



GOVERNMENT COLLEGE OF ENGINEERING, KARAD

(An autonomous institute of Govt. of Maharashtra)

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MINUTES OF EIGHTH FINANCE COMMITTEE MEETING HELD ON 11th March. 2017

The Eighth meeting of Finance Committee was held on 11/03/2017 at 10.30 am in Meeting Hall Government College of Engineering, Karad. Following Members were present for the meeting:

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| 1. Chairman | : Prof. (Dr) P. M. Khodke |
| 2. Member | : Mr. Shahajirao Jagdale, BoM nominee |
| 3. Member | : Mr. Shrikant Mate, CACS |
| 4. Member | : Mr. Shirish Godbole, CA, Karad |
| 5. Member | : Prof. (Dr) S. S. Mohite, Head Mechanical Engg. |
| 6. Member | : Mr. A.Y. Barkade, Registrar |
| 7. Member Secretary | : Prof. V S Jadhav, Associate Professor |

Prof.(Dr) A. T. Pise Dean R & D, Prof. V. B. Waghmare Electrical Department, Prof. P. C .Shetiye MCA, Prof. U.L. Deshpande Applied Mechanics were invited for the meeting. Member Secretary, Prof. V S Jadhav, welcomed Hon. Chairman and Members and requested Hon. Chairman to give his opening remarks. Hon. Chairman welcomed all members and explained the purpose of holding the meeting. With the permission of Hon. Chairman, Member Secretary started with the agenda. The minute of the meeting are as under:

Item No. 8.1

To confirm the minutes of 7th Finance Committee meeting held on 19th Dec 2016

The house confirmed the minutes of seventh Finance Committee meeting held on 19.12.2016.

Item No. 8.2

To report actions taken on the minutes of 7th Finance Committee meeting held on 19th Dec 2016

Member Secretary presented action taken report to the house. The house appreciated the action taken by accounts department, particularly new Accounts Manager and also internal auditor regarding service tax, Income Tax etc. The house observed that the Accounts Manager has

taken rigorous follow up with internal and statutory auditor, banks etc. The house offered following suggestions.

- While discussing reconciliation statement of DSR Hon. Shri..Mate appreciated functioning of Accounts Manager and suggested labeling on equipment after completion of F.Y. 2016-17. Hon. Shri. Godbole suggested to use permanent metal stickers for the same.
- Hon. Shri Mate & Hon. Shri Godbole enquired as to who is going to file ITR so that IT deducted by SBI & other banks on FD interest can be claimed. Accounts Manager informed the house that the ITR shall be filed by statutory auditor M/s. Joshi & Pol. Hon. Member further suggested to ensure filing Income Tax Return for Financial Year 2014-15 & 2015-16 before 31st March 2017.
- Hon. Chairman suggested to complete 4th quarter internal audit on or before April 2017 and complete statutory audit before May 2017. The house ultimately decided May 2017 as a target for closing audit of 2016-17 as per practice of listed companies. Hon. Chairman suggested Internal Auditor to conduct session for institute staff on how to maintain DSR. The internal auditor shall ensure to finish it before 31st March 2017.

With above suggestions house accepted actions taken report on the minutes of seventh Finance Committee meeting held on 19.12.2016.

Item No. 8.3

To discuss and approve the expenditure incurred on purchases of equipment above Rs. 2 lakhs during from December 2016 to 5th March 2017

Hon. Shri. Jagdale suggested to attach PO & comparative statement hence forth with the list of equipments above Rs.2 lakhs.

With above suggestion, house discussed and approved the expenditure incurred on purchases of equipment costing above Rs. 2 lakhs during from December 2016 to 5th March 2017

Item No. 8.4

To discuss and recommend annual report on Receipt & Payment for financial year 2016-2017

Member Secretary presented the annual report. The house offered following suggestions.

- Hon. Shri Jagdale suggested to use two decimal digits for every amount so that it helps in understanding the digits. He further asked to present last three years data for every receipt and expenditure so that the progress of institute can be visualized.
- Hon. Shri. Godbole pointed out the mistakes in the data provided by scholarship section with regards to fees receivables. Hon. Chairman expressed deep concern about working of scholarship section. Accounts Manager assured to get it rectified and put before committee in next meeting.
- In view of large amount of fees pending with social welfare office for last three years, Hon. Shri. Mate asked about the plans for getting reimbursement of scholarship/free ship from different Government offices. Member Secretary informed the house that few students have not yet applied and hence the forms could not be submitted. Therefore the section shall collect these applications for 2015-16 and 2016-17 from students and shall then submit further. The warning shall be given to students who do not submit the forms that they will be stop from appearing in examination or else they have to pay fees. The rigorous follow up with the concerned departments for reimbursement and further review shall be presented in next meeting.
- Hon. Shri. Godbole suggested to maintain account of claimed, received and receivable scholarship fees in tally itself. Hon. Shri. Mate suggested to establish scholarship tracking mechanism and submit the progress report on fees received and receivable in every Finance Committee meeting.
- Hon. Shri. Mate suggested to present TEQIP performance audit report in next Finance Committee for discussions.
- The house suggested to give power point presentation for budgeted and actual receipts and also budgeted and actual expenditure in the form of bar chart.

With above discussion, house recommended annual report on Receipt & Payment for financial year 2016-2017.

Item No. 8.5

To discuss and recommend Budget for financial year 2017-18

Member Secretary presented overall strategies for Budget 2017-18. During discussion, the house offered following suggestions.

- Hon. Shri. Mate suggested to prepare master plan for overall development of the institute with respect to equipment, refurbishment, construction, R & D, Student activities etc. Based on master plan only phasing should be done in budgetary provisions for the items of expenditure.
- Hon. Chairman instructed Dean R & D to submit Research and Development policy and guidelines in next meeting including budget plan for patent and its commercialization.
- Prof. U.L.Deshpande, Building Works Committee member presented approved plan for sports complex, Dean office & PG Building additional floors. Hon. Chairman asked to prepare master plan and implementation in phases for sports complex and additional floors. Hon. Shri. Mate enquired about possibility of further extension to second floor for Dean academics building. Prof. U.L. Deshpande informed the house that the said building is constructed on load bearing structure and hence the sustainability of additional floor has to be checked. The house suggested to go with present plans and check for additional floor. If it is possible, additional funds can be demanded in next Finance Committee meeting.
- Instead of purchasing new vehicles, Hon. Shri. Jagdale suggested to sign Rate Contract for hiring bus/car with travel agency and make appropriate budgetary provisions (approx.Rs-18 lakhs) for five industry visit per year for class and hence 90(5 x 3 x 6) visits.
- In case of independent network, Hon. Shri. Mate suggested to provide three internet connections per room (due to three students staying in one room) in hostels. He further suggested to explore possibility of purchasing software as services instead of perpetual license in MCA.
- Hon. Chairman suggested to convert one class room in each department into a smart class room with WIFI & Tab for which budgetary provision of Rs-2 lakhs per department be made.

- Accounts Manager, on enquiry, presented department wise performance in terms of Budget Vs Expenditures and informed the house that every department shows negative variance. The house opined that budget of educational institute is mainly focused on providing facilities to the students. Therefore, less expenditure against budget indicates that the department has not provided necessary facilities to the students. Thus it is a serious matter. The house expressed deep concern about less involvement of departments for purchasing equipments and making expenditure as per budget. Hon. Shri. Mate observed that MCA department has spent less on equipment in last year but this year the proposed budget is manifold. He enquired the reasons. Prof. Shetiye informed house that this year provision is basically for new subjects introduced.
- Hon. Shri. Mate suggested to take 360⁰ feedback from the students with respect to equipments and other facilities in the department and accordingly the budget should be prepared.
- After prolong discussion on expenditure vis-à-vis to budget, house resolved to prepare monthly statement showing variance on expenditure in all heads of accounts and send the same to concerned departments to realize their performance. It should be followed by a review by Chairman IPC in presence of Principal. The quarterly review should be presented in Finance Committee Meeting where all heads of departments shall be invited. Such meeting can be arranged through video conferencing. The purpose of the meeting shall be only to monitor the expenditure against the budget so as to focus on development of the institute.

With above discussion, house recommended Budget for financial year 2017-18

Item No.8.6

To discuss and recommend delegation of authority for signing financial transactions

Member Secretary presented the proposal for delegation of authority so as to spare Principal for important policy decisions. Hon. Shri. Mate suggested to relive Principal further by extending proposed limit of Rs.2 lakhs to Rs.10 lakhs. Up to Rs. 10 lakhs, there can be two signing authorities and for amount beyond Rs.10 lakhs, signing authority can be Hon. Principal. Nevertheless Principal can sign cheques for any amount in the circumstances when one of the joint authorities is absent. The house finally resolved as follows.

Transactions	JV	PV	Cheque	Cheque register
Every transactions	Prepared by: Tally operator	Prepared by: Tally operator	Prepared by: Cashier	Prepared by: Cashier
	Checked by: Account Clerk	Checked by: Account Clerk	---	---
	Verified by: Account Manager	Verified by: Account Manager	---	---
	Recommend by: AO/Registrar	Recommend by: AO/Registrar Approved up to Rs. 10 lakhs by: AO/Registrar	Signed up to Rs. 10 lakhs Jointly by: Accounts Manager & AO/Registrar	Verified by: AO/Registrar Signed up to Rs. 10 lakhs by:AO/Registrar
	Approved by: Principal	Approved Below & beyond Rs. 10 lakhs by: Principal	Below & beyond Rs. 10 lakhs Signed by: Principal	Beyond Rs. 10 lakhs Signed by: Principal

With above correction, house recommended delegation of authority for signing financial transactions

Item No.8.7

To discuss and approve guidelines for completion of purchase procedures of budgeted items before the end of financial year

Member Secretary presented proposed purchase guidelines. Hon. Shri. Mate suggested to incorporate circulation of MIS report prepared by accounts section for budget Vs actual monthly statement to all departments. Head of the department shall devise effective follow up mechanism at department level to minimize variances. The revised guidelines shall be as under:

- The expenditure for fresh financial year shall not be incurred unless budget is approved by Finance Committee.
- Entire expenditure on the budgeted items (equipment, refurbishment, consumables, maintenance, student activities, Gymkhana and gathering etc.) for a particular financial year shall be completed before financial year ending i.e. 31st March.
- For purchases below Rs. 10,000/ (Rs. Ten thousand), HOD / All Deans /Administrative Officer/ Registrar are empowered to issue Quotations and sign PO. However, the department has to get approval of Principal for Comparative Statement before placing PO.

Therefore, here onwards department should not bring PO for items/ commodity costing less than Rs-10,000/-.

- It is not necessary to get approval of procurement of items which are included in budget book. However, no procurement should be made for non budgeted items without prior approval of Principal.
- It is observed that purchase order for budgeted items is given in one financial year but because of delay in pursuing PO or delay in delivery of items in that financial year, payments are made in next financial year. In order to avoid such cases, following guidelines shall be followed.
 - ❖ The procurement of services/item should start immediately after budget is approved by BOM & as per priority.
 - ❖ Concerned head/section should see that the purchases are uniformly distributed over twelve months of a financial year to avoid rush in the last month.
 - ❖ Account section shall issue monthly category wise expense sheet covering all departments, which will remind individual department and also shall be indicator for performance of the department.
 - ❖ In no case, PO should be given after 15th of February of a particular financial year.
 - ❖ The services/items requiring more time for delivery should be procured well in time.
 - ❖ Continuous follow up with supplier, vender, and service provider should be made for delivery and submission of bills, testing, demonstrations etc.
 - ❖ Even after taking all these efforts, if the delivery remains incomplete the item/services should be budgeted in next financial year after giving due justification and then only payment should be made.
- A monthly review shall be taken for proportionate expenditures on every item proposed by different department/ sections. Accounts Section shall issue monthly statement of MIS prepared for budget Vs actual expenditure and receipts mentioning variance to different departments through mail. Head of the department shall devise effective follow up mechanism at department level to minimize variances. Monthly statement to all departments. It shall be followed by a review by Chairman IPC in presence of Principal.
- The quarterly review shall be presented in Finance Committee meeting where all heads of departments shall be invited.

- The budget of department for next financial year shall also be based on their expenditure in previous financial year.

With above discussion, the house approved guidelines for completion of purchase procedures of budgeted items before the end of financial year and suggested to issue circular to the department immediately.

Item No.8.8

To discuss and approve establishment of smart web for online collection of fees and other receipts

House approved smart web for online collection of fees and other receipts of various banks i.e. HDFC, SBI, Bank of India. However house suggested to ensure that the college data remains institutional property and should not be shared.

Item No.8.9

To discuss and approve proposal for new Professional Tax RC enrolment with treasury for employee appointed at institute level

House approved proposal for new Professional Tax RC enrolment with treasury for employee appointed at institute level.

Item No.8.10

To discuss and approve establishment of estate section for institute

House approved establishment of estate section for institute.

Item No.8.11

To discuss and approve the proposal of consultancy charges for providing man power

House approved the proposal of consultancy charges for providing man power.

Item No. 8.12

To approve the proposal for payment of legal consultancy charges for income tax on the income of institute

House approved payment of legal consultancy charges for income tax on the income of institute.

Item No. 8.13

Any other item with the permission of chair

Member Secretary informed the house that new Accounts Manager Mr. Veejay Patil has joined the institute on 15th Jan 2017. In very short period he has regularized accounts section and has been successful in regularizing all pending issues. The institute expects many more reforms for strengthening accounts section from him. At the time of recruitment, he had demanded more honorarium but we wanted to see his performance for some time and hence was offered Rs. 42000/- pm. In view of his performance in the institute in last two months, the proposal for increase in honorarium may be thought of. The members Hon. Shri Mate, Hon. Shri. Godbole and Hon. Shri Jagdale also appreciated the performance and suggested to increase to Rs. 45000/- pm for one year. House also instructed to present his performance after completion of his one year tenure.

As there was no item for discussion, the meeting ended with vote of thanks by Member Secretary.



Chairman

Finance Committee,
Government College of Engineering, Karad



Member Secretary,