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GOVERNMENT COLLEGE OF ENGINEERING, KARAD

Vidyanagar, Karad, Dist. Satara, Maharashtra, India, PIN: 415124
Tel.: 91-02164-271711, 272414, 272415(P), 271712(R)
Fax No.: 91-02164-271713
Web: <http://www.gcekarad.ac.in>



MINUTES OF FINANCE COMMITTEE MEETING

HELD ON 23rd April 2014

The first meeting of Finance Committee was held on 24/04/2014 in Conference Hall of Government College of Engineering, Karad. Following Members were present for the meeting:

1. Chairman : Prof. (Dr) P. M. Khodke
2. Member : Mr. Shivajirao Jagdale, BoM nominee
3. Member : Prof. (Dr) Y. M. Ghugal, Head Applied Mechanics
4. Member : Prof. (Dr) S. S. Mohite, Head Mechanical Engg.
5. Member : Mr. Shrikant Mate, CACS, CFO, Writer, Mumbai
6. Member : Mr. Shirish Godbole, CA, Karad
7. Member Secretary : Mr. S.N. Patil, Administrative Officer

Mr. S.N. Patil, Member Secretary welcome all Hon. Members and requested Hon. Chairman, Prof. (Dr) P. M. Khodke to welcome nominated members by offering bouquet. He further requested to give his Hon. Chairman to give an opening remarks. Dr. P.M. Khodke gave presentation of institute on different UG and PG programmes, quality of input, performance of students in University examination and placement. He further informed the house about present practices adopted in financial matters and the problems faced while doing any activity involving finance.

With the permission of Hon. Chairman, Member Secretary started with the agenda.

Item No. 1

To Note Govt. Resolution No. WBP 2010/(218/10)TE-2, Dated 25th April 2011

Finance Committee noted Govt. Resolution regarding responsibilities and constitution of Finance Committee.

Item No.2

To discuss and approve the draft for duties and responsibilities of Finance Committee

Member Secretary presented a draft for duties and responsibilities of Finance Committee which has been prepared on the basis of Govt. Resolution Dated 25th April 2011 and Dated 23rd October 2012. He further brought to the notice of house that as finance committee is advisory body to BoM on financial matters, duties and responsibilities have been drafted on the basis of relevant functions of BoM.

- Hon. Member Shri. Jagdale suggested to remove the phrase "and all other administrative affairs" from Sr. No. 8 of draft for duties and responsibilities as finance committee is not supposed to deal with administrative matters.

With above suggestions Finance Committee recommended the draft duties and responsibilities of finance committee to BoM for approval.

Item No.3

To note constitution of finance committee

The Finance Committee noted the constitution.

Item No.4

To recommend draft rules for financial powers and purchase procedure

- Member Secretary presented the draft rules for financial powers and purchase procedure to be recommended BoM. He informed that these draft rules are prepared by referring similar documents available with autonomous institutes/ organization such as Govt. College of Engineering, Pune, Amravati and Aurangabad and also Maharashtra State Board of Technical Education, Mumbai.
- Shri. Mate opined that agenda needs to be sent at least a week before so that members come prepared. Member Secretary, with due apology, assured that here onwards the suggestion will be strictly followed.
- Shri. Mate further enquired whether major civil works can be done with institute funds. Member Secretary informed that it can be done subject to the provision in finance rules. Hon. Chairman informed that this suggestion may be submitted to BoM for approval.
- Shri. Shivajirao Jagdale suggested to make provision to purchase common items required by various departments centrally or with a single order, in order to avoid the variation in rates.
- Shri. Mate suggested to include certification from every supplier that "no close relative of owner/ Directors of supplying firms is working on any post in the institute" in rule no. 7, 8, 9, 10, 11 and 12 of purchase rules at appropriate places.
- Shri. Shivajirao Jagdale suggested to remove "or any officer to whom the Principal delegate the authority" from the definition of competent authority. He further suggested to include special sub rule that "competent authority without assigning any reason can reject partial/ full purchase process at any point of time". Also a separate para should be included for **Comparative Statement** mentioning that it may be prepared after due negotiations with the supplier/s and such comparative statement has to be approved by

competent authority. Comparative statement should also have mention on terms and conditions.

- Shri. Shivajirao Jagdale suggested that purchases have to be categorized and separate procedure for each category should be mentioned. He further suggested to specify a format in procurement document for performance guarantee to be submitted by supplier at the time receiving orders mentioning which bank, what amount and conditions.
- In rule 13 (iv) (b) and line no. 5 following phrase should be added "by the institute by following procedures and norms".
- Shri. Shivajirao Jagdale suggested, for future, to follow a system of codification of items and assets which will help to create asset register automatically. For this institute may refer similar system adopted by COLP. Shri. Mate informed house that computer packages for coding and classification are also available. He further informed such system shall help to have central asset register. Member Secretary assured that this shall be presented in next financial meeting.

With above suggestion/ corrections, finance committee recommended finance rules and purchase procedure to BoM.

Item No.5

To discuss and recommend the proposal for retention of other fees at institute level

Member Secretary informed the house regarding different fees collected from students. Shri. Mate enquired about recovery of damages in hostels and in laboratories. Member Secretary informed that institute collects CMD from students admitted to hostel while no fee for this purpose is collected from other students. CMD is returned back when student completes his/her education. Shri. Shivajirao Jagdale suggested to collect one time caution money of Rs. 2000/- from every hostelite and Rs. 1000/- from other students. List of damages by the students be reported and be further recovered at the time of refunding the fees. Such fees should also be retained at institute level instead of depositing it in treasury account. However,

if any student does not collect CMD at the time of issue of T.C., the same be deposited to Government account in treasury.

With above addition, finance committee recommended retention of other fees at institute level.

Item No.6

To approve the proposal for retention of IRG at institute level

Member Secretary informed the house about the generation and distribution of revenue. Shri. Mate enquired about the rates charged for testing and consultancy. Dr. Y.M. Ghugal told rates for few tests on sample basis. Committee opined that the rates of testing and consultancy are old and institute should propose revision of rates in next finance committee.

With above suggestion, Finance Committee recommended to retain IRG at institute level.

Item No.7

To approve the proposal for retention of tuition fees at institute level

After having an elaborate discussions on the items, finance committee accepted and recommended the proposal for retention of tuition fees at institute level which is in compliance with GR dated with 31st March, 2004.

Item No.8

To approve the proposal for establishment, enrichment and utilization of FOUR funds created by institute under autonomy

Member Secretary presented proposal for enrichment and utilization of FOUR funds. Shri. Shivajirao Jagdale suggested to increase two additional funds i.e. Institute Development Fund and Salary Fund for posts created at institute level and suggested to distribute tuition fees among Corpus Fund and newly proposed two funds. After prolong discussions, Finance Committee recommended the procedure for enrichment of different funds and their utilization as follows.

| Sl. No. | Title of Fund | Method of enrichment | Utilization |
|---------|----------------------------------|---|---|
| 1 | Corpus | <ul style="list-style-type: none"> • 10 % of tuition fee paid by students • 50 % of development fee paid by student • 50 % of net IRG generated by institute | <ul style="list-style-type: none"> • Same part of Corpus Fund may be used for creation of Capital Assets like building etc. Proportion of Corpus fund to be utilized per year be decided in next meeting. • Any expenditure to be met from Corpus Fund shall require permission of BoM. |
| 2 | Staff Development | <ul style="list-style-type: none"> • 25 % of development fee paid by student • 15 % of net IRG generated by institute | <ul style="list-style-type: none"> • Faculty/Staff training, conferences, deputation for qualification upgradation, teaching assistantship, research and development, sponsorship, faculty awards, any other motivational measures etc. |
| 3 | Equipment Replacement | <ul style="list-style-type: none"> • 25 % of development fee paid by student • 15 % of net IRG generated by institute | <ul style="list-style-type: none"> • Replacement of obsolete, non working and written off equipments, furniture and laboratory refurbishment etc. |
| 4 | Maintenance | <ul style="list-style-type: none"> • 20 % of net IRG generated by institute • Entire laboratory fee paid by students | <ul style="list-style-type: none"> • Maintenance, repair, consumables, stationary etc. |
| 5 | Institute Development | <ul style="list-style-type: none"> • 60 % of tuition fee paid by students | <ul style="list-style-type: none"> • Campus upliftment, ambience, refurbishment, institutional image projection, student activities, etc. |
| 6 | Salary Fund for posts created at | <ul style="list-style-type: none"> • 30 % of tuition fee paid by students | <ul style="list-style-type: none"> • Salary/ Honorarium of Human Resource appointed on the |

| | | |
|-----------------|--|----------------------------------|
| institute level | | posts created at institute level |
|-----------------|--|----------------------------------|

With above suggestions, Finance Committee approved proposal for establishment, enrichment and utilization of SIX funds created by institute under Autonomy.

Item No.9

To discuss and approve proposal for charging Rs. 1000/- each as table charges and maintenance fee for the students staying in hostels

During the discussion, Shri. Shivajirao Jagdale enquired about the present status of hostels and how much funds shall be required if we want to bring it to minimum expectancy level. Hon. Chairman informed the house that students have already submitted the budget for different repair and maintenance work required for all hostels. It amounts to be Rs. 31, 84,000/-. Hon. Jagdale suggested to increase proposed fees to four folds.

After elaborate discussions, committee recommended Rs. 1500/- each for table charges and maintenance charges from every student taking admission to hostel from academic year 2014-15. It further suggested to take review of receipts and expenditure in next finance committee meeting.

Item No.10

To discuss and approve creation of institute level posts

Member Secretary informed the house that autonomy activities (students registration, enrollment, examination, appointment of examiners, issue of different orders for such appointments, bills for remuneration and TA/DA, issue of hall tickets, examination question papers, result processing, printing of grade cards and gazettes) cannot be executed with existing office staff available in the institute. Similarly new branch Electronic & Telecommunication which started in 2007-08 has no faculty position sanctioned. Therefore, for implementation of autonomy for first year at least 17 posts, including six teaching posts, given in agenda, need to be created and filled immediately on temporary basis. He further informed the house that if approved by BoM necessary care shall be taken (contractual procedure) while recruiting people on these posts.

Shri. Shivajirao Jagdale opined that good people in teaching may not be attracted with honorarium of Rs. 30,000/-. After elaborate discussions honorarium of Rs. 24,000/- to Rs. 35,000/- may be decided in BoM. However, procedure for recruitment should be transparent and be decided in advance.

With above suggestions creation of post at institute level is recommended to BoM.

Item No.11

To note recommendation of Building & Works Committee for financial year 2014-15

Finance Committee noted minutes of Building & Works Committee meeting held on 22/04/2014 and accepted the proposal of new buildings and seven repair/refurbishment work for considering in budget. Building Works Committee has also appreciated proactive approach of PWD for repair of hostels and quarters without demanding additional funds from the institute.

Item No.12

To discuss and recommend annual report on Account & Finance for financial year 2013-14

Finance Committee appreciated the speed with which institute has spent State Government Plan and Non-Plan budget in short time (in two months) for fulfilling immediate requirement of the institute. With these comments, Finance Committee recommends the annual report on Account & Finance for financial year 2013-14 to BoM.

Item No.13

To discuss and accept audit report for financial year 2006-07 to 2013-14

After listening to the details of item from Member Secretary, Finance Committee congratulated Principal for taking bold decision of conducting audit for last so many years. Committee also expressed surprise on non preparation of balance sheet as well as maintenance of ledgers for each expenditure heads. Finance Committee also gave post facto approval to the appointment of Auditor M/s P.L. Kulkarni and Company for auditing account for last seven years (2006-07 to 2012-13) for Rs. 49,000/- plus taxes extra.

Mr. P.L. Kulkarni was requested to explain the audit report in detail. After listening to his comments, Finance Committee gave following suggestions.

1. Institute should maintain general ledgers and personnel ledgers for each cash book from 2014-15 onwards.
2. Trial balance be prepared month wise of each cash book and same be approved in the meeting of concern department/ heads.
3. Month wise reconciliation statement of bank account with rectification of entries to be done immediately.
4. Registers for different asset like furniture, computer, software, equipment, electric fitting, library book, journals, disposal material, vehicle etc. be prepared.
5. Verification of asset be made every year.
6. Losses be approved in the meeting of department head with fixing responsibility and accountability.
7. M/s P.L. Kulkarni be continued for doing audit of 2013-14 and 2014-15 for Rs. 8000/- plus service taxes extra per year and be asked to submit balance sheet for 2013-14 and all preceding years before 31 May, 2014.
8. Separate records of different assets to be kept year wise.
9. The insurance of property like buildings, equipments and furniture be done so as to insure it from natural calamities, such as earthquake etc.
10. Committee also suggested to invite Finance Committee members having CA background to draw plan of action and to verify balance sheet.

With above suggestion Finance Committee accepted audit reports of financial years of 2006-07 to 2013-14.

Item No.14

To discuss and recommend write off of Books and Equipments

Member Secretary presented proposal for write off of equipments of 13 department and books from general section and book bank section of library. After verifying the record Finance Committee recommended write off of equipment, furniture and library books for Rs. 1278778.39 as per following details. However, committee suggested to carry out verification by committee consisting of faculty.

| Sr. No. | Name of Department | Cost of Write Off (Rs.) |
|---------|-----------------------------------|-------------------------|
| 1 | Civil Engineering | 380181.72 |
| 2 | Electrical Engineering | 183609.52 |
| 3 | Mechanical Engineering | 351997.29 |
| 4 | MCA | 11750 |
| 5 | Information technology | 15400 |
| 6 | Science, Physics | 28793.2 |
| 7 | Science, Chemistry | 2493.3 |
| 8 | Electronics and Telecommunication | 36690 |
| 9 | Applied Mechanics | 17242.99 |
| 10 | Hostel | 20558.8 |
| 11 | Office | 33367.0 |
| 12 | Library | 3498 |
| 13 | Workshop | 58196.57 |
| 14 | Library Books (2304) | 45315 |
| 15 | Book bank books (1593) | 89685 |
| | Total | 1278778.39 |

Item No.15

To discuss and recommend Budget for financial year 2014-15

Finance committee appreciated the efforts taken by the institute to prepare the detailed document for annual budget 2014-15. Member Secretary presented the deficit budget for 2014-15 with receipts of Rs. 3203.36 lacs (Rs. 1327.72 lacs from State Government and Rs. 1875.64 lacs from institute funds) and expenditure of Rs. 3355.51 lacs (Rs. 1875.45 lacs from State Government

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funds and Rs. 1480.06 lacs from institute fund). Member Secretary further informed the house that salary and non salary grants received from Government vary which can be demanded more in revised budget in August to accommodate deficit. The expenditure of different heads shall include Equipments Rs. 881.19 lacs, Rs. furniture 97.44 lacs, books Rs. 27.25 lacs, Civil works Rs. 1033.72 lacs, refurbishment Rs. 75.59 lacs, salary Rs. 666.88 lacs, student activities Rs. 54.83 lacs, faculty development Rs. 164.0 lacs, maintenance Rs. 94.79 and other expenditure Rs. 259.82 lacs.

Finance committee, after going through the entire document offered following suggestions.

1. More effort shall be required to spend remaining balance of TEQIP fund (Rs. 616.6 lacs) in short span of time.
2. Institute should give priority to communication systems (campus wide network and intercom facility) and also electric back up in the form of generator.
3. Institute should make rigorous follow up for getting budgeted fund from State Government.
4. It should be made compulsory to all departments to submit MODROB and RPS proposals to AICTE in this financial year. At least 70 such proposal should be submitted and action taken be reported in next meeting. Institute should appoint AICTE coordinator for follow up and Dean R&D should give appropriate instructions to departments.
5. Head of Departments should be made accountable for making 100% purchases for the equipments/ furniture mentioned in budget manual with full transparency in purchase procedure. Purchased equipment should be commissioned immediately so that the students get benefits as early as possible. No expenditure be made on the items other than mentioned in budget manual without permission of Principal.
6. Department should decide and prescribe precise specification for every equipment.
7. In order to maintain vigilance, Library, Dean Academic Section and office and Principal office should have CCTV installed.
8. Proper drinking water with aqua guard, facility for outside visitors in Principal cabin should be given priority.

With above suggestions, Finance Committee recommended the Annual Budget 2014-15 to BoM for final approval.

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Item No.16

Any other item with permission of Chair

As no item was received with the permission of Chair, Mr. S.N. Patil, Administrative Officer and Member Secretary offered vote of thanks and declared conclusion of meeting.


S.N. Patil

Member Secretary,
Finance Committee



Dr. P.M. Khoske
Chairman
Finance Committee

Date:
Place: Karad