

Resource Mobilization Policy

ARMY COLLEGE OF DENTAL SCIENCES SECUNDERABAD(ACDS)
SOP ON FINANCIAL MANAGEMENT AND ACCOUNTS
COLLEGE MAIN ACCOUNT

Introduction

1. College Main Acct maintained by ACDS is financed wholly from private funds generated from Tuition Fee Collected from Students, Interest received from Term Deposits, treatment charges collected from Patients & from ECHS beneficiaries who opt for improved treatment over & above that authorized by ECHS. The general orders on the subject are contained in Volume-II Financial Management of Army Professional Colleges/Institutions March 2007 (also known as Yellow book).

Aim

2. This SOP lays down instructions for proper accounting of the income receipts and expenses, so as to ensure that there is no financial irregularity or impropriety.

Sources of Income

3. The inflow of income is from following sources: -

(a) **College Main A/c.**

S.No	Name of Fund	Source of Income	Expenditure
(i)	Fees	Registration fee Admission fee Tuition fee	Affiliation fee Registration fee Inspection fee Staff Salaries
(ii)	Security Deposit Fund	Interest on Security Deposit	Security amount refunded to the Students at the time of leaving the College
(iii)	Library	Tuition fee	News paper and Magazine bills, Lib internet subscription, Lib books, Maintenance of books/ binding charges
(iv)	Building Maint	Tuition fee	House keeping items, Building Maint and Minor repairs
(v)	Elect & Water	Tuition fee	Elect bills, Elect Repairs Elect AMC Contract Water bills, Water pipe repairs
(vi)	Sports Fund	Tuition fee	Sports items/equipments Sports Meets with other colleges
(vii)	Exam Fund	Amount received from NTR UHS Exam fees	TA/DA & Remuneration paid to the examiners. Exam fees
(viii)	Transport		Petrol/Diesel bills of College Vehs Vehs Repair & Maint bills Vehs Road Tax Vehs Insurance

(ix)	Contingency	Contingency fee Xerox & Internet charges Sale of Record books Coin box collection	CA Audit bills Coin box re-charge cards Comptr Maint/Repairs Property items Maint Exams Hospitality Inspectors Hospitality Internet bills Maint of Area Misc Expdr Office Cont Postage Printing & Stationery Property items (Minor) Temp Duty
(x)	Interest on FDs/CR	Interest on Credit and Security Deposit FD interest	Used for College Recurring expenditure
(xi)	Dental Eqpt Maint & Dental Mtrl	OPD Income & Tuition Fee	Trg Dental Mtrl purchase
(xii)	OPD	Income from Out Patients Dental Camps ECHS bills	Expendable Dental Material, Hospital maint, purchase of Dental non expendable items
(xiii)	Fine/Penalty	Fine paid by the students on specific reasons	College maint
(xiv)	Sy Cr	Stores received on credit	To be cleared on receipt of bills and other documents
(xv)	Sy Dr	Refund of loan by staff Temp Advance for exams, inspections, visits and other items	To be cleared on receipt of bills and other supporting documents.
(xvi)	Terminal Benefits Fund	Being Catered from college income/staff	For payment of terminal benefits (ie. leave encashment at the time of living of the college)
(xvii)	Property		On receipt of college property value from CSS. The property value and appreciation/ depreciation if any will be maintained

Expenditure

4. The cash outflow is broadly of two kinds:-

(a) Non recurring expenditure. It is a one time expenditure for raising the infrastructural requirements of the college. The main heads for the expenses are as under:-

- (i) Technical Equipments
- (ii) Allied stores
- (iii) Library books
- (iv) Furniture

(b) Recurring Expenditure. It is for yearly maintenance of the infrastructure and also procurement of expendable stores for day to day administration of the college and hospital.

Operation of Accounts.

5. The college saving bank account is being maint in HDFC Bank, AS Rao Nagar br. where revenues will be deposited. Registrar will be the Accounts officer of ACDS. Operation of account is by Registrar and Principal.

Financial Powers

6. (a) Budgeted. Financial powers of various authorities and IMC in Army Professional Colleges is as under as on 01 Jul 2020:-

S.No	Appointment	Per transaction (In Rs)	Monthly Ceiling (In Rs)
(a)	Registrar	30,000.00	3,00,000.00
(b)	Principal	80,000.00	8,00,000.00
(c)	Director	2,50,000.00	10,00,000.00
(d)	Chairman	15,00,000.00	1,50,00,000.00
(e)	IMC	15,00,000.00	1,50,00,000.00
(f)	Patron of College	20,00,000.00	2,00,00,000.00
(g)	Chairman Board of Administration	22,50,000.00	2,25,00,00,000.00
(h)	Patron Board of Administration	25,00,000.00	No Limit
(j)	Chairman Executive Committee AWES	Over 25 lacs	No Limit

Note. Excludes expenditure on account of pay & allowances, electricity/water bills, examination / affiliation fees, rent and repair of buildings, messing charges, annual contract for security services. Maintenance of electric gadgets and college magazine.

(b) Non Budgeted. Financial powers of various authorities of Army Colleges/Institutions is 50% of the budgeted powers.

Auth : AWES letter No B/45741/FM/AWES dt 05 Dec 2011.

Accounting Procedures

7. Over all responsibility of Managing the finances of the College vests in the /Principal. He/She would be assisted by the Registrar. He/She will ensure that all policies laid down by HQ AWES and the institute managing Committee about managing finances are implemented. He/She would also be responsible for payment of all bills and correct maintenance of accounts in the manner prescribed.

Monetary limits

8. Maximum limit of cash in hand is Rs.25,000/-. Cash will be kept in safe custody of the Registrar. If any justified reason to increase the CML the same is required to revised on approval of Chairman IMC.

Budget

9. Budget preparation of the Army Professional Colleges is the most important aspect of Financial Management. Annual budget will be well planned and prepared in advance containing estimates of income and expenditure for the next Financial Year. The budget will take into consideration the expansion and anticipated liabilities of the college. While formulating the budget, the aspect of increase in salaries, new faculty and other staff including Security & conservancy staff. The responsibility for planning and preparation of budget vests in the Principal/Director who can take the assistance of the Registrar.

Purchase

10. General Instructions for purchase of items for the college will be complied with:-

- (a) Items to be purchased would be entered in demand register for sanction of competent authority. Items will only be purchased after sanction by the competent authority.
- (b) All purchases of major items costing Rs. 80,000/- and above will be planned well in advance and approved by the Chairman/Managing Committee. It will be ensured that the items are not purchased from the same dealer time and again.
- (c) All payment above Rs. 5000/- will be made through cheques only.
- (d) All procurements will be purchased through monthly purchase committee, obtaining quotations and prepare comparative statements.
- (d) The above procedure will not be followed in the following cases :-
 - (i) Items purchased from Kendriya Bhandar.
 - (ii) Purchase of books and teaching aids.
 - (iii) Scientific equipment and apparatus from manufacturing firm on catalogue basis.

11. Quality of items received. It will be the responsibility of Registrar to check that the quality of the items received is as per sample provided by the concerned dealer. He would endorse the same on the invoice and sign the same. Sub standard and inferior items will be out rightly rejected.

12. **Items to be taken on ledger charge.** All items purchased will be taken on ledger charge, The ledger will show the details of Price/Rates, Quantity, date of purchase and distribution etc. The entry in the respective register will be duly initialed by the officer incharge stores (OIC CSS).

Payment of Bills

13. Advance payment of bills should be avoided as far as possible. Bills will be checked for the following:-

- (a) Bills are properly dated with GST No.
- (b) Purchase of the items has been sanctioned already.
- (c) The rate charged is as per the quotation approved or as per the rate contract entered into.
- (d) The discount agreed upon, or normally allowed to educational institutions, is deducted from the base value before charging GST etc.
- (e) The bill is arithmetically correct and does not contain any overwriting or erasures except those made and initialed by the proprietor.
- (f) A certificate is endorsed by the store holder/user to confirm that the items have been taken on ledger charge. These certificates will be signed by the store holder and countersigned by the OIC CSS.
- (g) That budget head to which the expenditure is debitable is indicated correctly.

Investments

14. There is no embargo on upper limit of investment with Nationalized Banks, however the minimum must not be less than 20% of the total regt fund invested. With regard to PSUs/Axis Bank/ICICI Bank/HDFC Bank etc the investment should not exceed 80% of the investable funds as any state. (Auth: IHQ of MoD (Army) AG's Br letter No B/35860/Misc/Regt/AG/PS-3(B)/2017 dt 18 Jul 2017).

15. It will be ensured that funds not required are invested to generate maximum income. No funds should remain idle even for small periods. Funds not immediately required would be invested for periods depending upon their requirement. Proper investment plan will be prepared for the whole year. College funds will be invested in order to earn maximum interest in authorized/approved banks/PSUs.

16. All unutilized funds under various heads will be invested in fixed deposits to generate maximum income. These investments will be approved by the CFA in advance. The interest earned on these fixed deposits will be ploughed back in the same account/head and properly accounted for.

17. **Term Deposit Vouchers.** These will be kept under the arrangement of Registrar and photocopies of fixed deposits will be kept with Registrar/Account Clk/Accountant.

18. It will be the duty of Director/Principal/Registrar to renew/reinvest the fixed deposits in accordance with the directions of the Chairman that should be obtained on proper Noting Sheet.

19. Fixed deposits will not be encashed if these are not needed to meet the requirement of the college. Fixed deposits will be encashed, if required, only on written sanction of the Chairman to meet emergent and inescapable expenditure.

Audit

20. Accounts will be closed at the end of each month and balance sheet prepared. Bank pass books/bank statements will be updated/obtained every month.

21. Reconciliation statement will be prepared by the Accountant every month and reflected in the columnar cash books. Accounts will be closed latest by 10th of next month and submitted for signatures/countersignatures by 15th of each month.

22. The columnar cashbook / cash accounts will be audited every quarter by the Quarterly Audit Board ordered by the Station/formation HQ. The board proceedings will be fwd to Station/Formation HQ for perusal of Chairman alongwith the observations of audit board and actions taken as per his directions.

23. Annual audit of the college accounts will be carried out by a firm of Chartered Accountant/Auditors nominated by Managing Committee. The Chartered Accountant will carryout physical check of fixed deposit receipts and reflect the same in audit report.

24. Annual statement of accounts will be prepared every year and attached to the Annual Report of College duly attested by auditors. Actions taken on the observations of the CA are also to be attached. Annual statement of accounts will be forwarded to Formation HQ by the college concerned by 30 Apr.

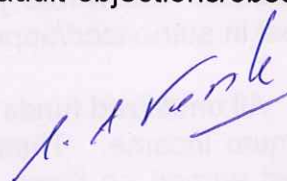
25. The college will employ a Chartered Accountant (CA) for a period of three years after approval of the Institute managing Committee. The CA firm will be changed every three years and it will be ensured that the same Chartered Accountants are not engaged in excess of the above period.

26. Actions will be taken on the audit objections/observations in accordance with the directions of the Chairman. A monthly progress report on settling the audit objections/observations will be put up to Chairman till all audit objections/observations are settled.

File No : ACDS/304/Est/SOP/2020

Station : Secunderabad

Date : 29 Jul 2020


Col R Ashok Venkataraman (Retd)
Registrar

ARMY COLLEGE OF DENTAL SCIENCES SECUNDERABAD(ACDS)
SOP ON FINANCIAL MANAGEMENT AND ACCOUNTS
HOSTEL/MESS ACCOUNT

Introduction

1. Hostel fund maintained by ACDS Secunderabad is financed wholly by private funds, that is Hostel & Messing fee collected annually from students and dining in staff. The general orders on the subject are contained in Volume-II Financial Management of Army Professional Colleges/Institutions March 2007(Yellow Book).

Aim

2. This SOP is being laid down with a view to have proper accounting of the money receipts and expenses, so as to ensure that there is no financial irregularity or impropriety.

Source of Income

3. The inflow of income is likely to be from following sources:-

S.No	Name of Fund	Source of Income	Expenditure
(a)	Hostel Fees	Hostel fees from students	Hostel Staff Salaries 75% of Security & Conservancy staff salaries, Building Maint, Hygiene items, Elect Bills Elect Repairs, Elect AMC Contract Water bills, Water Motor Maint/Repairs Other repair bills (Hostel) Property items (Hostel) Tele bills
(b)	Mess Charges	Collected from students	Catering bills to be cleared accordingly On No loss/No Profit basis)
(c)	Mess Advance	Collected from students	Paid accordingly
(d)	Rent & Allied	Collected from local contractors	Held as bank balance
(e)	Fine / Penalty	To be collected from students	Held as bank balance
(f)	Sy Cr	Stores received on credit	To be cleared on receipt of bills and other documents
(g)	Sy Dr	Refund of loan by staff Temp Advance for exams, inspections, visits and other items	To be cleared on receipt of bills and other supporting documents.

(h)	Property		On receipt of Hostel property value from CSS. The property value and appreciation/ depreciation if any will be maintained
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Expenditure

4. The cash outflow is broadly of two kinds:-

(a) Non recurring expenditure. It is a onetime expenditure for raising the infrastructural requirements of the college. The main heads for the expenses are as under:-

- (i) Cook house Equipments
- (ii) Allied stores
- (iii) Furniture

(b) Recurring Expenditure. It is for yearly maintenance of the infrastructure and also procurement of expendable stores for day to day administration of the college and hospital as mentioned at para 3 (a) to (c) above.

Operation of Accounts.

5. The college has a saving bank account in HDFC Bank, AS Rao Nagar br where revenues are deposited. All the above accounts refer at para 2 (a) to (c) above shall be operated by two officers. Registrar will be the Accounts officer of ACDS. Operation of accounts is by Registrar and Director/Principal.

Financial Powers

6. (a) Budgeted. Financial powers of various authorities and IMC in Army Professional Colleges is as under as on 01 Jul 2020:-

S.No	Appointment	Per transaction (In Rs)	Monthly Ceiling (In Rs)
(a)	Registrar	30,000.00	3,00,000.00
(b)	Principal	80,000.00	8,00,000.00
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(h)	Patron Board of Administration	25,00,000.00	No Limit
(j)	Chairman Executive Committee AWES	Over 25 lacs	No Limit

Note. Excludes expenditure on account of pay & allowances, electricity/water bills, examination / affiliation fees, rent and repair of buildings, messing charges, annual contract for security services. Maintenance of electric gadgets and college magazine.

(b) **Non Budgeted.** Financial powers of various authorities of Army Colleges/Institutions is 50% of the budgeted powers.

Auth : AWES letter No B/45741/FM/AWES dt 05 Dec 2011.

Accounting Procedures

7. Over all responsibility of Managing the finances of the College vests in the Director/Principal. He/She would be assisted by the Registrar. He/She will ensure that all policies laid down by HQ AWES and the institute managing Committee about managing finances are implemented. He/She would also be responsible for payment of all bills and correct maintenance of accounts in the manner prescribed.

Monetary limits

8. Maximum limit of cash in hand is Rs. 25,000/-. Cash will be kept in safe custody of the Registrar. If any justified reason to increase the CML, the same is required to revised on approval of Chairman IMC.

Budget

9. Budget preparation of the Hostel Account is the most important aspect of Financial Management. Annual budget will be well planned and prepared in advance containing estimates of income and expenditure for the next Financial Year. The budget will take into consideration the expansion and anticipated liabilities of the college. While formulating the budget, the aspect of increase in salaries, new faculty and other staff including Security & conservancy staff. The responsibility for planning and preparation of budget vests in the Principal/Director who can take the assistance of the Registrar.

Purchase

10. General Instructions for purchase of items for the college will be complied with:-

(a) Items to be purchased would be entered in demand register for sanction of competent authority. Items will only be purchased after sanction by the competent authority.

(b) All purchases of major items costing Rs. 80,000/- and above will be planned well in advance and approved by the Chairman/Managing Committee. It will be ensured that the items are not purchased from the same dealer time and again.

(c) All payment above Rs. 5000/- will be made through cheques only.

(d) All procurements will be purchased through purchase committee, obtaining quotations and prepare comparative statements.

11. **Quality of items received.** It will be the responsibility of Registrar to check that the quality of the items received is as per sample provided by the concerned dealer. He would endorse the same on the invoice and sign the same. Sub standard and inferior items will be out rightly rejected.

12. **Items to be taken on ledger charge.** All items purchased will be taken on ledger charge, The ledger will show the details of Price/Rates, Quantity, date of purchase and distribution etc. The entry in the respective register will be duly initialed by the officer incharge stores (OIC CSS).

Payment of Bills

13. Advance payment of bills will be avoided except to Government and semi Government agencies. Bills will be checked for the following:-

- (a) That the bills are in ink or in copying pencil, and are duly signed.
- (b) Purchase of the items has been sanctioned already.
- (c) The rate charged is as per the quotation approved or as per the rate contract entered into.
- (d) The discount agreed upon, or normally allowed to educational institutions, is deducted from the base value before charging sale tax etc.
- (e) The bill is arithmetically correct and does not contain any overwriting or erasures except those made and initialed by the proprietor.
- (f) A certificate is endorsed by the store holder/user to confirm that the items have been taken on ledger charge. These certificates will be signed by the store holder and countersigned by the Registrar.
- (g) That budget head to which the expenditure is debitable is indicated correctly.

Investments

14. There is no embargo on upper limit of investment with Nationalized Banks, however the minimum must not be less than 20% of the total regt fund invested. With regard to PSUs/Axis Bank/ICICI Bank/HDFC Bank etc the investment should not exceed 80% of the investable funds as any state. (Auth: IHQ of MoD (Army) AG's Br letter No B/35860/Misc/ Regt/AG/PS-3(B)/2017 dt 18 Jul 2017).

15. It will be ensured that funds not required are invested to generate maximum income. No funds should remain idle even for small periods. Funds not immediately required would be invested for periods depending upon their requirement. Proper investment plan will be prepared for the whole year. College funds will be invested in order to earn maximum interest in authorized/approved banks/PSUs.

16. All unutilized funds under various heads will be invested in fixed deposits to generate maximum income. These investments will be approved by the CFA in advance. The interest earned on these fixed deposits will be ploughed back in the same account/head and properly accounted for.

17. Term Deposit Vouchers. These will be kept under the arrangement of Registrar and photocopies of fixed deposits will be kept with Registrar/Account Clk/Accountant.
18. It will be the duty of Director/Principal/Registrar to renew/reinvest the fixed deposits in accordance with the directions of the Chairman that should be obtained on proper Noting Sheet.
19. Fixed deposits will not be encashed if these are not needed to meet the requirement of the college. Fixed deposits will be encashed, if required, only on written sanction of the Chairman to meet emergent and inescapable expenditure.

Audit

20. Accounts will be closed at the end of each month and balance sheet prepared. Bank pass books/bank statements will be updated/obtained every month.
21. Reconciliation statement will be prepared by the Accountant every month and reflected in the columnar cash books. Accounts will be closed latest by 10th of next month and submitted for signatures/countersignatures by 15th of each month.
22. The columnar cashbook / cash accounts will be audited every quarter by the Quarterly Audit Board ordered by the Station/formation HQ. The board proceedings will be fwd to Station/Formation HQ for perusal of Chairman alongwith the observations of audit board and actions taken as per his directions.
23. Annual audit of the college accounts will be carried out by a firm of Chartered Accountant/Auditors nominated by Managing Committee. The Chartered Accountant will carryout physical check of fixed deposit receipts and reflect the same in audit report.
24. Annual statement of accounts will be prepared every year and attached to the Annual Report of College duly attested by auditors. Actions taken on the observations of the CA are also to be attached. Annual statement of accounts will be forwarded to Formation HQ by the college concerned by 30 Apr.
25. The college will employ a Chartered Accountant (CA) for a period of three years after approval of the Institute managing Committee. The CA firm will be changed every three years and it will be ensured that the same Chartered Accountants are not engaged in excess of the above period.
26. Actions will be taken on the audit objections/observations in accordance with the directions of the Chairman. A monthly progress report on settling the audit objections/observations will be put up to Chairman till all audit objections/observations are settled.

File No : ACDS/304/Est/SOP/2020

Station : Secunderabad

Date : 27 Jul 2020

Col R Ashok Venkataraman (Retd)
Registrar

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**SOP: MAINTENANCE OF CANTEEN TRADE SURPLUS (CTS) / GRANT-IN-AID FUND
OF ARMY COLLEGE OF DENTAL SCIENCES SECUNDERABAD**

1. References:-

- (a) Finance Management of Army Professional College / Institutions, Vol-II (Yellow Book).
- (b) Rules and Regulations for Army Colleges / Institutions, Vol-II (Blue Book)
- (c) Financial Regulations Part I (1963).
- (d) Army Order 9/2001/PS.

2. **General.** The Funds of Army Professional Colleges are Regimental Funds and all Rules and Regulations for Management of Regimental Funds would apply to the Canteen Trade Surplus (CTS) Fund released as Grant-In-Aid (GIA). All concerned must be conversant with the Army Orders / Institutions issued by Integrated HQ of MoD (Army) from time to time. This SOP should be read in conjunction with relevant provisions of AWES Rules & Regulations.

AIM

3. The aim of this SOP is to lay down guidelines for maintaining the CTS/GIA Fund.

SOURCE OF INCOME AND DISBURSEMENTS

4. **Source of Income.** CTS/GIA Fund has allotted by AG's Branch directly to HQ Comds for sub distribution to various colleges as recommended and budgeted by HQ AWES.

5. (a) **Expenditure/Utilisation CTS (GIA).** The following expenditure have been broadly classified under the following heads:-

- (i) IT Equipment
- (ii) Equipment for establishment of smart class rooms
- (iii) Lab equipment including models/training expendables
- (iv) Books for Library and e-journals
- (v) Any other items/services required exclusively for educational purpose

(b) **Specific Utilization of CTS (GIA).** The following expenditure / Utilisation under the heads exclusively associated with 'education' of the students:-

- (i) Purchase of IT equipment incl AMCs, upgradation of systems procured through GIA
- (ii) Class room/lab furniture excluding ACs
- (iii) Electrical gadgets/machines/training models etc
- (iv) Publication of professional magazines only. College journals are not to be published using Grants-in-Aid
- (v) Sports and Gymnasium items
- (vi) Purchase of Generators for academic blocks, its running and maintenance Cost
- (vii) Expdr on studentsseminars/Moot Courts, honorarium to visitingfaculty/ guest speakers etc except expdr on Faculty Development Programmes or Faculty Associated Programmes or Tours of similar nature
- (viii) Purchase and maintenance of photocopiers for library.
- (ix) Internet bills (connected with academic curriculum)

- (x) Sports, educational, Industrial Demonstrative fairs facilitating academic curriculum for students and forming part of college approved curriculum.
- (xi) Subscription of news papers and professional magazines for Library
- (xii) Running of buses for conveyance of students for participation in sports competitions, students seminars, moot courts and academic related competitions etc forming part of academic curriculum.
- (xiii) Training materials/expendable in the labs (primarily used for practicals)
- (xiv) Any other items augmenting 'academic' activities of the students.
Administration/office expdr will not be incurred from GIA

POWER FOR SANCTION OF EXPENDITURE

6. **Budgeted**. Powers of expdr in case of GIA & CTS is same as that of regimental funds
7. **Non-Budgeted**. The allotted funds will be expended as per allotment letter.

MAINTENANCE OF ACCOUNTS

8. The following will be ensured while maintaining the account:-
 - (a) All entries in the cash Columnar Cash Book will be made by the Account Officer by his own hand writing in ink
 - (b) All corrections in accounts including cheques and other supporting documents must be attested by a signature in full, erasers are prohibited
 - (c) Alterations of figure are not permitted. The wrong figure will be scored through single line, the fresh one entered and the whole figure attested by the initials of the officer concerned
 - (d) All cash receipts (Vouchers) will be numbered serially and pasted in the chronological order in a proper Guard Book to simplify checking
 - (e) The officer incharge of accounts is required to close and balance their book at the end of each month. Balance will be checked with the cash and bank statements and also be compared with the RTC. A bank reconciliation statement will be prepared
 - (f) The account will be maintained on Columnar Cash Book (IAFA-811)
 - (g) Statement of account on the last day of the month will be typed and put up to the Principal on the 1st of each month.
 - (h) The cash book will be put up to the Principal for his countersignatures by the 5th of each month
 - (j) All transactions to be made in cheque only.
 - (k) CTS Fund will be released as GIA. The allotment of funds will be made by AG's Branch directly to HQ Comds for sub distribution to various colleges as recommended and budgeted by HQ AWES
 - (l) Funds are exclusively for educational projects and cannot be utilized for salaries of faculties/non-teaching and administrative staff or construction of buildings/maintenance of infrastructure.
 - (m) Institute has a 'Current Account' in the Syndicate bank for transaction of Grant-in-Aid
 - (n) Expdr will be done on concurrence of the respective CFA

9. All major expenditure of the accounts should be ratified in the IMC every quarter.
10. Cheque signatories are Registrar & Col GS(Trg) HQ TASA

AUDIT OF ACCOUNTS

11. **Closing of Accounts.**

- (a) Accounts will be closed at the end of each month and balance sheet prepared. Bank pass books will be updated every month.
- (b) Reconciliation statement will be prepared by the Accountant every month and reflected in the columnar cash books. Accounts will be closed latest by 5th of next month and submitted for Chairman Countersignature by 10th of each month.
- (c) GIA accounts are liable to be audited by audit authorities (C&AG). Separate account books and ledgers will be maintained as per HQ AWES letter dt 07 Jan 2016.

12. **Quarterly Audit.** The columnar cash book/cash accounts will be audited every quarter by the Quarterly Audit Board ordered by the Station/Formation HQ. The columnar cash book will be put up to Chairman alongwith the observations of audit board and actions taken as per his directions.

13. **Annual Audit.** Annual audit of the college accounts will be carried out by a firm of Chartered Accountant/ Auditors nominated by Managing Committee. The Chartered Accountant will carryout physical check of fixed deposit receipts and reflect the same in audit report.

14. **Surprise Check of Accounts.** Surprise check of accounts may be ordered by Chairman Institute Managing Committee, Patron and Chairman Board of Administration (BOA) any time and will be carried out by a team of officials nominated by them. The observations of the audit team alongwith comments/ recommendations will be submitted to the authority who had ordered the same.

15. **Annual Statement of Accounts.** Annual statement of accounts will be prepared every year and attached to the annual Report of College duly attested by auditors. Actions taken on the observations of the CA are also to be attached. Annual statement of accounts will be forwarded to HQ AWES by the college concerned by 31 August.

16. **Utilisation Certificate.** Utilisation certificates for allotted GIA will be submitted by the college through HQ Commands (AWES) as per HQ AWES guidelines issued vide letter B/45897/Budget/AWES dt 07 Jan 2016 by 15 Mar duly signed by Principal, Countersigned by Chairman and certified by Chartered Accountant (CA) on the Form GFR 12A.

CONCLUSION

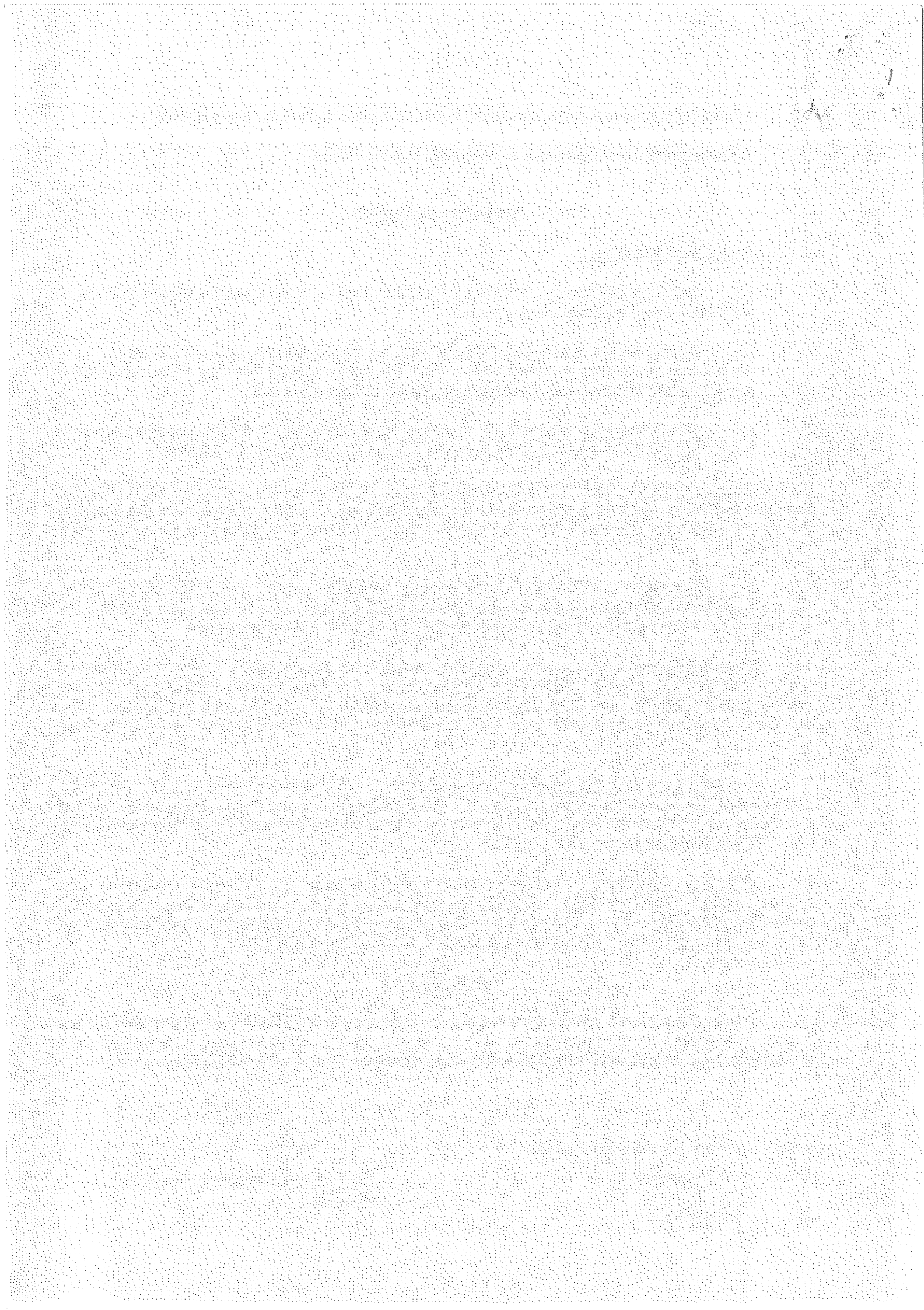
17. It is imperative for financial managers to exercise tight control over expenditure and immediate available funds to generate maximum income. All concerned must be conversant with the Army Orders / Instructions issued by Integrated HQ of MoD from (Army) from time to time.

File No : ACDS/304/Est/SOP/2020

Station : Secunderabad

Date : 27 Jul 2020

RA Venk
Col R Ashok Venkataraman (Retd)
Registrar



**SOP ON FINANCIAL MANAGEMENT AND ACCOUNTS : ARMY COLLEGE OF
DENTAL SCIENCES SECUNDERABAD
CAPITAL FUND ACCOUNT**

Introduction

1. All funds maintained by Army college of Dental Sciences (ACDS) Secunderabad which are financed either wholly or partly from public money and private funds. The general orders on the subject are contained in Volum-II Financial Management of Army Professional Colleges/Institutions March 2007

Aim

2. This SOP is being laid down with a view to have proper accounting of the money receipts and expenses, so as to ensure that there is no financial irregularity or impropriety.

Source of Income

3. The inflow of income is likely to be from following sources:-

S.No	Name of Fund	Sources of Income
(a)	Tech Grant	Specific Project/Tech Grants given by HQ AWES and other Formations The college should make proper purchase plan for purchase of equipment out of technical grant as per requirement. Interest on Tech Grant
(b)	Construction Grant	Grant given by HQ AWES and other Formations for construction of buildings. Interest on Construction Grants.

Expenditure

4. The cash outflow is broadly of two kinds:-

(a) Non recurring expenditure. It is a one time expenditure for raising the infrastructural requirements of the college. The main heads for the expenses are as under:-

- (i) Buildings
- (ii) Technical Equipments
- (iii) Allied stores
- (iv) Library books
- (v) Furniture
- (vi) Vehicles

(b) Recurring Expenditure. It is for yearly maintenance of the infrastructure and also procurement of expendable stores for day to day administration of the college and hospital.

Operation of Accounts.

5. The college will open saving bank account in nationalized/authorized bank where revenues will be deposited. Registrar will be the Accounts officer of ACDS. Operation of Capital Fund A/c is as under:-

(a) Capital Fund Account - Registrar and Col 'GS Trg' HQ Telangana & Andhra Sub Area.

Financial Powers

6. (a) Budgeted. Financial powers of various authorities and IMC in Army Professional Colleges is as under as on 01 Jul 2020:-

S.No	Appointment	Per transaction (In Rs)	Monthly Ceiling (In Rs)
(a)	Registrar	30,000.00	3,00,000.00
(b)	Principal	80,000.00	8,00,000.00
(c)	Director	2,50,000.00	10,00,000.00
(d)	Chairman	15,00,000.00	1,50,00,000.00
(e)	IMC	15,00,000.00	1,50,00,000.00
(f)	Patron of College	20,00,000.00	2,00,00,000.00
(g)	Chairman Board of Administration	22,50,000.00	2,25,00,00,000.00
(h)	Patron Board of Administration	25,00,000.00	No Limit
(j)	Chairman Executive Committee AWES	Over 25 lacs	No Limit

Note. Excludes expenditure on account of pay & allowances, electricity/water bills, examination / affiliation fees, rent and repair of buildings, messing charges, annual contract for security services. Maintenance of electric gadgets and college magazine.

(b) Non Budgeted. Financial powers of various authorities of Army Colleges/Institutions is 50% of the budgeted powers.

Auth : AWES letter No B/45741/FM/AWES dt 05 Dec 2011.

Accounting Procedures

7. Over all responsibility of Managing the finances of the College vests in the Director/Principal. He/She would be assisted by the Registrar. He/She will ensure that all policies laid down by HQ AWES and the institute managing Committee about managing finances are implemented. He/She would also be responsible for payment of all bills and correct maintenance of accounts in the manner prescribed.

Monetary limits

8. No cash in hand will be maint for capital Funds. All payments will be through Cheque/ NEFT/RTGS.

Purchase

10. General Instructions for purchase of items for the college will be complied with:-

(a) Items to be purchased would be entered in demand register for sanction of competent authority. Items will only be purchased after sanction by the competent authority.

(b) All purchases of major items costing Rs. 80,000/- and above will be planned well in advance and approved by the Chairman/Managing Committee. It will be ensured that the items are not purchased from the same dealer time and again.

(c) All payment will be made through cheques only.

(d) All procurements will be purchased through purchase committee, obtaining quotations and prepare comparative statements.

(d) The above procedure will not be followed in the following cases :-

(i) Items purchased through GEM.

(ii) Items purchased from Kendriya Bhandar.

(iii) Purchase of books and teaching aids.

(iv) Scientific equipment and apparatus from manufacturing firm on catalogue basis.

11. Quality of items received. It will be the responsibility of Registrar to check that the quality of the items received is as per sample provided by the concerned dealer. He would endorse the same on the invoice and sign the same. Sub standard and inferior items will be out rightly rejected.

12. Items to be taken on ledger charge. All items purchased will be taken on ledger charge, The ledger will show the details of Price/Rates, Quantity, date of purchase and distribution etc. The entry in the respective register will be duly initialed by the officer incharge stores (OIC CSS).

Payment of Bills

13. Advance payment of bills will be avoided except to Government and semi Government agencies. Bills will be checked for the following:-

- (a) That the bills if in ink or in copying pencil, and are duly signed.
- (b) Purchase of the items has been sanctioned already.
- (c) The rate charged is as per the quotation approved or as per the rate contract entered into.
- (d) The discount agreed upon, or normally allowed to educational institutions, is deducted from the base value before charging sale tax etc.
- (e) The bill is arithmetically correct and does not contain any overwriting or erasures except those made and initialed by the proprietor.
- (f) A certificate is endorsed by the store holder/user to confirm that the items have been taken on ledger charge. These certificates will be signed by the store holder and countersigned by the Registrar.
- (g) That budget head to which the expenditure is debitable is indicated correctly.

Investments

14. There is no embargo on upper limit of investment with Nationalized Banks, however the minimum must not be less than 20% of the total regt fund invested. With regard to PSUs/Axis Bank/ICICI Bank/HDFC Bank etc the investment should not exceed 80% of the investable funds as any state. (Auth: IHQ of MoD (Army) AG's Br letter No B/35860/Misc/ Regt/AG/PS-3(B)/2017 dt 18 Jul 2017).

15. It will be ensured that funds not required are invested to generate maximum income. No funds should remain idle even for small periods. Funds not immediately required would be invested for periods depending upon their requirement. Proper investment plan will be prepared for the whole year. College funds will be invested in order to earn maximum interest in authorized/approved banks/PSUs.

16. All unutilized funds under various heads will be invested in fixed deposits to generate maximum income. These investments will be approved by the CFA in advance. The interest earned on these fixed deposits will be ploughed back in the same account/head and properly accounted for.

17. Term Deposit Vouchers. These will be kept under the arrangement of Registrar and photocopies of fixed deposits will be kept with Registrar/Account Clk/Accountant.

18. It will be the duty of Director/Principal/Registrar to renew/reinvest the fixed deposits in accordance with the directions of the Chairman that should be obtained on proper Noting Sheet.

19. Fixed deposits will not be encashed if these are not needed to meet the requirement of the college. Fixed deposits will be encashed, if required, only on written sanction of the Chairman to meet emergent and inescapable expenditure.

Audit

20. Accounts will be closed at the end of each month and balance sheet prepared. Bank pass books/bank statements will be updated/obtained every month.

21. Reconciliation statement will be prepared by the Accountant every month and reflected in the columnar cash books. Accounts will be closed latest by 10th of next month and submitted for signatures/countersignatures by 15th of each month.

22. The columnar cashbook / cash accounts will be audited every quarter by the Quarterly Audit Board ordered by the Station/formation HQ. The board proceedings will be fwd to Station/Formation HQ for perusal of Chairman alongwith the observations of audit board and actions taken as per his directions.

23. Annual audit of the college accounts will be carried out by a firm of Chartered Accountant/Auditors nominated by Managing Committee. The Chartered Accountant will carryout physical check of fixed deposit receipts and reflect the same in audit report.


24. Annual statement of accounts will be prepared every year and attached to the Annual Report of College duly attested by auditors. Actions taken on the observations of the CA are also to be attached. Annual statement of accounts will be forwarded to Formation HQ by the college concerned by 30 Apr.

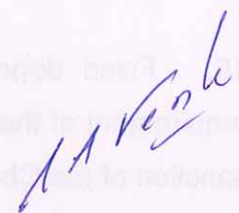
25. The college will employ a Chartered Accountant (CA) for a period of three years after approval of the Institute managing Committee. The CA firm will be changed every three years and it will be ensured that the same Chartered Accountants are not engaged in excess of the above period.

26. Actions will be taken on the audit objections/observations in accordance with the directions of the Chairman. A monthly progress report on settling the audit objections/observations will be put up to Chairman till all audit objections/observations are settled.

File No : ACDS/304/Est/SOP/2020

Station : Secunderabad

Date :  Jul 2020


Col R Ashok Venkataraman (Retd)
Registrar