requires immediate attention. However, the situation is not so serious as a certain part of Part-B fee & self-finance seat fee share of the department is spent on academic related items. But it is also a fact that there are instances where the usage of these funds has not been restricted towards the meaningful & much needed academic activities. There are plenty of examples where casual appointments were made against self-finance seat fee share which goes against the basic norms laid down for the utilisation of funds realised on account of self-finance seats. There is no denying of the fact that there has been financial indiscipline when it comes to the utilisation of designated funds by the departments. In view of these facts, in the larger interest of the academics & financial discipline, the following few recommendation are made:

- Allow utilisation of departmental share of payment seat fee strictly in accordance with the norms as laid down for its utilisation.
- Try to seek more funding against the expenditure heads where actual expenditures are more than the budgeted provisions
- Allow utilisation of designated funds by the departments strictly in accordance with the purpose for which such funds raised. Re-appropriation may be allowed only in rare of the rarest cases & where there is a great justification & urgency.

Major Non-Plan Expenditures

The major expenses other than the salary/ pension includes electricity charges, printing & stationary expenses, examination expenses, hot & cold expenses, publicity expenses & salary of casual labour. As such, these expenditures needs attention with the purpose whether there is any possibility of pruning these expenditures and if so how to do so. Therefore, these expenditures have been thoroughly reviewed & the findings thereof have been discussed as under with some specific recommendations:

2.2a: Examination Expenses

Teaching and conduct of examination are the two most important activities of the university. The university conducts examinations of under-graduate, post- graduate students belonging to both professional & non-professional programmes run by its affiliated & constituent colleges.

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On an average, the university conducts around 78 examinations at different periods of time of around 1.5 lac examinees. Conducting examination for such a large number of students is a herculean task which the university has been conducting successfully right from the beginning. On this very important activity, the university bears an expenditure of more than Rs. 10 crores excluding the expenditure on printing & stationary. Combined with the cost of printing and stationary, the total expenditure on the conduct of examination is around Rs. 11 crores. As against this, the grant-in-aid provided by the state govt. in the annual budget is Rs 4.8 crores. Therefore, leaving a huge deficit of more than Rs. 10 crores for the university to compensate which dampen the entire financial scenario of the university.

The state govt, refuses to accommodate the full expenditure on account of examination expenses in the budget reportedly on the pretext that the university collects examination fee from the students which is not fully reflected in the budget estimates under the head - own revenue receipts. This to a great extent is true. As per 2011-12 figures, the university has collected examination related fee of more than Rs. 24 crores while as in the budget of that financial year only Rs. 14.71 crores was shown as own revenue receipt on account of examination fee. As such, leaving a surplus of Rs 10 crores which was more than sufficient to cover the deficit. In spite of this fact, the examinations are made to suffer for want of resources to meet its expenditures which in turn has not only affected the efficiency of this important wing of the university administration adversely but is bringing bad name to the university in the eyes of college fraternity as the payment due to them on account of invigilation/ evaluation work gets delayed. It has been found that the examination bills remains unpaid for pretty long periods for want of financial resources. Infact, if the above figures are correct there should have been no deficiency for meeting examination expenses from balance amount of examination revenues. The fact of the matter is that the university generates significantly more than the figures shown in the budget but there is no well defined mechanism for the utilisation of revenues under different heads including the examination revenues. The revenues realised from the examination are utilised for other purposes thus defeats the very purpose of charging examination fee. The priority should have been to first utilise it on meeting examination related expenditures. The same way other designated revenue funds are utilised which goes against the spirit of charging such fees. This behaviour/ practice is mainly attributed to the lack of well defined financial/ accounting system in the university. This has resulted into not only financial quos but unfortunate financial indiscipline, wastages which in turn has hampered the governance and what not in the

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university. Therefore, the only solution to this problem is to put in place proper & well defined financial/ accounting system which will address this and many other issues facing the university.

Out of the total expenditure of Rs 11 crores, around Rs one crore is spent on printing & stationary. Besides, sufficient amount is incurred on transportation of examination material. While analysing the stationary being used for various aspects of examination, it has been found that there is some scope of pruning of the stationary which will result into some savings. By evolving some alternate mechanism, the transportation costs can also be reduced. Besides, it has been reported that the examination maintenance fund is being misused by engaging recklessly casual labour against the fund. The salary bill on casual labour from EMF is reported to be about Rs 75 lacs annually.

Given the facts as stated above, the following few recommendations are made towards the better management of examination expenditures in the university:

- Invigilation of examinations is recommended to be made part of duty thus, remuneration free duty which has an administrative & legal justification as it is performed during the office hours. Otherwise also it is administratively improper to pay extra for invigilation duty performed during the office hours. Paying honorarium for invigilation during office hours amounts to double drawls. This may initially be tried at the PG level examinations only.
- Currently remuneration @ Rs 50 per student is paid to the examiner for conducting practical's which is very high rate by all standards. It is not only the external examiner, but the concerned teacher (Internal Examiner) also is entitled for payment @ Rs 50 per student which is beyond ones imagination. Pertinent to mention here that for the evaluation of project reports & for conducting comprehensive viva voce only Rs10 per student subject to a maximum amount of Rs 1000 per day is paid. Compared to the conduct of practical's, evaluation of project reports is more difficult & time consuming work but the rate of remuneration fixed for this time consuming work is significantly less than that of practical's. It is as such recommended that the examiners for the conduct of practical's shall be paid remuneration at the below mentioned rates:

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Revised Rates of Remuneration For Practical's

Particulars of Existing Rate		Recommended Rate		
Examination				
Practical Examinations of PG, Courses/Professional Courses VIZ: MBBS, BDS, BUMS, BE, B. Phrama, LLB, MD/MS, Medical Diplomas, M.phil, LLM etc	Rs 50 per candidate subject to minimum of Rs 400	Rs. 25 per candidate subject to a minimum of Rs 500 & maximum of Rs 1000 per day		
Practical examinations of all undergraduate courses including OC&MIL, Music & Fine Arts, Diplomas, Certificate & Computer Related Courses	Rs 10 per candidate subject to minimum of Rs 400	minimum of Rs 400 & maximum of Rs 750 per day		
Laboratory Assistant for P.G. Level Courses	Rs 25 per candidate subject to minimum of Rs 400. However, the other officials viz; Lab Attendant, Gasman/Lab Bearer & Waterman shall be paid Rs 75 per day	Rs. 10 per candidate subject to a minimum of Rs 250 & maximum of Rs 400 per day However, the other officials viz; Lab Attendant, Gasman/Lab Bearer & Waterman shall be paid Rs 100 per day		
Laboratory Assistant for U.G. Level Courses		Rs. 6 per candidate subject to a minimum of Rs 100 & maximum of Rs 200 per day However, the other officials viz; Lab Attendant, Gasman/Lab Bearer & Waterman shall be paid Rs 50 per day		
B. Ed Practical Exam Inspector - Head of the Institute	Rs 100 per day	Rs 100 per day		
Examiner (Practice of Teaching)	subject to minimum of Rs 300	minimum of Rs 300 & maximum of Rs 500 per day		
B. Ed Evaluation of Lesson Plan	candidate	to a maximum of Rs 250 per day		
Conveyance charges shall be paid @ Rs 75 per day to the external examiner, if the examiner is from the same district & Rs 175 per day if the examiner is from another district.				

- Large printed material is being sent to the paper setters which is hardly being utilised.
 Instead, one or two page computerised letter should be prepared containing all the necessary information/ instructions & the paper setters asked to send computer typed paper in accordance with a given format.
- 60% of pages of the answer book is used across all examinations, thereby remaining 40% of the pages goes waste. Therefore, it would be appropriate to reduce the No of

pages of the answer book at least by 30% of the pages & as a precaution reintroduce the practice of continuation sheets.

• Further, district-wise centralised collection centres shall be established where each college shall be asked to deposit packets of answer books & wherefrom the material shall be brought to the university.

2.2b: Hot & Cold Charges

Hot & cold is another major expenditure of the university. On an average more than Rs 1.35 crore is spent annually on coal, fire wood, heating stoves & ignition charges. Compared to the actual expenditure of Rs 1.35 crores, grant-in-aid provided on this account in 2013-14 was Rs. 67.39 lacs only. Again there is a deficit against this expenditure head to the tune of around Rs 67 lacs which the university meets from one or the other fund account. The hot & cold charges on the one hand are going to rise year after year and on the other hand the grantin-aid provided to meet this expenditure remains stagnant. As such the burden of deficit is going increase in future, thereby making it more difficult to compensate for the university. The problem is not only of the deficit in grant-in-aid but also there are difficulties in making the purchase of coal & fire wood. Although, the purchase committee every time has tried its best to strike a best deal but has failed for one or the other reasons. There is a possibility of leakages also regardless of the care taken. Wastages seems imminent due to the lack of carc. For example, every year around 300 heating stoves are purchased for around Rs. 5 lacs without proper record of inventories. One fails to understand how come the heating stove will last for one year only when normally it should last at least for 2 to 3 years. Therefore, this is the high time to take some radical decisions to tackle this problem. Bearing this in mind, the following few recommendation are offered:

- To explore the possibilities of having a centralised heating system initially for the
 administration & examination blocks. It may be mentioned here that this decision of
 modernisation should not be purely viewed considering the cost but should be based
 on the desirability.
- If the option is not feasible, in that case assess the feasibility of installing Split ACs in the administration & examination blocks. Perhaps the running cost of ACs will be somewhat comparable with the expenditure incurred on Coal Bukharis. Pertinent to mention here that around 20 Split ACs already stands installed and operational in

various chambers of the officers. So we may now require another around 70-80 ACs for the administration & examination wings which are estimated to cost around Rs 40 to 50 lacs only which the university can afford quite easily.

- At the departmental level, the ACs stands installed in many departments at least in the offices and heads chambers. To extend the facility of ACs to the classrooms in fact is need of the hour & would serve great purpose. Therefore, the classrooms & the labs should get the top priority in any future scheme for heating system. This would again require another 800 to 900 Split ACs only, the cost of which would be quite bearable for the departments. Such a step will make the life easy for the students particularly during winters in the class rooms. The use of coal Bukharis in the classrooms becomes meaningless & simply amounts to wastages as these fail to serve the purpose of ensuring proper heating of classrooms.
- If the above proposals are not cost feasible for one or the other reason, extending winter vocations to the non-teaching staff posted in teaching departments for two months may be thought-off except to one or two persons.
- It has been observed that the process of purchasing coal & other related items are started very late. As a result, the university finds itself constrained to accept supply which even is not in conformity with tendered specifications. The university has not been slow & very late in starting the process of this purchase only but also in approving the dealers for other supplies. That causes lot of difficulties to the university and more importantly wastages resulting in the last minute purchases. As such, it would be appropriate to start the process well in advance so that there is enough time to negotiate & execute the requisite purchase.
- In the main campus, the coal & firewood is supplied to different departments & centres who arranges the ignition of Bukharis at their own while as for the administration, the ignition of heating stoves is done at one central place. Why can't ignition work can be undertaken centrally for all units including teaching departments & research centres. This carries great sense as it will reduce the cost of transporting coal & firewood to different consumption points, storage, wastages of coal and more importantly the often complaints of the departments for having provided less than the required coal etc.

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2.2c: Advertising Expenses

The university also suffers from deficit in respect of the expenditure on advertisements/ publicity. Against a total grant-in-aid of Rs 27.42 lacs in 2012-13, expenditure of Rs 63.39 lacs was booked on this account in the said financial year. In addition to this, expenditures on publicity are also incurred by the departments out of the local funds which runs into at least few lakhs. Publicity is very much needed to inform the students about various events, as such the importance of this expenditure cannot be underestimated. There is no denying the fact that this expenditure is important but equally important fact is that due to the lack of proper controls on this expenditure, there are wastages. There is an unhealthy trend in the university to publicise the completion of any usual or unusual activity through paid advertisements which reflects nothing but a mindset aiming at cheap publicity that too by an intellectual of the highest seat of learning. In the absence of any publicity policy, the publishing of advertisements go mindlessly thereby resulting into wastages. Further, by looking at the font size etc., there is a clear evidence of wastages. At the top of all these, students who are currently enrolled are also being informed through press which seems to be unwarranted & uncalled for. Therefore, there is a need to have a well defined publicity policy in place the basic premise of which should be timely information without wastages. In this direction, the following few recommendation are made which if implemented in letter & spirit will serve the purpose of timely communication using appropriate channels of communication which are cost effective as well:

- Blanket ban is recommended on paid advertisements by the different functionaries.
 This is not only to avoid wastages of precious financial resources but more importantly to defeat the unhealthy culture of seeking cheap publicity which in no way behoves to an institution, the fundamentals of which are based on selfless devotion towards greater social good regardless of personal ambitions.
- Blanket ban on publication of date sheets and other notices pertaining to the students who are currently enrolled.
- Publish only abstracts of the notices in the press with the instruction that for further
 details visit official website of the university. Our effort should be to make more use
 of ICT as a means of communication with different stakeholders more particularly the
 students.

- Prepare a standard abstracts for different kinds of notices which should be followed by all. One it shall avoid wastages on account of unnecessary words, & second it will eliminate the grammatical errors which at times occur for one or the other reason.
- Make it compulsory to route advertisements through Public Relations Cell of the university which should be made responsible to seek adherence to the norms laid down for publications.
- The policy of publishing notices in more than one paper should be restricted to such cases where for some compelling reasons it becomes necessary.
- For locating the notices easily, the news papers may be asked to allot a specific place where every time our notices should appear.

2.2d: Printing & Stationary

Currently for office work, 88 printed stationary items are needed on which a total expenditure of Rs 1.09 crores was incurred by the university in the financial year 2013-14. Though the grant-in-aid provided against this head of expenditure is sufficient to meet the requisite expenditures. But there is a scope to cut down the expenditures on this head. There are as many as 35 items which can be made available on line or computerised without causing any inconvenience or disruption in the functioning of offices. This will at least save around 10-15 lacs. Besides, only 60% of the pages of the answer books is used by the examinee students as such, the possibilities of reduction in the number of pages of answer books can be explored. Also discarding huge stationary used in the appointment of examiners by using one or two page computerised appointment letter should be thought out. These steps will further reduce the printing & stationary expenditures by few more lacs. Further, if the university introduces computerised financial & other recording systems which is one of the main proposals of this committee, the printing of many other expensive registers can be done away. The list of printing & stationary material that should be made available online or computerised is given below:

Printing of Stationary

	Name of Printing Material	Rec. Action	Remarks
1.	Annual Performance Report	Online or Comp.	
2.	Application For Grant Of Extension	Online	
3	Re-Registration/Minor Change	Online	
4.	Application For Grant Of GPF/ CPF	Online	
5.	TA Advance Application Form	Online	
6.	Application Form For Leave (Other Than CL)	Online	
7.	Remuneration Form	Online	
8.	Bill Form For JRFs/SRFs/Research	Online	
	Associates/Field And Survey Assistants/ Field		
	Investigator/ Field Attendants		
9.	Practical Attendance Chart	Computerised	
10.	Master Sheet Of Persons Engaged In The	Computerised	
·	University On Daily Wage Basis		
11.	Application Form For Attendance Other Than TA Advance	Online	
12.	Bill Form For The Examiner (Theory)	Online	
13.	Practical Exam File Forms	Computerised	
14.	TA/DA Bill Form	Online	
15.	Form For Grant Of Refreshment Charges To Office Establishment For Staying In Office Beyond Office Hours	Online	
16.	Contingent Bill For Supt. Of Examination	Computerised	
17.	Bill Form For Daily Allowance/ Conveyance	Online	
18.	Supervisory Bill Form	Computerised	1
19.	Consumption Of Answer Books And Continuation Sheets	Computerised	
20.	Nomination Form For Granting Family Pension And GP Fund	Online	
21.	Bill Form For Checking Assistant	Online	
22.	Memo Form	Computerised	
23.	Remuneration Bill Form For Code Officer	Online	
24.	Supplementary Salary/Arrears Bill For Section/Deppt.	Computerised	
25.	Indent Form For Apparatus, Chemicals, Stationary Articles	Online	
26.	Challan Form	Online	
27.	Student Attendance Register	Computerised	
28.	Practical Examiners File Comp.	Computerised	
29.	Remuneration Contingent Bill Form	Online	
30.	Appointment Letters	Computerised	Replace with one computerised letter
31.	No Demand Certificate	Computerised	
32.	Verification Of Consumption Of Answer Books.	Computerised	
33.	Form A	Online	
34.	Bill Form For Dy Sup/Assistant Supt.	Computerised	
35.	Enrolment Of Students Form	Online	
36,	Envelopes	Print	But there is a scope to discard certain type of envelops
37.	Printing of Certificates	Print	
38.	Answer Books	Print	Explore the possibility of reducing the No of pages
39.	Section Dairy	Print	
40.	Recruitment And Creation Receipt	Print	

41.	Accommodation Register For Non-Teaching Staff	Print	
42.	Stock Register For Assets	Print	*
43.	Advances And Deposits For University Works	Print	
44.	Register Of Records Of The Bill Deposits	Print	
45.	Increment Register	Print	
46.	Pension Payment Register	Print	
47.	WDC Bill Form	Print	
48.	Caution Book Form	Print	
49.	Peon Book	Print	
50.	Requisition Book	Print	
51.	Note Sheet	Print	
52.	Gate Pass	Print	
53.	Rose Namcha	Print	
<u> </u>			
54.	Staff Attendance Register	Print	T-1-11-6-1
55.	Expenditure Register For Self-Finance Seat Fee	Print	To be replaced by four column ledger
56.	Tabulation Register	Print	
57.	Students Register	Print	
58.	Dispatch Register	Print	
59.	Stock/Issue Register	<u>Print</u>	
60.	Examiners Register	Print	
61.	Memo For Examiner	Print	
62.	Award Rolls	Print	
63.	Stock Register Of Assets	Print	
64.	Journal Book-	Print	Required under the proposed AIS
65.	General Issue Register Of Assets	Print	
66.	Slip Book	Print	
67.	Cash Book	Print	
68.	DDO Register	Print	
69.	Provident Fund Register	Print	
70.	Log Book	Print	
71.	Pension Form	Print	
72.	Authority Letter Book	Print	
73.	Prescription Book For Health Centre	Print	
74.	Daily Expenditure Register	Print	
75.	Registration Of Record Of Payments	Print	
76.	Issue Register Of Answer Books And Other	Print	
	Stationary Items For Theory Exam		
77.	List Of Candidates Appearing In B. Ed Exam	Print	
78.	Daily Consumption Statement Of Answer	Print	The second secon
	Books		
79.	Sectional Dairy	Print	
80.	Memo For Appointment Of Special Supervision	Print	
81.	Register Of Pay And Allowance Of The	Print	
	Officers And Teachers		
82.	List Of Regular Candidates Appearing In The	Print	
1	M.A/M. Sc/M. Com		
83.	Trail Balance	Print	
84.	Accent Register Of Stationary Consumed By	Print	
	Various Examination Centres		
85.	Register Of Records Of The Bill Deposits	Print	
86.	Extension Register	Print	
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2.2e: Transport Expenses

Using official transport has been in debate over a certain period of time in the university. There are some who are for total ban on the use of vehicles by university functionaries barring a few for the reason that it is a mere wastage of resources & also there is rampant misuse of this facility. There are some who are against using vehicles as according to them it leads to bureaucratic culture which does not fit in the university system where knowledge is preached as the real privilege rather than aristocratic life styles which are synonymous with the power hungry bureaucrats & politicians. It is also being argued that this new life style in the university has ruined the tastes of many academicians who are now more attracted towards administrative posts rather than more pious activity of teaching and research.

It is true that the people working in the university should preach & practice simple & non-luxurious life styles. Ideally there should be minimum use of official vehicles but what matters most are the demands of the practical world. In today's modern world, modern means of transport have become essential. Besides, the use of official vehicle has virtually become entry pass to different govt. offices in today's unique state setting where entry is restricted to every nook and corner of the state. So use of official vehicle is not only a status symbol but does facilitate smooth movement of an officer. The other fact is that one should not be merely judged by his style of living but more by his work & honesty of purpose.

On an average, university spends Rs. 70 to 80 lacs annually which accounts for a mere 0.0046% of the annual grant-in-aid in 2014-15. It is a fact that it is not the amount of money spent but necessity and the purpose of the expenditure. The expenditure incurred on providing transport facility is in no way meaningless. But equally important is to ensure that there are no wastages & leakages rather used efficiently & honestly. There is no denying the fact that the transport facility is being misused and also miss targeted. However, for all this the fault does not lie with the transport facility parse but it is not more than the poor reflection of governance. It is the responsibility of the administration to ensure the usage of this important logistics as effectively as possible which calls for a well defined mechanism to be in place with close monitoring & supervision. To streamline the utilisation of this important logistics & to check wastages & leakages, the following few recommendations are made:

The entitlement of officers of the university to official vehicle was fixed log back &
so far there has been no revision to this list which becomes quite imperative for the
reason that since then many developments have taken place in the university. As

such, the immediate need is to decide about the list of officials who shall be entitled to use official vehicle, along with the type of vehicle.

- Decide when other officers (Name the Category) who can use official vehicles to visit some offices for office work.
- Fix maximum mileage for each officer using university vehicle on daily basis based on the distance to his home from university campus. Rather Cap the maximum mileage for each officer on daily basis.
- Rather more appropriate would be that instead of official vehicle provide transport allowance to the eligible officers rather than an official vehicle.
- There are leakages as more than actual mileage is being recorded & claimed in the logbooks on almost all routes. Therefore, it is necessary to assess the actual mileage of different routes which should be adhered to under all circumstances.
- The drivers generally perform duties for more than allotted hours. Unless they are compensated fairly, it will be difficult to plug the leakages. Therefore, these should be paid wages for overtime @ theirs per hour wages/ salary.
- University has a workshop which in no way serves the purpose with which created.
 Even oil changes is not done in private workshops which not only costs to the university but causes inconvenience at times. As such, it should be seen that the workshop is made fully functional & at least oil changes & minor repairs are done over there.
- If the university is unable to manage transport efficiently which otherwise is
 constrained with number of inefficiencies in that case most feasible reform shall be to
 'Outsource This Logistics' which most likely would be cost effective to the university
 than operating own transport system.

2.2f: Maintenance & Repairs (M&R)

To maintain the assets created is essential for smooth functioning of the university. The university has huge assets to maintain. For maintenance and repairs, the state govt. provides a grant-in aid on an average to the tune of Rs. 65 - 68 crores. Given the size of the university, the grant-in-aid provided on this account is less. Generally, the university suffers from a deficit on this account which at times hampers smooth functioning of the university. The

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deficit on this account is also due to the overestimation of the cost of maintenance works and leakages. As such, apart from taking-up the matter of inadequate grant-in-aid with the funding agencies, there is an equal need to streamline the M&R works to avoid wastages & leakages & also to arrange funds internally to meet the deficit. Towards this direction, the following few recommendations are made:

- To put an effective assessment & review system in place to screen the repair proposals thoroughly so as to cheek wastages & leakages which are somewhat rampant.
- To make the departments/ research centres to bear repairs & maintenance expenditures of their departments/ centres out of local funds.
- Hostels & residential quarters account for major part of the expenditures incurred on account of repairs and maintenance. As such, M&R fund @ Rs. 50 per month be charged from each hostel boarders.

2.2G: Electricity Charges

The grant-in-aid provided by the govt in the current financial year to meet this expenditure is Rs 3.0399 crores while as the actual expenditure is estimated to be around Rs 6 crores thereby having a deficit of more than Rs. 3 crores. This huge deficit has to be borne from one or the other fund which becomes heavy for the university to manage. Infact this deficit is one of the reasons that always keeps university administration financially under strain. To deal with this problem, there is a need to implement multi pronged strategy i.e.

- On the one hand minimise inappropriate use of electricity/ wastages.
- Seek ways to use non-conventional energy like solar energy and on the other hand, realise the user charges from different users appropriately. In this direction necessary policy recommendations have been elaborately made above under the section revenue mobilisations:

2.2H: Casual Labour

On account of the salary of casual labour, there is an estimated outgo of Rs 5.5 - 6 crores per annum. However, grant-in-aid provided to pay salary of daily wagers is just Rs. 80 lacs. As such there is a huge deficit of more than Rs 4 crores which is putting heavy strain on the finances of the university. Had there not been reckless engagement of casual labour, the

university would have been able to save & invest a lot in the infrastructure development of the university. Need based engagement of casual labour cannot be overlooked but what happened was widespread & rampant misuse of this route. The engagement of casual labour on need basis is in no way objectionable but unfortunately the engagement went recklessly in total disregard to the established norms. Rather, the engagement was not need based but mostly used to adjust their own ones and many have used it as means to make money. Whosoever had indulged in this plunder of the university's wealth which belongs to the students/ scholars has indeed done a great crime. If the authorities for one or the other reason are constrained to take disciplinary action against those who indulged in this loot, at-least such people needs to be condemned and blacklisted from holding administrative positions. This practice of clandestinely adjusting their own or known ones was continuing right from the beginning but unfortunately it peaked in 2007 to 2009. To manage the huge financial implications of casual labour, the following few recommendations are offered:

- Blanket ban is proposed on all casual engagements whatsoever the nature of engagement.
- Outsource jobs for which we generally engage on daily or monthly basis. Cleaning or up-keeping of different centres & many jobs which are presently offered in the hostels in particular on daily wage basis shall be outsourced.
- Casual labour engaged against self-finance seats & local funds shall be transferred to
 the central pool. This shall be required for two reasons one; to relieve the local funds
 from the burden of salary of casual labour for its utilisation for the designated
 purposes only & second; to ensure proper accounting of revenues mobilised by
 different revenue centres.
- If there is a paucity of funds to meet the salary of these casual labour, in that case it is
 proposed to create a fund for the purpose by the name 'Salary Fund for Casual Labour'
 & to which the requisite funds from local fund accounts are transferred & credited to
 the fund.
- Make efforts to seek financial support from the govt either fully or partly.
- In order to ease out the financial burden on account of contractual lecturers, it is suggested to utilise the Faculty Recharge Scheme of the UGC. Pertinent to mention

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here that the university has been found to have miserably failed to take benefit of this scheme which would have benefited immensely both financially & academically.

2.21: Endowment Fund - Sponsored & University Medals

On the annual convocation, the university honours meritorious students with sponsored gold/silver medals & cash prizes. In addition to the sponsored medals/ cash prizes, the university gold medals are conferred to the 1st class 1st position holders of each of the undergraduate & postgraduate programme offered by the university. In all, the university confers 12 sponsored medals/ cash prizes and around sixty university gold medals. For sponsored medals/ cash prizes, there was a need to create an endowment fund with the onetime donation of a certain amount received from the sponsoring agency/ person which was to be put in a fixed deposit in a bank. As per the stipulations of the endowment fund, interest earned only is utilised to bear the cost of the medals/ cash prizes.

It is amazing to learn that no such fund stands created which gives rise to a question that where the one time donations given by the sponsors have gone. It seems that the onetime donations made by the sponsors was not put in a fixed deposit which otherwise is a standard practice. By not doing so, a serious financial/ accounting error has been made which surprisingly remained unnoticed as on today. This reflects nothing but an unprofessional financial administration of the university. Besides, no onetime financial arrangement stands created for university gold medals which again is questionable rather a reflection of a failure to adopt standard financial practices. As a result of the failure of the administration to create an appropriate financial architecture (Onetime Fund) to meet the cost of medals, a difficulty is generally faced while arranging funds for meeting the costs of medals. Had the university adopted the standard financial practice by creating endowment fund, there would have no financial problem being faced ever.

In light of the standard financial norms which aims at enabling the organisation to meet the required expenditures with ease, the following few recommendation are made for effective expenditure management of medals/ cash prizes to be conferred annually by the university:

• As per the standard practice, create either a separate or combined Endowment Fund by setting aside a certain amount and the same shall be invested in a fixed deposit in a bank & the interest earned annually shall be utilised to meet the cost of medals. Therefore, such an amount is set aside which will yield such an amount of interest which will be sufficient to meet the cost of the medals.

- Either the given amount may be set aside from the self-finance seat funds or one time endowment fund collection may be made from each undergraduate & postgraduate student @ Rs 25.
- If the sponsoring agencies have not made initial onetime contribution, which is quite unlikely, in that case they should be asked to make such a contribution.

2.2J: Endowment Fund - B. Ed. Colleges

Under the statutes governing grant of affiliation to non-government B. Ed colleges, each college shall have to deposit with the university Rs. 5 lacs for the creation of endowment fund for these colleges. The constitution of the fund among other things stipulates to collect the requisite amount from each college and create an endowment fund by depositing the said amount in a fixed deposit in a bank. The fund is aimed to meet any exigency taking place with respect any affiliated B. Ed. college. But no such fund stands created which is a serious violation of the norms which speaks volumes about the state of the financial management system of the university. The fund was proposed with noble purpose but we have failed our administrative duty to act legally and more importantly to realise the dividends of this policy initiate. It is surprising to note here that the money has been received from the affiliated colleges which has been used for meeting operating expenses of the university when the money in no way belonged to the university. But was to be kept as a reserve to meet exigencies arising with respect to any affiliated B. Ed. college. So misusing this money amounts to a serious negligence on the part of university administration.

Anyway whatever has happened in the past, the need is to correct this gross administrative error/ negligence by creating a required endowment fund which would require to arrange funds for the fund. In this, it is recommended that to:

- Find out the total amount collected on this account & set aside 10% of affiliation, inspection & supernumery seat fee every year till the amount is fully recovered which shall be credited to Endowment Fund B Ed. Colleges.
- The amount so set aside should be invested in a fixed deposit in a bank and utilised strictly for the purposes for which intended.

2.2K: Overhead Charges

Faculty members of the university also undertake sponsored research projects. At one point of time there were a few faculty members who were involved in undertaking research projects but the trend has changed over a period of time. Today our university compares well with the other universities when it comes to the undertaking of research projects by the faculty. So far more than 100 projects have been completed and currently there are around 70 ongoing research projects with a total sanctioned grant of around Rs 70 crores. Among other things, the sponsoring agencies provide overhead charges generally at the rate of 10% of the sanctioned amount. The overhead charges are paid to the university simply as a charge for using the infrastructure of the university. Therefore, the overhead charges constitute an unrestricted revenue to the university as such free to use it. But the overhead charges is not accounted by the university as a revenue receipt rather are used without any well defined norm. In the absence of well defined utilisation mechanism, there is every possibility of getting this revenue source miss directed/ utilised. Therefore, to make the best use of this revenue source, there is a need to decide about its utilisation. In this regard, it is recommended that:

 In no case this revenue source should be utilised for meeting operating expenses. It should exclusively utilised for the promotion & development of research in the university.

2.2L: Reimbursements

The university makes reimbursements on account of cost of medical treatment and cost of medicines with respect to certain ailments. This is not the practice in the university only but universally followed both by the Govt. & private entities. This is one of the important employee welfare schemes which carries great reason & a justification. Therefore, organisations are complimented for these schemes which support employees in the hour of need. For this purpose, the university gets a grant-in-aid every year which by and large suffices the requirements. During the financial year 2013-14, the grant-in-aid to the tune of Rs 50 lacs was received which was almost fully reimbursed. The university reimburses the cost of medical treatment after proper verification in light of the well laid procedures, Besides, the university reimburses the cost of drugs with respect to qualified ailments. Since there are well defined guidelines for the reimbursement of the cost of medical treatment as such there are little chances of its misuse. But so far as the reimbursement of the cost of drugs is concerned there is possibility of misuse, As such calls for putting such a mechanism in

place which eliminate leakages on this account. With this objective in mind, the following few recommendation are made:

- Explore the possibility of supplying medicines through university's health centre against proper medical recommendations after thorough verification on monthly basis instead of reimbursing the cost of approved/recommended drugs.
- Instead of reimbursing the cost of medical treatment to the employees of the university directly, more appropriate would be that in collaboration with some insurance company offer a "Medical Insurance Scheme" to all the employees of the university with an arrangement that the insurance premium shall be shared equally by the employee & the university. The budgetary provision received from the govt shall be used to meet the university's share as such will cause no extra burden on the finances of the university.
- The introduction of this welfare scheme is long due as such without wasting any further time, an initiative in this direction is proposed to be taken at the earliest.

2.2M: Refreshments & Honorarium

The university also bears expenditures on account of refreshments and honorarium to its employees. For refreshments, the grant-in-aid of Rs 10.68 lacs was received in 2013-14 while as Rs 12.72 was spent, thus exceeding by Rs 2.04 lacs. In addition to this, the other responsibility centres also incurs expenses on refreshments out of local funds which is estimated to be around Rs. 7-10 lacs. Mobile charges are also reimbursed to certain category of employees at certain rates. Besides, honorarium is paid to those employees who perform additional duties in addition to their normal work. In no way providing refreshments & paying honorarium are bad administrative practices but carries administrative sense. Providing these and other facilities to employees is not unique to the university only but all organisations whether govt or non-governmental do offer many privileges & incentives to its employees. The problem is not the payment of incentives but there is no well defined policy in place in the university governing the payment of honorarium, telephone charges & for refreshments. As a result, it is likely to be misused.

The university also pays mobile charges to a select group of employees. The list of employees very inclusive including all officers of the administration upto the rank of assistant

registrars/controllers. The list also includes Proctors, Wardens, Manager Guest House, Jr. Engineer Telecom, Jr. Engineer Electricals, Assistant Information Officer, PRO/PIO, Dental Surgeon, & Medical Officer, The list even includes PAs to VC, DDA, DCDC, DR, & Registrar, legal assistant, S.O administration, Head Assistant Secrecy, Assistant Watch & Ward Officer, Lineman Telephones, DAK Runner, Jr. Assistant telephones. The composition of the list of eligible employees raises number of serious questions.

- Is our eligibility in line with the criterion of the govt, which to our knowledge is unlikely?
- Why only some SOs, Jr. Assistants, Sr. Assistants etc. are entitled to mobile charges?
- Why Sr. PA Controller of Examinations has not been made eligible to mobile charges when Sr PAs of all other top officers have been made eligible?
- All administrators upto the rank of Assistant Registrars, are paid mobile charges why
 HODs have been excluded?
- Are HODs not administrators or they are not at par even with the ARs or even SOs & other officers/officials?

The composition of the list does not seem to be logical rather arbitrary & more importantly not complying with the criterion of the state govt. It is seems discriminatory thus, objectionable. By not considering HODs even at par with the ARs & even low rung officers/officials, amounts to nothing but disgrace to this important class of university administrators who in fact arc heading the nerve centres of the university. This gross negligence in fact reflect either the mindset of the registry or their inability to act rationally & responsibly. Such an anomaly needs to be done away, therefore, it is recommended:

- 1. Revisit the list of employees who are currently eligible for refreshments, honorarium and mobile charges.
- 2. If no limit stands fixed for refreshment, honorarium & mobile charges, the same shall be fixed

2.2N: Teaching Departments

Teaching departments also collect fees from the students admitted to the courses offered by them, which serves as a local fund for meeting operating expenses of the departments. All the teaching departments barring a few exceptions are able to mobilise sufficient revenue funds for meeting various expenditures. The teaching departments which fail to generate funds sufficiently includes, Foreign Languages, Hindi, Sanskrit, Persian & Institute of Kashmir Studies. The leading revenue earning departments include, The Business School, Law, Business & Financial Studies, Education, Physics, Earth Sciences, Computer Sciences, Zoology & Botany. The fact of the matter is that apart from the social ramifications, the introduction of self-finance seats has helped the teaching departments financially to a great significant. This has allowed these departments to mobilise sufficient funds internally as a result the infrastructural index of many departments has improved significantly which is expected to have a positive impact on academics and research conducted in these departments. As a result of better revenue realisations internally, different departments have accumulated more than sufficient balances in their coffers which is evident from the closing balances of their bank accounts. As on 31st March, 2014, the aggregate closing bank balance of all the teaching departments is more than Rs 6.43 crores. In average terms, it comes to Rs. 16.08 lacs per department. In addition to bank balance, many departments have cash certificates which are estimated to be worth few crores.

There is nothing wrong in having sound financial position of teaching departments. Rather we should be happy about granting greater financial autonomy & independence to these responsibility centres which is expected to result in greater efficiency in these depts which are the nerve centres of the university. But two aspects of the financial management of teaching departments needs attention of the policy makers; one, how to help the departments which are unable to generate sufficient funds internally. Second, to ensure that the departments flush with funds does not become extravagant in their spendings. Besides, the departments should not be allowed to keep the funds unnecessarily blocked. Therefore, it calls for putting in place such an operational mechanism that allows the teaching departments to meet their current and future needs, however, without any extravagance, and wastages.

There is a perception in the administrative circles of the university that many teaching departments have accumulated huge balances in their bank accounts which the departments have no authority to retain but should be transferred to the central pool. There is also a feeling

that the departments flush with funds, indulge in wasteful & unwarranted expenditures. The fact is that almost all the departments have accumulated cash reserves but the size of such reserves is not large enough rather within the normal range baring a few exceptions. There are only a few departments who have accumulated huge cash balances. The departments are well within their rights to retain accumulated balances as the statutes governing local funds allow them to do so. Infact such a scenario gives rise to a question that either the departments charge more to the students or fail to utilise the funds for the purposes for which collected. The fact of the matter is that there is some merit in the assertion that the designated funds are not utilised for the purposes for which realised fully rather there are cases where it can be found to have been targeted wrongly thereby defeating the purpose of creating such funds. There are cases where casual engagements were allowed against the local funds. It cannot be squarely blamed on the departments but it can be mainly attributed to a failure on the part of administration to put in place requisite financial administration systems which enforces financial discipline, transparency & accountability. In the absence of any such system, it has become free for all which is proving very injurious for one and all. In view of the facts as stated above, it is recommended that:

- Each Department is made to adhere to the Fund Based Accounting Principles under which for each fund a separate account is maintained & also separate Income & Expenditure prepared for each fund periodically.
- Local Fund Committee is recommended with a statutory status which shall be exclusively responsible for the utilisation of local funds. The Committee shall be headed by HOD and the other members shall consist of all Professors of the department & one Associate Professor & one Assistant Professor by rotation in order of seniority.
- At the end of the financial year, each department shall prepare annual financial statements namely, Statement of Receipts & Payments, Income & Expenditure & Balance Sheet which shall be placed before the Local Fund Committee of the department. The Committee shall be required to report the financial irregularities if any to the higher authorities. If there are irregularities which are not material in nature, then in that case, the committee will make a recommendation to the HOD so as to set the system right.

- Internal audit of teaching & other revenue/ expenditure centres should be made an annual feature rather than leaving the frequency of this audit to the discretion of auditors. More importantly we should clearly lay down goals of this important exercise rather treat it a mere formality. The audit should not be restricted to the verification of expenditures but equal emphasis should be on whether revenues have been properly accounted and also whether proper recording systems & procedures are in place.
- Allow utilisation of designated funds exclusively for the purposes for which realised.
 Re-appropriation allowed only in rare of the rarest cases. However, the Central Budget Review & Appropriation Committee should be vested with the powers to authorise reappropriations.
- In the 1st month of the financial year, HOD in consultation with the Local Fund Committee shall have to prepare Departmental Annual Budget for utilisation of unrestricted & designated revenue funds, consolidated fund account and departmental share of self-finance seat fee which shall have to be placed before 'University Budget Review & Appropriations Committee' for approval.
- Once the budget is approved by the vice chancellor on the recommendation of the
 budget committee, it shall constitute the annual budget of the dept to meet specific
 authorised expenditures as such the department shall not require the approval of the
 higher authorities except payment if the expenditure is above the authorised limit.
- At the end of the financial year, closing balances of both the designated and unrestricted revenue fund accounts shall be transferred to the Departmental Consolidated Fund Account.
- Restrict the use of departmental share of self-finance seat fee for academic purposes only. It should be allowed to utilise to create student centric infrastructure only.
- At the end of the financial year, each department shall be made to transfer 10% of the closing balance to the 'University's Consolidated Capital Fund' Account& further 5% to 'Other Department Development Fund' which shall be utilised in building infrastructure in those teaching departments which are not able to mobilise sufficient funds internally

2.20: Satellite Campuses

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The university has currently two satellite campuses in operation namely South Campus & North Campus. Three more campuses viz; Kupwara Campus, Leh Campus & Kargil Campus are expected to be operational from 2015. South & North Campuses generate internally Rs, 0.85-110 & 1.85-2.31 crores respectively from all sources including self-finance seats. These campuses are provided very meagre budgetary support for office contingencies. The annual budgetary support for office contingencies for each of these two campuses is a meagre amount of Rs. 1.54 lacs while as the annual electricity charges alone amounts to around Rs 10 -12 lacs for these campuses not to talk of other major recurring expenses. As per the existing norms, these campuses can retain only Part-B of admission fee. Besides as per the existing sharing ratio, like other teaching department these campuses are entitled to receive 40% of the self-finance seat fee. By this norm there will be funds available with these campuses for meeting recurring expenditures only thus leaving these campuses high & dry to create some urgent infrastructure from their own sources. It is a fact that these campuses suffer heavily from the lack of academically important infrastructural facilities. It is not that we should bear in mind their current needs only rather more importantly we have to focus on future growth & development of these campuses. Further, the requisite plan assistance is not fully available to these campuses. Given the insufficient plan assistance & budgetary support for office contingencies on the one hand and huge requirements for building much needed infrastructure on the other hand, these campuses were allowed to retain the own source revenues fully. But there are people who oppose this sort of arrangement who perhaps are by their nature constrained not to look beyond the rule book. The rule that is being often quoted & used as the basis for opposing this decision, was framed at the time when such campuses were not in existence. Had these rules been decided today, these campuses would have been certainly made exception to this rule. There is also a strong case for allowing these campuses to retain fee collected from the students fully for the reasons, one; that the grant-in-aid provided by the state Govt. is not shared with these campuses, second, that if we allow these campuses to retain fee dues fully, it does not cost much to the university but certainly it will infuse great impetus to these campuses. Therefore, it is recommended that:

These campuses are allowed to continue to retain all fee dues fully except Corpus
Fund, Alumni Fund, Student aid fund, Research Fellowship fund, DIQA Fund,
Cultural-cum-Literary Fund, NSS Fee and Red Cross Fee.

- Like other teaching departments these campuses are made to adhere to the fund based
 accounting principles under which for each fund a separate account shall be
 maintained & also fund specific Income & Expenditure accounts prepared
 periodically and reported to the management.
- Again on the pattern of teaching departments, Local Fund Committee is
 recommended with a statutory status which shall be exclusively responsible for the
 utilisation of local funds. The Committee shall be headed by Director and the other
 members shall consist of one senior most faculty member from each teaching
 department, Joint Registrar, Assistant Registrar, & Nominee of the Vice-Chancellor.
- At the end of the financial year, the campuses shall prepare annual financial statements namely, Statement of Receipts & Payments, Income & Expenditure & Balance Sheet which shall be placed before the Local Fund Committee of the campus. The Committee shall be entitled to report the financial Irregularities if any to the concerned authorities with specific recommendations. If there are irregularities which are not material in nature, then in that case, the committee shall make a recommendation to the Director so as to set the system right.
- Like teaching departments, the internal audit of accounts of the campuses should be conducted annually with all seriousness and clear goal.
- Permission to retain fee dues fully is not the only solution for building these campuses
 on sound lines. Rather more important would be to develop a "5-year Infrastructural
 Developmental Plan" for these campuses and vigorously pursue the genuine demands
 of these campuses with various funding agencies otherwise these campuses would
 continue to operate with serious challenges & constraints.
- The funds received for the development of satellite campuses shall be ensured to have been exclusively used for these campuses only.

2.2P: Bank Accounts

In addition to bank accounts maintained by the teaching departments, research centres, campuses and other revenue centres, the university is currently operating around 28 bank accounts, mostly current accounts, the details of which are given as under:

S. No	Name of Account	Nature Of Account	Remarks
1	CD - 1 (J & K Bank)	Non-plan	
2	CD - 2 (J & K Bank)	State Plan	
3	CD - 06 (J & K Bank)	Research Projects	,
	SB-57 (J & K Bank)	Research Projects	
4	CD - 1391 (J & K Bank)	Service Charges	
5	CD - 9548 (J & K Bank)	HBA/ CA	
6	CD - 40 (J & K Bank)	PVC Local Fund	
7	CD - 1451 (J & K Bank)	UGC- 5-Year Plans	
8	CD - 1837 (Canara Bank)		
9	J & K Bank A/c - 1656	Self-Finance Seat	
10	J & K Bank A/c - 21237	Corpus Fund	
11	J & K Bank A/c - 50550	EMF	
12	J & K Bank A/c - 20366 PM Fund		{
13	J & K Bank - SB A/c - 6861 Welfare Fund		
14	State Bank- 31203392394	DCDC	
15	J & K Bank A/c - 1477	DCDC	
16	J & K Bank A/c - 1417	Academic Staff College	
17	J & K Bank - Cd A/c - 1294	AVRC	
18	J & K Bank - Cd A/c - 1311	SRC	
19	J & K Bank - Cd A/c - 1445	PRC	
20	J & K Bank - SB A/c - 24941	DIQA	<u> </u>
21	J & K Bank - SB A/c - 54833	Estates	
22	J & K Bank - SB A/c - 55113	Environment & Hygiene	
23	J & K Bank - SB A/c - 52800	Hospitality & Protocol	
24	J & K Bank -	Transport Section	· · · · · · · · · · · · · · · · · · ·
25	J & K Bank - Cd A/c - 284	Distance Education	
26	J & K Bank - Cd A/c - 4343	North Campus	
27	J & K Bank - Cd A/c - 22795	South Campus	***
28	J & K Bank - SB A/c - 011(728)	South Campus	
29	J&K Bank -	PMRP	
30	J & K Bank -	North-South Campus	

More than one bank account remains in operation for research projects and North & South Campuses. Besides, current account for PVC Local Fund continues to be in operation when the PVC Local fund is substituted by Services Charges. Further, no separate bank account is being operated for Teachers Welfare Fund. It is also that some of the above bank accounts are saving & some current accounts. There is no need to operate more than one account for the above mentioned funds/ centres. Besides, it would be appropriate to operate separate accounts Fund-wise. Also to avoid any revenue losses, money should be kept in saving accounts and every effort should be made to estimate the surpluses in time so that the same is put in fixed deposits. In view of the above and more importantly in line with accounting system proposed for the university, the following recommendations:

- Close extra bank accounts in case of Research Projects & Service Charges and transfer the balance if any to the main accounts of these funds.
- Currently own source revenues are debited to CD-01 along with grant-in-aid. It is
 proposed only unrestricted own source revenue funds should be debited to CD- 01
 and separate saving bank account is recommended to be opened for designated
 revenue funds as these are earmarked to meet designated expenditures only.
- Open Separate Saving Bank Account for teachers welfare fund, and for the proposed
 & University Consolidated Capital Fund with automatic sweeping facility.
- Separate saving bank accounts sweeping facility for research projects on the basis of funding agencies shall be opened. For the purposes of accurate accounting of interest earned, even opening of separate bank accounts for each research project can be considered.
- Perhaps the PM Fund Account & North-South Fund Account were opened at the time when decision to establish satellite campuses was taken, one for one-time assistance received from UGC for salary of faculty & equipments and the other for state plan funds provided for the construction of buildings in south and north campuses. As on today these accounts carry a balance of more than Rs 3 crores. It is disheartening note that the even though the two campuses were made to suffer for want essential infrastructure even though sufficient funds were available in the account. As such it is proposed to utilise the funds available in these two accounts for the intended purposes.

- Assess the possibility of converting current accounts into saving bank accounts with sweeping facility and on the basis of expenditure budgets, estimate the amount which shall be put into the fixed deposits. Particularly in case of corpus fund, university consolidated capital fund, state plan funds, welfare fund, & designated funds, maximum amount can be put 3 months, 6 months, 9 months or in other duration cash certificates of fixed deposits. For corpus fund a recurring deposit can be opted.
- Almost all revenue centres have opened bank accounts, even the estates and transport sections. There are many who are of the opinion that except teaching departments, no other revenue centre should be allowed to operate bank accounts. In the interest of greater financial autonomy, these shall be allowed to operate bank accounts but adequate checks and balances should be put in place. Besides, as already recommended that Hostels, Estates, & Convocation complex in no case shall be allowed to retain rent & electricity charges collected by these centres. Besides, at the end of the financial year, 90% of closing balances of bank accounts of these & other revenue centres other than teaching departments shall be got automatically transferred to the University Capital Fund Account. With respect to Local Fund accounts of teaching department, as already recommended, 10% of their closing bank balances shall be transferred to the University Consolidated Capital Fund Account and further 5% into the Other Dept Development Fund.

Chapter 3: Financial Administration

Introduction

To achieve the above stated two fundamental objectives of financial management, there is a need to have in place a well defined financial administration systems, the important elements of which include:

- Accounting Information System
- Financial Reporting System
- Budgeting System
- Internal & External Systems Of Auditing

3.1: Accounting Information System (AIS)

Every organisation keeps record of financial transactions. But the accounting information system will serve the purposes of accounting like proper records, provider of financial information, meeting regulatory standards, and transparency only when it is systematic & in accordance with the accounting standards set by the regulator. Accounting systems are must not only to keep systematic record of financial transactions but as a source of vital financial information for managerial decision making. It also helps in ensuring financial discipline by avoiding wastages, leakages and misappropriation of scarce financial resources. Contrarily, in the absence of a proper accounting system, organisations are neither able to manage revenue mobilisation effectively nor able to control expenditures. As such the organisations which lack a proper accounting information system suffer from various financial inefficiencies thereby fails to achieve their operational, tactical & strategic goals.

The most serious limitation with the existing financial system in the university is the lack of a proper accounting information system which in fact is the root cause for many of the financial problems being faced by the university. It is amazing to learn that the university does not follow even the long discarded single entry system of accounting. It mainly maintains cash books and day-books which in no way suffice the requirements of the university i.e. proper & full records, periodical reporting of financial statements and transparency in financial records. The existing record system mixes up everything as a result fails to reveal the fund-wise details. The fact of the matter is that the accounting information system that is in vogue in the university currently is quite crude, as a result fails to meet the well laid objectives of accounting. One will be surprised to learn that the present accounting system fails to reveal precisely the fund-wise own source revenue mobilisations. At the top of this, the utilisation of funds is not defined thereby making it free to utilise which goes against

the best financial practices. Keeping all funds undesignated allows freedom to the utilisation of funds which is the main cause for widespread financial indiscipline in the university. Even the designated revenue funds are being currently utilised for the purposes for which earmarked which not only goes against the basic financial norm but more importantly it defeats the very purpose of collecting such type of funds from the students or funding agencies.

One of the goals of accounting information system is to prepare periodic summaries of financial accounts with the purpose to report meaningful financial statements to the management so as to enable them to review the financial performance and take informed decisions. But not to talk of frequent reporting, the current accounting information system has failed to prepare & report year-end financial statements. On the directions of CAG, the university has started the exercise of preparing financial statements. So far it has prepared balance sheets for the financial years 2011-12 & 2012-13. The preparation of these statements is being based on cash books maintained by various revenue centres. Corporate entities in India are legally required to prepare & report financial statements annually but keeping in view the importance & utility of financial reporting, these prepare and report financial statements on quarterly basis. Failure to report regularly and periodically is an indication of the inadequate rather defunct accounting information system of the university. Further, when there are serious questions about the authenticity & accuracy of the existing accounting information system, then how come the financial statements prepared can be taken to depict true & fair picture of the financial position of the university as on a particular date.

Balance sheet is an important statement but more important for non-profit organisations are fund based income & expenditure statements & the statement of changes in plan funds. Income & expenditure is one of the important statements as it serves the great purpose of tracking each fund by revealing how much has been received and how it has been utilised. Failure of an accounting system to report financial information regularly has forced the university administration to operate in a vacuum which in turn has led to a number of administrative inefficiencies in the university.

Given the bleak picture of the current accounting information system depicted above, there is a great need to devise an appropriate & modern accounting information system for the university. Unless an appropriate accounting information system is put in place, the financial

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management whose ultimate goal is to ensure requisite financial resources for achieving vision & mission of the university, would be difficult rather impossible to realise. It is in view of this fact, the following accounting systems are recommended for the university:

3.1a: Double Entry System Of Accounting

There are two systems of accounting viz; single entry system & double entry system. Single entry system is a traditional accounting system which requires to record only one aspect of the financial transaction. Since this is a traditional system and suffers from certain serious limitations as such:

- "Double Entry System" of accounting is recommended for the university which is
 devoid of any limitation. This records both the aspects of financial transaction viz;
 giving and receiving aspects, thus provides full and detailed record of financial
 transactions.
- In view of its completeness, double entry system is followed universally by all organisations including not-for-profit organisations.
- The double entry system is also recommended by ICAI for the universities in India.

3.1b: Cash or Accrual Basis Accounting

The other issue is should the university follow accrual accounting system or cash basis accounting system. The commercial enterprises follow accrual based accounting. The accrual based accounting is also recommended by ICAI and the funding agencies for the universities in India. Whether the university uses cash basis or accrual basis accounting system, it will not make much difference. However, the regulator has recommended the accrual accounting system, therefore, the system is recommended for the university which recognises revenues to have been earned when goods or services are delivered regardless of the receipt of the payment.

3.1c: Fund Based Accounting System

There are two types of accounting namely, 'Entity Based' accounting and 'Fund Based' accounting. Profit seeking organisations uses entity based accounting where each financial transaction is recorded to the respective accounts. At the end of accounting period, these entities prepare summaries of different accounts in the form of income statement & balance sheet in accordance with GAAP for the purpose of its reporting to different stakeholders.

Fund based accounting is the most appropriate type of accounting for not-for-profit organisations including universities. It essentially involves preparation of financial statements fund-wise and consolidation of those statements to represent the financial position of the organisation as a whole. As such, it would highly appropriate for the university:

- To use fund based accounting system.
- It is also mandated under the accounting standards of ICAI for universities in India.
- Fund based accounting is considered useful for educational institutions for the following four reasons:
 - ✓ Educational institutions receive grants, donations, contribution etc. with or without any restriction to their use, as such fund based accounting is most appropriate.
 - ✓ It enables to assess & track the usage of funds.
 - ✓ Enables to assess whether the funds have been utilised for the purposes for which aimed, thus promotes financial discipline.
 - ✓ Above promotes transparency & accountability

3.1d: Implementation of Fund Based Accounting System

A fund is defined as an accounting entity with a self-balancing set of accounts regarding cash and or other resources together with all related liabilities & residual equities or balances, and changes therein, which is segregated for the purpose of carrying specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Thus every fund is aimed to fulfilling some purpose and the services embodied in the assets are the primary means to achieve that purpose. As such, fund based accounting requires to classify funds into different categories viz; restricted & unrestricted funds. Besides, it involves to define the usage of each fund for the purpose of ensuring accountability.

Typically in the universities, funds are classified into unrestricted and restricted funds. The unrestricted funds are further classified into free revenue funds, designated revenue funds & corpus fund.

Unrestricted Revenue Funds: These are those revenue funds which the managements of the university are free to use. These are generally used to meet operating expenses & as such shall be reflected in the university's non-plan budget.

Designated or Earmarked Revenue Funds: Such funds are of revenue nature but their usage has been designated by the university for specific purposes. These funds are categorised as self imposed designated funds whose usage has been meant for the purposes for which designated by the management of the university. As such, though these are revenue funds but management is not free to use them but these are to be utilised for the purposes for which designated.

Restricted Funds: These funds are subject to certain conditions set out by the contributor and agreed to by the university, while accepting the contributions. The restrictions may apply to use of the funds received or income earned from the investment of such funds are both. These funds are strictly to be utilised for the purposes for which provided. In educational institutions, plan funds & endowment funds are generally the restricted funds.

3.1e: Steps in the Implementation of Fund Based AIS

Therefore, for effective implementation of fund based accounting system in the university, the following steps shall have to be taken:

- Identify the different fund sources and classify each of them into free or unrestricted revenue funds, designated or earmarked revenue funds, restricted plan funds & unrestricted plan funds.
- Define the usage of each fund.
- Define the accounting treatment of each type of fund.
- Decide about the different books of accounts & registers to be maintained for recording financial transactions

Step I: Sources of Funds

The different funds of the university can be classified into the following:

- ✓ Grant-in-aid
- ✓ Own source revenue funds
- ✓ State Plan
- ✓ UGC funding
- ✓ PMRF
- ✓ Research projects
- ✓ Corpus fund
- ✓ Endowment funds
- ✓ General Provident Fund

- ✓ Contributory Provident Fund
- ✓ Fund for House Building
- ✓ Fund for Conveyance Allowance
- ✓ Teachers Welfare Fund
- ✓ Staff Welfare Fund
- ✓ Group Insurance
- ✓ New Pension Scheme

Step II: Classification of Funds

Name of Fund	Nature of Fund	Remarks
I. Grant-in-Aid	Earmarked Revenue Fund	Provided by the state govt. to meet various non-plan expenditures as such shall have to be utilised for the purposes for which provided
II. State Plan	Restricted Fund	These funds are subject to certain conditions set out by the contributor and agreed to by the university, which applies to its usage thus are utilised for the purposes for which provided.
III. UGC 5-year Plan Fund	Restricted Fund	These funds are subject to certain conditions set out by the contributor and agreed to by the university, which applies to its usage thus are utilised for the purposes for which provided.
IV. PMRF	Restricted Fund	These funds are subject to certain conditions set out by the contributor and agreed to by the university, which applies to its usage thus are utilised for the purposes for which provided.
V. Corpus Fund	Unrestricted Revenue Fund	Utilisation made subject to certain conditions laid down for the fund
VI. Endowment Funds	Restricted Fund	These funds are subject to certain conditions set out by the contributor and agreed to by the university, which applies to its usage thus are utilised for the purposes for which created.
VII. Fund for HBA	Restricted Fund	These funds are subject to certain conditions set out by the contributor and agreed to by the university, which applies to its usage thus are utilised for the purposes for which created.
VIII. Fund for Conveyance Allowance	Restricted Fund	These funds are subject to certain conditions set out by the contributor and agreed to by the university, which applies to its usage thus are utilised for the purposes for which provided.
IX. Provident Funds	Employee Funds	Employee funds with the banking company
X. Group Insurance	Employee Funds	Employee funds with the insurance company
XI. Employee Welfare Funds	Employee Funds	Liability for the university which is to be repaid by the university to its employees whenever becoming due
XII. Own Source Revenues		
Unrestricted Revenue Funds	Revenue Fund	University free to use to meet any operating expenditure
Designated Revenue Funds	Designated Revenue Fund	Earmarked for specific purposes, thus shall have to be utilised for the purposes for which intended like the following:

✓	Student Welfare	To pay scholarships to the poor students of the
	Fund	university
√	Research	Earmarked to pay fellowships to the scholars of the
	Fellowship Fund	university
✓	Cultural-cum-	Meant for the promotion of our culture & literary
	Literary Fund	activities among the students of the university & the colleges
	C4-	
•	Sports Development Fund	Earmarked for sports development in the university & colleges
✓	Infrastructure	Earmarked for the maintenance & development of
	Maintenance &	infrastructure in the university
	Development Fund	
√	Revenue Deficit	Created to meet the short fall in grant-in-aids for
	Coverage Fund	specific expenditures
✓	Other Dept.	Provisioned to meet certain developmental
	Development Fund	expenditures of those depts. which are not able to
		generate sufficient funds internally
✓	University	Surpluses/ deficits of Income & Expenditure
	Consolidated	accounts credited/ debited to this fund &
	Capital Fund	provisioned mainly for the replacement & creation
		of new assets.

Unrestricted Revenue Funds:

Name of Fund	Particulars
Admission Fee (Part-A) ✓ PG. Students	Enrolment Fee, IT&SS Fee, Magazine & Gullala Fee, DIQA
✓ Research Scholars Adm. Fee (Part-B)	 Supervision Fee, Bench Fee, & Internet Fee. Department Development Fee
Self-Finance Seat Fee	Central Pool Share
Registration Fee	
Examination Service Charges	Examination Expenses Fee & Degree Certificate Fee
Other Fee Receipts	Late Fee, Revaluation, Rechecking, Name Correction, Eligibility, Migration & Duplicate Migration, Duplicate Degree, Character Certificate, Provisional Certificate etc.
 Sale of Prospectus, Adm, Exam, & other Forms 	Sale proceeds of university prospectus, B.ed. admission forms by the office of DCDC
 Affiliation & Supernumery Seat Fee 	Affiliation fee deposited by B.Ed & other colleges, & supernumery scat fee deposited by B.od students admitted against supernuery seats
Rent & Other User Charges	Hostel Rent, House Rent, Convocation Complex Rent, Electricity & Water Charges collected from residents
Miscellaneous Receipts	

Designated Revenue Funds

Name of Fund	Particulars
Student Welfare Fund	Student-aid- Fund & Alumni Fund
Research Fellowship Fund	Research Fellowship Fund, & Overhead Charges
Culture-cum-Literary Fund	Cultural-cum-Literary Fund collected from PG. & UG

	Students & research scholars
Sports Development Fund	Sports Development Fund Collected from college &
	University Students
Infrastructure Maintenance &	University Development Fund & EIMDF, Library
Development Fund	Development Fund
	• Rent of Guest house, canteens, shops & other establishments,
Deficit Coverage Fund	Electricity charges collected from Teaching Detps & other consumption centres.
	Hostel Infrastructure Maintenance Fund
	• 50% of IMDF
Other Dept. Development Fund	5% transfer of closing balances of teaching depts
University Consolidated Capital	Transfers of closing balances of Income & Expenditure
Fund	Accounts of different funds
Local Fund	Departmental Library fee, Social Activity fee, DIQUA Fund,
	Computer Fee, & Lab. Maintenance fee
Others	Icard fee, NSS, Red Cross fee, Inspection fee, Entrance Test
	Fee, welfare fund

Step III: Accounting Treatment of Different Funds

Unrestricted Revenue Funds

- Separate ledger for each class of unrestricted revenue fund shall have to be maintained.
- For each of component of unrestricted revenue fund, separate account shall have to be maintained in the respective unrestricted revenue fund ledger.
- In accordance with the accrual concept, these are treated as revenues to meet operating expenses immediately when fund is received or accrues.
- Credit respective unrestricted revenue fund A/cs when the said revenue is received or accrues and Debit Cash/ Bank Account Or Receivables A/c.
- Debit respective unrestricted revenue fund A/cs when an expenditure on an authorised item is incurred and Credit Cash/ Bank Account.
- At the end of the financial year, the closing balances of income & expenditure
 accounts of all unrestricted revenue fund accounts if any shall be transferred to the
 'University Consolidated Capital Fund Account' by debiting/ crediting the respective
 unrestricted revenue fund A/cs & Credit/ debit University Consolidated Fund Capital
 Account.

Designated or Restricted Revenue/ Plan Funds

• Separate ledger by the name Restricted/Designated Revenue or Plan Fund shall have to be maintained for each fund.

- For each of these funds, separate account shall have to be maintained in the respective Restricted/Designated Revenue or Plan Fund ledger.
- These shall not be recognised as revenue funds when accrued or received but a liability initially & revenue recognised to the extent of the fund expensed..
- Credit respective restricted/designated revenue/plan fund A/cs when the fund is received or accrues and Debit Cash/ Bank Account or Receivable A/c.
- Debit respective restricted/designated revenue/ plan fund A/cs when an expenditure on an authorised item is incurred and Credit Cash/ Bank Account.
- For plan funds statement of changes in plan funds is prepared while-as, in case of designated revenue funds, income & expenditure a/c is prepared
- At the end of the financial year, the closing balance of income & expenditure account
 of designated revenue fund accounts if any shall be transferred to the 'University
 Consolidated Capital Fund Account' by debiting/ crediting the respective restricted
 revenue fund A/cs & Credit/debit University Consolidated Capital Fund Account.

Step IV: Define Usage of Revenue Funds

A) Utilisation of Unrestricted Revenue Funds

- Since these revenue funds are reflected in the university budget, therefore, the debitance against these unrestricted revenue fund accounts shall be strictly restricted to the items reflected in the non-plan budget only.
- Separate bank Account shall be opened for unrestricted revenue funds
- No part of this revenue shall be allowed to be retained by the collection centres. More appropriate would be to get these funds debited to the central pool bank account directly.

B) Utilisation of Designated Revenue Funds

Expenditures shown against each of the below mentioned restricted revenue fund accounts only shall be allowed:

• Infrastructure Maintenance & Development Fund: Utilised specifically to create new infrastructure and or in the maintenance of the existing infrastructure of the university. However, the library fee shall be utilised towards the acquisition of books, ICT, & in creating new infrastructure & or in the maintenance of existing

infrastructure in the Allama Iqbal library. 40% of funds collected shall be transferred to Revenue Deficit Coverage Maintenance Fund.

- Sports Development Fund: Utilisation restricted towards promotion of sports or creating new infrastructure for the development of sports in the university & colleges.
- Research Fellowship Fund: To be utilised specifically for grant of fellowships to those scholars who are not receiving any kind of fellowship from any other source whatsoever.
- Students Welfare Fund: Meant to provide financial assistance to the financially weaker students of the university.
- Revenue Deficit Coverage Fund: Shall be Utilised to meet the short fall in grants provided for non-plan expenditures by the state govt.
- NSS Fund: To be reimbursed to the coordinator NSS for use in organising various social services camps within the university or outside from time to time.
- Corpus Fund: Shall have to be transferred & credited to the corpus fund account for which a separate bank account exists and whose utilisation shall be as per approved guidelines issued Vide Order No: dated.......
- Cultural-cum-Literary Fund: Utilisation shall be restricted to the promotion of our age old culture and literary activities among the students fraternity of the university & colleges. As such it shall have to be specifically utilised on those activities which are meant for the promotion of culture & literature to be organised by DSW.
- University Consolidated Capital Fund Account: Specifically utilised to meet to ma create new infrastructure, upgrade and maintain the existing infrastructure.
- Red Cross: To be reimbursed to the concerned quarters
- Departmental Development Fund: Utilised to meat expenditures relating to minor repairs/ replacements and to meet the operating expenses not provided far in the university budget or covered under earmarked revenue fund sources.
- Departmental Library Development Fund: Exclusively utilised towards the cost of news papers, magazines, printing & publishing of wall papers, acquisition of books,

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- ICT, & in creating new infrastructure & or in the maintenance of existing infrastructure in the departmental library.
- Social Activity Fund: Utilised for organising excursions, welcome/ farewell functions, and other cultural activities of the students of the department.
- DIQAU Fund: Utilised for organising, debates, symposia's, extension lectures.
- Computer Fee: Restricted for the purchase of computers for computer lab of the department and or its maintenance.
- Lab Maintenance Fee: Utilised for buying chemicals and lab equipments for departmental lab.
- I-Card Fee: To be reimbursed to the DSW for meeting expenditures on account of the printing of student I-Cards.
- Departmental Consolidated Fund Account: Specifically utilised to create new infrastructure, upgrade and maintain the existing infrastructure.
- Self-Finance Seat Fee (Departmental Share)
 - ✓ To create new or upgrade the existing student specific infrastructure in the department which shall include the following:
 - ✓ Purchase of classroom furniture, ICT, teaching technology, software's to facilitate teaching-learning process, books/research reports, and
 - ✓ Construction & or reconstruction of classrooms, washrooms, installation of split Acs, & Ceiling fans in the class rooms and water purifiers & coolers.
- Inspection Fee: Following expenditures only shall be allowed against the Inspection Revenue Fund Account by the office of the Dean College Development Council:
 - ✓ Inspection expenses of the office of DCDC
 - ✓ Printing of forms & other publications
 - ✓ Any other operating expenses for which no budgetary support is available
- Entrance Test Fee: Following expenditures only shall be allowed against the Entrance Test Fund Account by the office of the Dean Academic Affairs:
 - Remuneration to paper setters.

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- Cost of printing of entrance test papers
- Cost of OMR Sheets & other stationery items needed for the conduct of ET
- Transportation expenses incurred in the conduct of entrance test
- Honorarium to observers/ members of inspection teams
- Invigilation expenses
- Advertisement/ publicity expenses
- Office contingencies related to entrance test
- Refreshment charges
- Printing & publishing expenses of university prospectus.
- Any other expense incurred by the office of the Dean Academic Affairs in the conduct of entrance test.
- Welfare Fund: To be utilised towards the welfare of the hostel boarders like: Social activities, Cultural/Co-curricular activities, diesel expenses of generators, news papers, Sports goods, & Cable expenses.

3.1f: Books of Accounts

Books of accounts should be maintained following the rules of double entry book keeping system and generally accepted accounting practices prevailing in the country. Based on double entry system, the university shall have to maintain proper books of accounts with respect to:

- All sums of monies received by the university and the matters in respect of which
 receipts take place, showing distinctly the amounts received on account of own source
 revenues, grants, plan allocations and donations.
- All sums of money expended by the university and the matters in respect of which expenditures take place.
- All assets and liabilities of the university.

In view of the above, the following books of accounts are required to be maintained by the university:

- Journal Fund-Wise
- Ledger Fund-wise
- Cash / Bank Book Fund-wise.
- Receipt & payment Book Fund-wise

The following Ledgers shall be maintained so as to have a complete & well classified records of all the financial transactions of the university:

- Grant-in-Aid Ledger
- State Plan Ledger
- UGC 5-year Plan ledger
- Corpus Fund Ledger
- Endowment Fund Ledger
- PMRF Ledger
- · Research Projects Ledger
- HBA Ledger
- Conveyance Allowance Fund Ledger
- CPF Ledger
- GPF Ledger

- Teachers Welfare Fund Ledger
- Staff Welfare Fund Ledger
- Group Insurance Ledger
- Miscellaneous Capital Receipts Ledger

Admission Fee Ledger-Part-A (Unrestricted Revenue Funds)

- PG. & Other Courses
- PG & Other Courses (Self-Finance)
- Distance Education
- Research Scholars

Admission Fee Ledger-Part-A (Designated Revenue Funds)

- PG. & Other Courses
- Distance Education
- Research Scholars

Admission Fee Ledger- Part-B (Unrestricted Revenue Funds)

- PG. & Other Courses
- Distance Education
- Research Scholars

Admission Fee Ledger-Part-B (Designated Revenue Funds)

- PG. & Other Courses
- PG & Other Courses (Self-Finance)
- Distance Education
- Research Scholars

University Service Charges Ledger College-Wise

- Non-Professional
- Professional

Professional B-Ed

Examination Service Charges Ledger

- UG Students College-Wise
- PG Students Course-wise
- Research Scholars
- Affiliation, Inspection & Supernumery Seat Fee ledger
- Registration Fee Ledger
- Overhead Charges Ledger
- Other Fee Receipts Ledger
- Sale of Prospectus, Admission, Examination & other Forms Ledger
- Entrance Test Fee Ledger
- Rent & Other User Charges Ledger
- Miscellaneous Revenue Receipts Ledger
- Other Revenue Centre Ledgers- Centre-Wise

Registers

Moreover, the following registers and other records shall have to be maintained by the university:

 Register/ List of students who have deposited admission fee (Part-A) departmentcum-course wise.

- Register/ List of students who have deposited admission fee (Part-B) departmentcum-course wise.
- Register/ List of students who have deposited self-finance seat fee department-cumcourse wise.
- Register/ List of research scholars who have deposited admission fee departmentcum-course wise.
- Register/ List of students who have deposited hostel fee hostel- wise.
- Register/ List of students who have deposited prospectus fee & entrance test fee.
- Register/ List of students who have deposited registration fee
- Register/ List of students who have deposited affidavit charges department-cumcourse wise in the office of Chief Proctor.
- Register/ List of students who have deposited fee department-cum-course wise with DSW.
- Register/ Statement of daily/monthly revenue receipts of Estates Section, Transport Section, Chief Proctor, Convocation Complex, Hospitality & Protocol, & University Gym.
- Register/ List of B. Ed. & other colleges who have deposited affiliation, & inspection fee.
- Register/ List of B. Ed. students who have deposited supernumery seat fee collegewise.
- Register/ List of students who have deposited university Service charges college-cumclass wise.
- Register/ List of P. G. students who have deposited examination fee department-cumcourse wise.
- Register/ List of U. G. students who have deposited examination fee College-cumyear of graduation-wise.
- Register/ List of P. G. students who have deposited late fee department-cum-course wise.
- Register/ List of U. G. students who have deposited late fee college-cum-year of graduation-wise.
- Register/ List of U. G. students who have deposited revaluation & rechecking fee graduation-wise.

- Register/ List of P. G. students who have deposited revaluation & rechecking fee course-wise.
- Register/ List of students who have deposited certificate fees
- Register/ List of students who have deposited Form fees
- Files containing fee receipts/ photo copy of bank drafts/ cheques
- Expenditures statements of all the expenditure centres of the university fund-wise

3.1g: Reconciliation of Books of Accounts

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Putting Well designed accounting information system in place is important but equally important is to put in place a full proof mechanism to ensure that all receipts & payments have been accounted for. To meet this objective of accounting information system, there is a need to have in place reconciliation system for accounts. It is in view of this fact, reconciliation mechanism for different books of accounts is recommended with the following specific goals:

- To check whether all own source & other receipts have been accounted for.
- To see whether all receipts have been deposited into the respective bank accounts or not?
- To check whether different expenditures have been booked & made in accordance with the designated purposes.

In line with these goals, the following specific reconciliation guidelines are recommended:

- Separate reconciliation Section created.
- Reconcile different books of accounts on monthly basis.
- All revenue & expenditure centres of the university shall be mandated to forward detailed list of students who have deposited fee dues with full details in a given format. Further statement of expenditures incurred under different revenue & other heads shall be forwarded on fortnightly basis as per the format given in annexure I.
- College principals also mandated to send cheques of fee dues collected with full details as per the enclosed format (Annexure II)

Reporting of Financial Information

Introduction

The accounting information system (AIS) is aimed to collect & record financial data in the books of accounts, periodically summarise financial data into meaningful financial statements and report different financial statements to different users. In fact, the financial records are maintained not only for the purpose of maintaining records of financial transactions but more importantly for "Score-Keeping, Attention-Directing & Problem-Solving". All this requires to prepare financial statements & report the same to the management to assess the financial performance. To make informed decisions, equally important aspect of AIS is to report financial information to the management and other users to facilitate their decision making. In view of this fact, all organisations whether profit-making or not-for profit, periodically prepare financial statements for reporting to the management.

The university though being quite large has no system/practice of reporting financial statements even to the management, not to talk of external users. One fails to understand then under such circumstances how the university administration is taking different decisions. This reflects nothing but a very poor state of the accounting information system of the university presently in vogue.

To keep informed different stakeholders, it is important to prepare a summary of books accounts at the end of accounting period in the form of financial reports. This is needed to allow the management to keep track of its financial performance and to take various policy decisions. Generally at the end of accounting year or reporting period, not-for-profit organisation prepare & report the following financial reports to different stakeholders. Accordingly, it is recommended that the university should prepare and report these financial statements on quarterly basis to the management of university:

- Income & Expenditure Statement
- Receipts & Payments Statement
- Statement of Changes in Capital Fund
- Balance Sheet

3.2a: Income & Expenditure Statement

It is statement which is prepared at the end of accounting period to present a classified summary of revenue receipts and revenue expenses/ losses of an accounting period. It is prepared to reveal the financial performance by showing how much has been realised and how the fund has been utilised. Under fund based accounting, for each revenue fund whether unrestricted and restricted, separate Income & Expenditure shall be prepared. However, no income and expenditure statement is prepared for capital funds. For such type of funds, a statement showing changes in balances of each of specific capital fund is prepared. In light of the standard practices, It is recommended:

- Prepare for each revenue fund, separate income & expenditure statement.
- Prepare income & expenditure statement on quarterly basis. & at the end of accounting year.
- Report fund-wise & consolidated Income & Expenditure Statements to the Vicechancellor, Registrar, Dean Research (Research Projects), Provost, (Hostel Fees), Librarian (Library Fee).

Format & Procedure for Preparing Income & Expenditure Statement is given in Annexure IV

3.2b: Statement of Receipts & Payments

It is an asset account (Real Account) which shows the classified summary of transactions of cash book along with the cash and bank balances in the beginning & at the end of an accounting period. It is aimed to show total cash position as on a particular date.

In light of the standard practices, It is recommended to:

- Prepare for each revenue fund & capital fund, statement of receipts & payments.
- Prepare statement of receipts & payments on monthly & yearly basis.
- Report fund-wise & consolidated statements of receipts & payments to the Vicechancellor, Registrar, Dean Research (Research Projects), Provost, (Hostel Fees),
 Librarian (Library Fee).

Format & Procedure for Preparing Receipts & Payments Statement is given in Annexure V.

3.2c: Statement of Changes in Restricted Funds

For capital funds income & expenditure statement is not prepared but statement of changes in capital funds is prepared. It shows changes in the capital fund in terms of utilisation of capital fund along with opening and closing fund balances during a given period of time. It serves a purpose of tracking the utilisation of capital fund as such promotes transparency and accountability.

In light of the standard practices, It is recommended:

- Prepare for each capital fund, statement of changes in capital fund.
- Prepare statement of changes in capital fund on quarterly & yearly basis.
- Report statement of changes in capital funds to the Vice-chancellor and Registrar & other relevant authorities,

Format & Procedure for Preparing Statement of changes in Plan Funds is given in Annexure VI.

3.2d: Balance Sheet

It is called a statement of financial position showing the position of assets and liabilities as on a particular date. Assets represent the resources which have value and owned by the university. Liabilities are classified into outside liabilities & capital funds. External liabilities in an university represents, loans if any & the funds provided/ received for specific purposes & capital funds are defined as excess of total assets over total outside liabilities. On the left hand side liabilities are shown in the order of Capital Funds, Plan Funds, other funds and current liabilities. Fixed assets followed by investments & current assets are shown on the right hand side.

In light of the standard practices, It is recommended to:

- Prepare balance sheet for each capital fund and for the university as a whole.
- Prepare balance sheet for each capital fund and for the university as a whole on quarterly & yearly basis.
- Report balance sheets to the Vice-chancellor and Registrar,

Format & Procedure for Preparing Balance Sheet & its Performa is given in Annexure VII.

Internal Audit

3.3: Internal Audit

Putting best financial & accounting systems in place will serve the purpose more effectively when it is supplemented by the well defined system of audit both internal and external. External audit is mandatory and more precisely serves the interests of external users and the regulator. Compared to this, internal audit is precisely directed towards promoting the efficiency of financial and other related systems in the organisation. It is precisely directed with the following specific goals:

- To verify entries appearing in the books of accounts with the original vouchers.
- To check authenticity of accounting of assets.
- To ensure whether the policies and procedures regarding financial matters are being complied with.
- To administer the systems of internal check so that mistakes, innocent or intentional are prevented from taking place.

There are no two opinions that internal audit contributes significantly to the efficiency of different financial systems. It is in view of this fact that healthy organisations have vibrant internal audit systems in place. Such organisations lay much emphasis on the utility of internal audit and use it as a means to make people to act in a disciplined & proper manner.

The university has also put in place the system of internal audit. But the existing system suffers from number of limitations. Presently, internal audit is restricted only to the teaching departments and major revenue & expenditure centres are not subject to internal audit. It would have been more appropriate to periodically audit these major revenue/expenditure centres which certainly would have contributed immensely in checking mistakes or misappropriations whether innocent or intentional. Besides, out of the above stated four goals, the scope of internal audit of teaching departments addresses only first goal thereby rendering it incomplete. More importantly it seems that very least attention is given to internal audit perhaps out of ignorance about the utility of this system of audit. This is evident from the fact that major revenue & expenditure centres are not subjected to internal audit and also audit reports submitted by the internal auditors are not taken seriously. It is disturbing to note that it is being reported that internal audit has turned a mere formality. Even the observations of the external auditors are not taken note off. This is really a sad state of affairs which in fact is vividly reflected in poor health of the university's financial administration. It

is really painful to see that the systems of accountability in the university are decaying dayby-day.

An institution without an appropriate checks and balances, is bound to suffer from serious aberrations which finally culminate into monumental incompetence & failure. This is what has happened with the university which is confronted with the serious problems of redtapism, favouritism, financial indiscipline, & decaying of administrative systems which have had the most dampening effect on its operational efficiency on all fronts. This is also attributed to our failure to strengthen the institutions of transparency & accountability. Allah Almighty has created this fascinating universe for a human being to live and enjoy but has set well defined rules for disciplined living for which he is held accountable on the day of judgement. But the systems that govern our working in the university are without any accountability, as such bound to fail to achieve desired results. Therefore, if the university has to prosper to achieve greater degree of excellence in all its spheres, it would need to equally emphasise on accountability and transparency. The urgency of accountability is even pervasive with respect to financial matters for well known reasons. Therefore, there is a great urgency to emphasise on the system of audit, both internal and external. If the system of audit is given due emphasis, it will ensure greater financial discipline in the university at all levels which in turn will avoid mistakes & malpractices which otherwise are rampant. Accordingly, the following few recommendation are made to strengthen & streamline the existing systems of auditing:

- To institutionalise the system of internal audit to ensure greater accountability which among other things would require the "Total Commitment of the Top Management".
- Implement the audit reports, both internal & external audit with all seriousness which
 in turn will demonstrate the will of the top administration in fixing responsibilities to
 everyone in the organisation.
- Extend internal audit to all other revenue and expenditures centres with well defined and meaningful goals.
- In addition to internal audit for the university finances, institutionalise other systems
 of audit namely, Stock (Asset) Audit, Book Audit, Cost & Works Audit & Academic
 Audit with well defined & meaningful specific goals:

3.3a: Goals Of Internal Audit of Finances

- To Check whether all receipts have been accounted for fully and in time.
- To verify entries of expenditures appearing in the books of accounts with the original vouchers.
- To see whether the financial code has been complied & also whether the funds have been utilised for which designated.
- To check whether the policies and procedures regarding financial matters are being complied with.
- To check authenticity of accounting of assets.

3.3b: Goals Of Stock Audit

- To verify the trueness & authenticity of records of assets
- To check whether assets acquired have been accounted for.
- To make a report about the quality & cost of assets acquired
- To physically verify the assets on the basis of stock registers.
- To verify authenticity of write-offs of assets.

3.3c: Goals Of Book Audit

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- To verify the trueness & authenticity of records of books
- To check whether the books acquired have been accounted for.
- To make a report about the quality & cost of books purchased.
- To physically verify the books on the basis of register of books.
- To verify authenticity of transfers & write-off of books.
- To certify whether the rules governing acquisition & issuance have been complied.

3.3d: Goals Of Cost & Works Audit

- To verify whether the cost of different works is fairly estimated.
- To check whether the works completed were in accordance with the tendered specifications.
- To certify the quality in terms of material used, workmanship etc. of works completed.
- To see whether the requisite records are maintained by the works supervisors.

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- To check whether work has been completed in time.
- To check whether the codal procedures have been complied.
- To check the extent of cost overruns & their authenticity.

3.3e: Goals Of Academic Audit

- To check whether the course curriculum is reviewed periodically to update it.
- To see whether before the conduct of board meetings, course objective surveys are conducted to seek inputs about the utility of different courses.
- To verify whether the courses were completed in time.
- To see whether the attendance of the students is strictly ensured in accordance with statutes governing attendance.
- To check whether the examinations have been conducted in time.
- To see whether the examination results have been declared in time.
- To certify whether the transcripts have been dispatched to the students within the specified period of time.
- To verify the performance of students course-wise
- To check the placement performance of academic programmes
- To certify the quantity & quality of research conducted by the faculty.
- To check the no of scholars admitted & degrees awarded.

Budgeting

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3.4: Budgeting

Budget in not a mere statement of estimated revenues and expenses but it is an important management tool which helps in the achievement organisational goals - Vision. & Mission. It is a process of estimating the funds that will be required for day-to-day operations and the strategic plans and wherefrom the requisite funds will come. Precisely, it is used to prioritises expenditures to achieve maximum with limited financial resources. It also helps in fixing accountability and more importantly to avoid wastages of scarce financial resources by prioritising & controlling expenditures. Above all, budgeting is a means to be proactive rather than reactive which is a important management mantra. Therefore, an organisation without a proper budgeting system in place is bound to suffer from number of operating inefficiencies & problems in achieving strategic goals. Besides, a mere budget is not ultimate, more important would be the understanding of the utility of budgeting by the management. Further, mere use of budgets to guide various expenditures is not sufficient but more important are the budgeting processes that are in place to prepare, review & approve budgets. Further, the methods of budgeting are important to realise the dividends of budgets.

There are two methods of budgeting viz; traditional budgeting and zero-base budgeting. Under traditional budgeting, a certain percentage is added to the previous year's estimate to arrive at next year's figure without any reason or justification for the budgeted figure. Compared to this, under "Zero-Base Budgeting" previous year estimate does not provide the basis for next year's estimate. Rather, each estimated expenditure is to be supported with appropriate justification. Traditional budgeting does not allow to prioritise expenditures thus is likely to result into wastages etc. Zero-base budgeting is superior to traditional budgeting by all means as it allows flexibility to prioritise expenditures thus to avoid wastages. Therefore, it would be appropriate to use zero base budgeting. However, it would be possible to use where the allocation of resources is discretionary.

The university has a budgeting system in place for seeking non-plan and plan funding from the state govt. Budgets are prepared separately for non-plan & plan expenditures which are presented before the concerned state govt. authorities for approval. The non-plan budget covers funding needed to meet annual non-plan expenditures and plan budget is meant to seek funding for creating & developing infrastructure in the university. But budgeting in the university is generally being viewed as a mere incremental statement of expenses. As such, it fails to yield the benefits of budgets. Further, the processes used to prepare and approve budgets are inappropriate in the sense that it is highly centralised. Added to these, the budgets

are not based on Institutional Strategy & Long Range Plans, as such have failed to promote operational efficiency and to achieve long range goals. Rather, budgeting in the university have constrained the operational efficiency. Besides, no budgeting mechanism is in place to assess and review various expenditures incurred by teaching departments & other expenditure centre's out of local funds thus prone to cause financial indiscipline & other financial management problems. Prudent financial theory requires scrutiny of expenditures by a high powered committee to avoid wastages of scarce financial resources and more importantly to prioritize expenditures to yield maximum results.

Given the situation as stated above, there is a need to streamline and expand the domain of budgeting in the university. Towards this goal, the following few recommendation are made:

- Decentralize the existing centralized budgeting system to the extent possible.
- Relate budgeting for plan funds with the institutional strategy and long range goals
 which among other things would require to have a vision & mission and on the basis
 of which prepare a perspective plan. Based on this perspective plan, prepare budget
 for seeking funding from funding agencies.
- There is a less scope to alter the existing structure of non-plan budgeting as it offers little rather no discretion but certainly there is a strong case to seek more funding under certain heads. For example a mere less than 1% is spent on the activities which have direct bearing on a student or scholar & their academics. There are certain items which have no relevance today, as such against those items we can seek more funding for the items where we have shortages. One such typical case is postages. Besides we need to reflect only unrestricted revenue funds and not the designated revenue funds. Based on the revenue fund classifications, the following unrestricted revenue funds should be shown in the budget under the head Own Revenue Receipts:

Budgeted Own Source Revenues

Own Revenue Receipts	Estimated Revenue	Total
Admission Fee		
PG Students		
• Enrolment Fee,	4.75	
• IT & SS Fee,	0.16	
Magazine & Gullala Fee	0.06	
DIQA Fee	0.16	
Self-finance Feat Fee	2.00	7.26
Research Scholars	0.03	
• Supervision Fee	0.10	

Bench Fee		
Examination Service Charges		
UG & PG Students		
Examination Expenses Fee	16.50	16.65
Research Scholars		10.03
Examination Exp. Fee	0.15	
Other Fee Receipts		
Re-evaluation Fee	1.05	
Rechecking Fee	0.02	
Migration Certificate Fee	0.28	
Duplicate Migration Certificate Fee	0.01	Ì
Degree certificate fee	0.86	
Duplicate Degree & Diploma Certificate Fee	0.05	***
Eligibility Certificate Fee	0.0	A STATE OF THE STA
Name Correction Fee	0.01	***************************************
Verification of Marks/Degree Certificate Fee	0.01 0.01	-
Provisional Certificate Fee	0.02	ì
Character Certificate Fee	0.02	
Degree in Absentia Fee	0.02	3.29
Registration Revival Fee	0.02	3.29
Advance Certificate Fee	0.01	
Photocopy of Answer Scripts	0.12	
Division Improvement Fee	0.03	
• Late Fee	0.76	
Registration Fee		
Non-professional UG Students	0.76	
Professional UG Students	0.03	0.93
B. Ed. Students	0.13	0,73
Research Scholars	0.01	
Sale of Prospectus, Adm., Exam. & other Publications		
sale of prospectus (DAA & DCDC)		j
Sale of Admission forms (B.Ed etc).	0.65	
Sale of examination & other Forms	2.05	2.77
Sale of other publications	1.02	3.77
	0.05	
Affiliation & Supernumery Seat Fee		
Affiliation Fee	1.50	2.55
Supernumery Seat Fee	1.05	
Rent & other User Charges	0.25	
Hostel Room Rent	0.35 0.01	
House Rent	0.12	
Convocation Complex Rent	0.56	
Rent of Shops & Other Buildings	0.12	1.48
• Guest House Room Rent (50%)	0.20	
. ,	0.12	
Electricity & other User Charges Jammu Sub-office		0.02
Miscellaneous Revenue Receipts		0.23
- ,		
Xerox charges. Sale proceeds of fruits trees etc.	0.02	
Sale proceeds of fruits, trees etc. Leave select & Pension Contribution	0.02	0.13
 Leave salary & Pension Contribution Interest Earned 	0.02	
Total	~.~/	26.07
I ULAI		36.97

Budgeting is also recommended to be extended to teaching departments & other expenditure centres for the utilisation of local funds & self-finance seat share of the departments. Each such expenditure centre shall be required to prepare a budget based on Zero-Base Budgeting mechanism and submit the same to the high powered Central Budget Review & Appropriations Committee for its recommendation to the vice chancellor for approval in the month of March. Unit head of each centre shall be called for discussion on the budget proposals submitted as per the schedule issued by the committee. Once approved, it shall constitute the annual budget for local funds for the department, as such HOD shall be authorised to utilise the budgeted amount through Local Fund Committee without seeking approval subject to the fulfilment codal procedures and approval of the competent authorities for release of payment. If after approval of the budget some contingency arises, for meeting the same again the Dept/centre shall have to submit a new proposal to the committee for review & its recommendation.

3.4a: Constitution Of the Central Budget Assessment & Review Committee

The central budget committee shall consist of the following:

- Three Senior Professors, one at least from science faculty
- Director IT & SS
- Executive Engineer
- Deputy Registrar (Budget)

3.4b: Duties & Powers of the Committee

- To see whether the expenditure proposal are justified for the growth & development of the department/ centre.
- To approve & recommend the budget of the dept/ centre to the vice chancellor for approval.
- To review whether the utilisation of previous year budget proposals has been in accordance with the terms and conditions laid down for utilisation by the committee.
- To review the audit reports both internal & external & make necessary recommendations to the vice chancellor

- In no case allow the utilisation of funds for the purposes for which not designated.
- Authorise reappropriations, however, under rarest conditions only.

Infrastructure Needed for Effective Accounting Information System

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3.5: Infrastructure for AIS

Putting in place appropriate accounting information system also requires to make available requisite infrastructure otherwise it is likely to fail to yield the desired results. The successful implementation of accounting information system has the requirements of both hardware & software. The hardware includes, human resources, registers, ledgers & computers. Software refers to the accounting/ financial software for computerised accounting system. Besides, there is a need to decide about the organisational structure for AIS which defines the flow of work with authority- responsibility relationship. It consists of six main parts which includes:

3.5a: People

The accounting is a specialised job, therefore, requires skilled and qualified people to operate accounting information systems. Contrary to this, currently in the university the operation of accounting information system is not considered a specialists job. Unlike the state govt. and other organisations, there is no separate accounts cadre. Accounting is presently considered everyone's and anyone's domain. It is also owing to this approach, that the accounting information system is in shambles which is the cause of many ills in the university administration. To make the proposed accounting information system to serve the intended goals, there is a need to consider it as a specialists job and accordingly create an accounting & audit cadre consisting of the people who are qualified to discharge duties of accounting & audit efficiently and professionally. Towards this direction, it is recommended:

- To give an option to the existing employees to opt for accounting & audit cadre. The university would require around 75 persons for the cadre. First preference should go to those who are commerce graduates and second to those who have some previous accounting experience and the last preference to those who are neither experienced nor qualified but are willing to opt for the cadre. More appropriate would have been to recruit new professional blood if there is a shortfall of professionally qualified persons.
- Train and educate the selected group about different aspects of accounting.
- Have a well defined transfer policy for the cadre. Transfer after every three years within the cadre only.

3.5b: Organisational Structure

Currently, the accounting department of the university is organised into five sections. Although there is not much problem in the compartmentalisation of accounts dept yet, in the interest of specialisation & focus, the following organisational structure is recommended for the university:

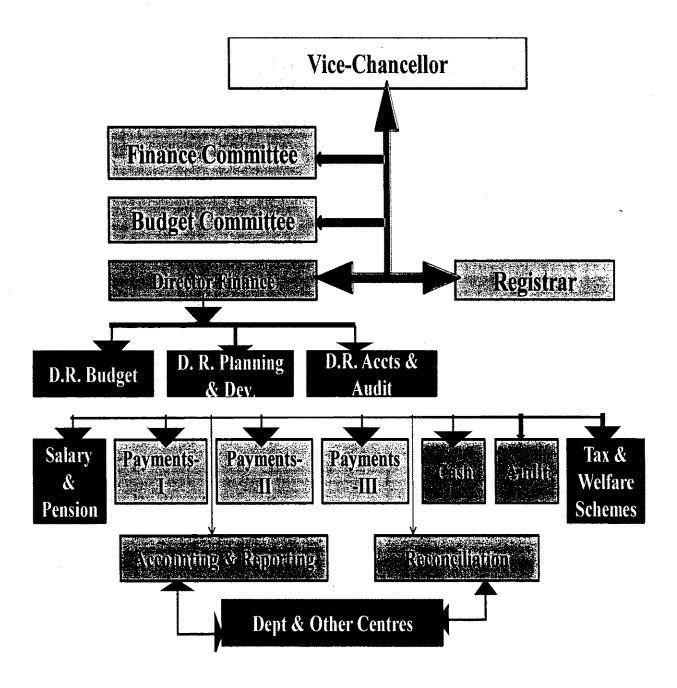


Fig: Organisational Structure of Accounting & Audit Dept

Accounting & Audit Department

Salary & Pension Section

- Salary of teaching staff .
- · Salary of non-teaching staff
- Pension
- · Daily wagers

Payments -I

· Plan Bills

Payments- II

Examination Bills

Payments -III

- Contingency bills of teaching departments
- Contingency bills of general administration, DDE, DCDC, physical education & NSS
- · Scholarships/Fellowships

Cash

- · Receipt of Cheques
- · Issuance of cheques

Accounting & Reporting

- Maintain record of all ledger accounts
- Prepare periodical statements namely; Statements of Income & Expenditure,
 Receipts & Payments, Changes in Plan Funds and Balance Sheet
- Report periodically different financial statements to the Top Management.

Tax & Employee Funds

- Tax
- GPF, CPF & NPS
- Group Insurance
- Endowment Funds
- Teachers & Staff Welfare Funds

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• HBA & CA

Reconciliation

- Reconcile different books of accounts
- Report trueness of different books of accounts

Audit

- · Internal financial Audit
- Cost & Works Audit
- Stock & Book Audit
- · Academic Audit

3.5c: Procedures & Instructions

The procedures and instructions of an AIS are the methods it uses for collecting, storing, retrieving and processing data. These methods will be both manual and automated, and the data can come from both internal sources and external sources. Procedures and instructions will be coded into AIS software; they should also be "Coded" into employees through documentation and training. The manual procedures and instructions have been already detailed above.

3.5d: Books & Ledgers

To keep proper record of financial transactions, the following books and registers shall be needed:

- Four Column Ledger Registers
- Cash Book
- Receipts & Payments Registers
- Payroll Register
- Stock Registers
- List Of Students & Scholars who have deposited different types of fee registers, feewise
- Statement of Expenditures Fund-wise
- Bank Statement Registers Fund-wise
- Accounting & Audit Manuals
- Accounting Policy Statement

3.5e: Information Technology Infrastructure

The AIS can be either manual or computerised. But the computerised accounting system is recommended in view of its greater speed & transparency. The university has already purchased an accounting software namely Tally which is in operation currently. But the irony of the things is that it is used to compile the past financial records and not for recording the current financial data. One fails to understand the rationale & the logic in computerising the financial data of the financial years which stands closed since. Currently the financial data of 2012-13 is being computerised. Computerising past financial data is not only the wasteful exercise but it is acting as an impediment in the recording of current financial transaction in a well organised manner. It would serve great purpose to the university if it stops this wasteful exercise and focuses on maintaining current financial records using the software available. To implement the computerised accounting information system, the university would require:

- To make available the requisite information technology infrastructure.
- To impart computer training to the concerned employees who shall be handling AIS.
- Extend the computerised record system to all other Depts/centres.
- Suggested not to rush the change which is usually happening in the university but plan
 & implement new system in given time frame.

3.5f: Internal Control

An AIS must have adequate internal controls to protect against unauthorised computer access and to limit access to authorised users. It must also prevent unauthorised file access by individuals who are allowed to access only select parts of the system. The software's available does have elaborate controls. So there will be no problem of accounting software's with adequate internal control, but we would need to plan and manage the implementation of this new system with all seriousness and total commitment of all in the university. In order to seek total commitment of all in the organisation there would be an equal need to sell the change. Organisation which fail to sell the change among all, generally fail to implement the new system successfully. Thus creating awareness about the new system is must. Training of the concerned to make them technically fit for the system should be given top priority. Above all the commitment of top management is highly importunate for effecting this change in the university

Annexure



University Of Kashmir Hazratbal, Srinagar, Kashmir

Annexure I

Schedule of Meetings of the Reconstituted Committee

•	Ist Meeting	18-12-2014
•	2 nd Meeting	14-03-2015
•	3 rd Meeting	30-03-2015
•	4 th Meeting	04-04-2015
	5th Meeting	10.04.2015

Annexure II:

- University Order Of Constituting the Financial Reforms Committee
- Notices Of Meetings



ORDER

The Committee constituted Vide No. KU/Reg/Fin.Ref/14 dated 15.03.2014 for effecting "financial reforms" in the University is hereby re-constituted with the following composition:

- 1. Prof. Khursheed Ahmad Bhat, Department of Business & Financial Studies (Chairman)
- 2. Prof. A.S. Bhat, Controller of Examinations; (Member)
- 3. Prof. Mushtaq Ahmad Darzi, The Business School; (Member)
- 4. Dr. Basher A. Joo, The Business School; (Member)
- 5. Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies; (Member)
- 6. Deputy Registrar (Development); (Member)
- 7. Deputy Registrar (Accounts); (Member)
- 8. Deputy Registrar, Budget, (Member-Secretary);

Registr

No. KU/fn/reforms/2014/Business Dated:- December 11, 2014

- 1. Prof. A.S. Bhat, Controller of Examinations;
- 2. Prof. Khursheed A. Bhat, Department of Business & Financial Studies;
- 3. Prof. Tasavoor Ahmad Kanth, Department of Geography;
- 4. Prof. Mushtaq Ahmad Darzi, The Business School;
- Dr. Basher A. Joo, The Business School;
- 6. Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies;
- 7. Deputy Registrar (Development);
- Deputy Registrar (Accounts);
- 9. Deputy Registrar, Budget,
- 10. Special Secretary to the Vice-Chancellor for kind information of the Vice-Chancellor;
- 11. P.S. to Registrar for kind information of the Registrar



Meeting Notice

The following Committee constituted Vide No. KU / Reg / Fin.Ref/14 dated 15.03.2014 for effecting "financial reforms" in the University is being held 18.12.2014 at 2:00 p.m. at Committee Room of Administration Block:

- 1. Prof. Khursheed Ahmad Bhat, Department of Business & Financial Studies (Chairman)
- 2. Prof. A.S. Bhat, Controller of Examinations; (Member)
- 3. Prof. Mushtaq Ahmad Darzi, The Business School; (Member)
- 4. Dr. Basher A. Joo, The Business School; (Member)
- 5. Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies; (Member)
- 6. Deputy Registrar (Development); (Member)
- 7. Deputy Registrar (Accounts); (Member)
- 8. Deputy Registrar, Budget, (Member-Secretary);

All the above are requested to kindly make it convenient participate in the meeting on scheduled date and time.

Deputy Registrar (Budget) (Member-Secretary)

No. KU/fn/reforms/2014/Business Dated:- December 16, 2014

Copy for information and necessary action to:

1. Prof. A.S. Bhat, Controller of Examinations;

- 2. Prof. Khursheed A. Bhat, Department of Business & Financial Studies;
- 3. Prof. Tasavoor Ahmad Kanth, Department of Geography;
- 4. Prof. Mushtaq Ahmad Darzi, The Business School;
- 5. Dr. Basher A. Joo, The Business School;
- Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies;
- 7. Deputy Registrar (Development);
- 8. Deputy Registrar (Accounts);
- 9. Deputy Registrar, Budget,
- 10. Special Secretary to the Vice-Chancellor for kind information of the Vice-Chancellor;
- 11. P.S. to Registrar for kind information of the Registrar;



Meeting Notice

The following Committee constituted Vide No. KU / Reg / Fin.Ref/14 dated 15.03.2014 for effecting "financial reforms" in the University is being held on 14.03.2015 at 11:00 A.M. in the Committee Room of Administration Block:

- Prof. Khursheed Ahmad Bhat, Department of Business & Financial Studies (Chairman)
- Prof. A.S. Bhat, Controller of Examinations; (Member)
- Prof. Mushtaq Ahmad Darzi, The Business School; (Member)
- Dr. Basher A. Joo, The Business School; (Member)
- Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies; (Member)
- Deputy Registrar (Development); (Member)
- Deputy Registrar (Accounts); (Member)
- Deputy Registrar, Budget, (Member-Secretary);

All the above are requested to kindly make it convenient participate in the meeting on scheduled date and time.

Deputy Registrar (Budget)
(Member-Secretary)

No. KU/fn/reforms/2014/Business Dated:- March 11, 2015

- 1. Prof. A.S. Bhat, Controller of Examinations;
- 2. Prof. Khursheed A. Bhat, Department of Business & Financial Studies;
- 3. Prof. Mushtaq Ahmad Darzi, The Business School;
- 4. Dr. Basher A. Joo, The Business School;
- 5. Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies;
- Deputy Registrar (Development);
- 7. Deputy Registrar (Accounts);
- 8. Deputy Registrar, Budget,
- 9. Special Secretary to the Vice-Chancellor for kind information of the Vice-Chancellor;
- 10. P.S. to Registrar for kind information of the Registrar;



Meeting Notice

The following Committee constituted Vide No. KU / Reg / Fin.Ref/14 dated 15.03.2014 for effecting "financial reforms" in the University is being held on 30.03.2015 at 11:30 A.M. in the Committee Room of Administration Block:

- Prof. Khursheed Ahmad Bhat, Department of Business & Financial Studies (Chairman)
- Prof. A.S. Bhat, Controller of Examinations; (Member)
- Prof. Mushtaq Ahmad Darzi, The Business School; (Member)
- Dr. Basher A. Joo, The Business School; (Member)
- Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies; (Member)
- Deputy Registrar (Development); (Member)
- Deputy Registrar (Accounts); (Member)
- Deputy Registrar, Budget, (Member-Secretary);

All the above are requested to kindly make it convenient participate in the meeting on scheduled date and time.

Deputy Registrar (Budget)
(Member-Secretary)

No. KU/fn/reforms/2014/Business Dated:- March 24, 2015

- 1. Prof. A.S. Bhat. Controller of Examinations;
- 2. Prof. Khursheed A. Bhat, Department of Business & Financial Studies;
- 3. Prof. Mushtaq Ahmad Darzi, The Business School;
- 4. Dr. Basher A. Joo, The Business School;
- 5. Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies;
- 6. Deputy Registrar (Development);
- 7. Deputy Registrar (Accounts);
- 8. Deputy Registrar, Budget,
- 9. Special Secretary to the Vice-Chancellor for kind information of the Vice-Chancellor;
- 10. P.S. to Registrar for kind information of the Registrar;



UNIVERSITY OF KASHMIR, SRINAGAR

Meeting Notice

The next meeting of the following Committee constituted Vide No. KU / Reg / Fin.Ref/14 dated 15.03.2014 for effecting "Financial Reforms" in the University is being held on 04.04.2015 at 11:30 A.M. in the Committee Room of Administration Block:

- Prof. Khursheed Ahmad Bhat, Department of Business & Financial Studies (Chairman)
- Prof. A.S. Bhat, Controller of Examinations; (Member)
- Prof. Mushtaq Ahmad Darzi, The Business School; (Member)
- Dr. Basher A. Joo, The Business School; (Member)
- Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies; (Member)
- Deputy Registrar (Development); (Member)
- Deputy Registrar (Accounts); (Member)
- Deputy Registrar, Budget, (Member-Secretary);

The meeting shall commence at 11:30 a.m. till 4:00 p.m. All the above are requested to kindly make it convenient to participate in the meeting on scheduled date and time.

Deputy Registrar (Budget) (Member-Secretary)

No. KU/fn/reforms/2014/Business Dated:- April 2, 2015

- 1. Prof. A.S. Bhat, Controller of Examinations;
- 2. Prof. Khursheed A. Bhat, Department of Business & Financial Studies;
- 3. Prof. Mushtaq Ahmad Darzi, The Business School;
- 4. Dr. Basher A. Joo, The Business School;
- 5. Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies;
- 6. Deputy Registrar (Development);
- 7. Deputy Registrar (Accounts);
- 8. Deputy Registrar, Budget,
- 9. Special Secretary to the Vice-Chancellor for kind information of the Vice-Chancellor;
- 10. P.S. to Registrar for kind information of the Registrar.



Meeting Notice

The next meeting of the following Committee constituted Vide No. KU / Reg / Fin.Ref/14 dated 15.03.2014 for effecting "Financial Reforms" in the University is being held on 10.04.2015 at 3:00 P.M. in the Committee Room of Administration Block:

- Prof. Khursheed Ahmad Bhat, Department of Business & Financial Studies (Chairman)
- Prof. A.S. Bhat, Controller of Examinations; (Member)
- Prof. Mushtaq Ahmad Darzi, The Business School; (Member)
- Dr. Basher A. Joo, The Business School; (Member)
- Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies; (Member)
- Deputy Registrar (Development); (Member)
- Deputy Registrar (Accounts); (Member)
- Deputy Registrar, Budget, (Member-Secretary);

All the above are requested to kindly make it convenient to participate in the meeting on scheduled date and time.

Deputy Registrar (Budget) (Member-Secretary)

No. KU/fn/reforms/2014/Business Dated:- April **09**, 2015

- 1. Prof. A.S. Bhat, Controller of Examinations;
- 2. Prof. Khursheed A. Bhat, Department of Business & Financial Studies;
- 3. Prof. Mushtaq Ahmad Darzi, The Business School;
- 4. Dr. Basher A. Joo, The Business School;
- 5. Dr. Riyaz Raynaie, Associate Professor, Business & Financial Studies;
- 6. Deputy Registrar (Development);
- 7. Deputy Registrar (Accounts);
- 8. Deputy Registrar, Budget,
- 9. Special Secretary to the Vice-Chancellor for kind information of the Vice-Chancellor;
- 10. P.S. to Registrar for kind information of the Registrar.