

# ARMY WELFARE EDUCATION SOCIETY

REGISTERED 1983



VOLUME - II

## FINANCIAL MANAGEMENT OF ARMY PROFESSIONAL COLLEGES / INSTITUTIONS

March 2007

  
Principal  
Army College of Education  
Muzaffargarh

## FOREWORD

Financial Management of professional colleges is one of the most challenging task because of requirement of reconciliation between expenditure on account of pay and allowances of the faculty and receipts in terms of tuition fees. In the ambience of commercialization of private professional education, we have to ensure that the professional education in our colleges remains within reach of Army Personnel.

It is imperative for financial managers to exercise tight control over expenditure and invest available funds to generate maximum income. The funds of our educational institutions are Regimental Funds in terms of Army Order 9/2001(P.S). The investment of funds with banks/financial institutions will however be done in accordance with instructions of Personnel Directorate Integrated HQ, Ministry of Defence (Army).

The booklet on 'Financial Management of Army Professional Colleges' comprehensively covers, Sources of Income, Expenditure, Financial powers of various authorities, Budget, Investment, Depreciation, Asset Replacement Fund, Stock Taking and Condemnation Board. I hope our financial managers will find the book useful for managing finances of our Professional Colleges. Suggestions for refinements for future editions are requested.

New Delhi

Feb 2007

  
(Manmohan Singh)  
Maj Gen (Retd)  
Managing Director, AWES

B/45605/AWES  
Rt 05 May 2007

  
Principal  
Army College of Nursing  
Jalandhar

# CONTENTS

Foreword

## CHAPTER - 1

### GENERAL

<u>Serial No</u>		<u>Article</u>	<u>Pages</u>
1.	General	01-04	01

## CHAPTER - 2

### TYPE OF FUNDS, SOURCES OF INCOME, EXPENDITURE AND FINANCIAL POWERS

2.	Type of Funds and Sources of Income	11	02-04
3.	Financial Powers		
	(a) Budgeted	12	04
	(b) Non Budgeted	13	04
	(c) Power to Regularize Losses	14	05
4.	Expenditure	15-16	05-08

## CHAPTER - 3

### BUDGET

5.	Planning	21-22	08
6.	Passing of Budget	23-26	09
7.	Review of Budget	27	09
8.	Supplementary Budget	28	09
9.	Deficit Budget	29	10

## CHAPTER - 4

### PURCHASES

10.	General Instructions	31	11
11.	Purchase Committee	32	11
12.	Quotations	33	11
13.	Comparative Statement	34	11
14.	Exemptions from Procedure	35	11-12
15.	Quality of Items Received	36	12
16.	Items to be taken on Ledger Charge	37	12

## CHAPTER - 5

### MANAGEMENT OF FINANCES

17.	Responsibility to Manage Finances	41	13
-----	-----------------------------------	----	----

18.	Duties of Director/Principal	42	13
19.	Duties of Principal	43	14
20.	Duties of Registrar	44	14-15
21.	Duties of Accountant	45	15-16
22.	Opening and Operation of Bank Account	46-47	16
23.	Monetary Limits	48	16
24.	Fees/Collection of fees	49	16
25.	Refund	50-52	16-17
26.	Refund of Registration Fees before/after the cut off date	53	17
27.	Refund of Fees after Commencement of the Course	54	17
28.	Refund of Fees to candidate joining NDA/IMA/OTA/AFMC/ Army/Air Force/Navy/Other AWES run Professional Colleges	55-56	17-18
29.	Operation of Accounts	57-60	18-19
30.	Columnar Account Book	61	19
31.	Salary Register	62	19
32.	Employees Provident Fund.		
	(a) EPF	63	19
	(b) Coverage	64	20
33.	EPF Membership	65	20
34.	Contribution	66	20
35.	Universal Application of Policy	67	20
36.	Maintenance of Records	68	21
37.	Depositing of EPF contribution	69	21
38.	Examples	70	21
39.	Fixed Deposits/Fixed deposits Register	71	21
40.	Accounting of Fixed Deposits	72	21
41.	Payment of Bills	73	22

## CHAPTER - 6

### INVESTMENTS

42.	General	81-82	23
43.	Investment	83-85	23
44.	Corpus Money	86	23
45.	Unutilized Funds	87	23
46.	Technical/Equipment Grant	88	23
47.	Grants in Aid	89	24



48. Custody of Fixed Deposits	90	24
49. Renewal of Fixed Deposits	91	24
50. Encashment of Fixed Deposits	92	24
51. Growth and Expansion	93	24

## CHAPTER - 7

### AUDIT

52. Closing of Accounts	101-102	25
53. Quarterly Certificate	103	25
54. Quarterly Audit	104	25
55. Annual Audit	105	25
56. Surprise Check of Accounts	106	25
57. Annual Statement of Accounts	107	26
58. Employment of Chartered Accountant	108	26
59. Settlement of Audit Observations/objections	109	26

## CHAPTER - 8

### HOSTEL ACCOUNT

60. General	111-112	27
61. Payment of Fee	113	27
62. Common Service Charges	114	27
63. Mess Charges	115	27
64. Other Charges	116	27-28
65. Messing Committee	117	28
66. Duties of Warden	118	28-30
67. Laundry Facilities	119	30
68. Purchase of Messing Items	120	30
69. Breakage/Losses	121	30
70. Guest Room Charges	122	30
71. Stock Register	123	30-31
72. Pay and Allowances of Ancillary Staff	124	31
73. Audit of Accounts	125	31

## CHAPTER - 9

### MISCELLANEOUS ASPECTS

74. Deduction of Income Tax from Employees	131	32
75. Income Tax and Filing of Income Tax Return	132	32
76. Rate of Return on Capital Invested in Infrastructure	133	32

## CHAPTER - 2

### TYPE OF FUNDS, SOURCES OF INCOME, EXPENDITURE AND FINANCIAL POWERS

#### Type of Funds and Sources of Income

11. The accounts will be maintained separately for Capital and Revenue Funds. The details of type of funds and their sources of income are given below:-

<u>S.No</u>	<u>Name of Fund</u>	<u>Sources of Income</u>
-------------	---------------------	--------------------------

#### Capital Fund

- |     |   |   |
|-----|---|---|
| (a) | Corpus Fund   | Corpus given by HQ AWES.<br>Corpus given by Commands and other Formations.<br>50% interest on the Corpus.         |
| (b) | Project Grant Fund/<br>Technical Grant Fund<br>(To be maintained<br>Project wise) | Specific Project/Technical Grants given by HQ<br>AWES and other Formations.<br>Interest on Project Grants.        |
| (c) | Construction Grant  | Grant given by HQ AWES and other Formations for<br>construction of buildings.<br>Interest on Construction Grants. |

#### Revenue Fund

- |     |                       |  |
|-----|-----------------------|--|
| (a) | College Fund          | Registration fee.<br>Admission fee.<br>Sale of prospectus, various forms, diaries etc.<br>Income from college bus/transport.<br>Hiring of college infrastructure for education related<br>purposes.<br>Interest on security deposits out of college savings.<br>Rebate on various contracts.<br>Income from supply of course materials/books.<br>Any other source not covered. |
| (b) | Security Deposit Fund | Security deposit from students/employees/<br>contractors.  |

(c)	Library Fund	Library fee. Fine for late return of books. Sale of old newspapers/magazines/ periodicals
(d)	Development/Building Fund	Development/building fee.
(e)	Examination Fund	- Examination fee. Sale of Model Question Papers Income from WAT Amount collected from other agencies for conduct of their examinations.
(f)	Sports Fund	Sports fees. Hiring of sports infrastructure.
(g)	Magazine/Journal Fund	Magazine/journal fee. Advertisements in the college magazine/ journal.
(h)	Tuition Fund	Tuition fee. Fines for late payment of fee.
(j)	University fund	University fee and other charges collected from students for payment to university.
(k)	Alumni Fund	Alumni fee from the students/alumni.
(l)	Placement/Promotional Fund	Placement fee/promotional fee.
(m)	Computer Fund	Computer fee.
(n)	Laboratory Fund	Lab fee/charges.
(o)	Terminal Benefits Fund	Inter fund transfer from college fund.
(p)	Sy CR	Stores received on credit.
(q)	Sy DR	Refund of loan by staff.
(r)	Property	Appreciation of property if any.
(s)	Asset Replacement Fund	50% Interest on Corpus given by HQ AWES and other Formations. Sale proceeds of UNSV items (Auction). Amount recovered on account of losses/damages to property. Any other source.

  
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(f) Hostel Fund

Hostel fee.  
Messing charges.  
Security from students.  
Fines.  
Rebates if any.  
Amount recovered on account of losses/ damages.  
Guest room charges.

### Financial Powers

12. **Substantiated** Financial powers of various authorities of Army College/Institutions would be as under:

S. No.	Appointment	Per Transaction (in Rs)	Monthly Ceiling (in Rs)
141	Registrar	50,000.00	3,00,000.00
142	Principal	40,000.00	4,00,000.00
143	Director	50,000.00	6,00,000.00
144	Chairman	3,25,000.00	32,50,000.00
145	HAC	1,00,000.00	10,00,000.00
146	Patron of College	4,00,000.00	50,00,000.00
147	Chairman Board of Administration	5,00,000.00	60,00,000.00
148	Patron Board of Administration	12,00,000.00	No Limit
149	Chairman Executive Committee ARMC	Up to 25 lacs	No Limit

Note: Includes expenditure on account of pay & allowances, electricity/ water bills, estimation of furniture, rent and repair of buildings, messing charges, annual contracts for security services, maintenance of electric gadgets and college magazine.

13. **Not Substantiated** Financial powers of various authorities of Army College/Institutions would be as under:

S. No.	Appointment	Per Transaction (in Rs)	Monthly Ceiling (in Rs)
151	Principal	25,000.00	2,00,000.00
152	Director	40,000.00	4,00,000.00
153	Chairman	1,50,000.00	15,00,000.00
154	HAC	1,00,000.00	10,00,000.00
155	Patron of College	5,00,000.00	50,00,000.00
156	Chairman Board of Administration	5,00,000.00	50,00,000.00
157	Patron Board of Administration	12,00,000.00	No Limit
158	Chairman Executive Committee AWES	Up to 25 lacs	No Limit

  
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Army College of Training  
Ombudsman Centre



**14. Financial Powers and Limits** Powers to regulate income out of college fund must be as under:-

Authorities	College Fund (Cash)		Sheds/Properties brought from College Fund	
	Not due to theft, fraud or gross neglect (Rs)	Due to theft, fraud or gross neglect (Rs)	Not due to theft, fraud or gross neglect (Rs)	Due to theft, fraud or gross neglect (Rs)
Principal/Head of the Institute	-	-	10,000.00	-
Director	11,000.00	9,000.00	10,000.00	7,000.00
Chairman IAC	15,000.00	7,000.00	17,000.00	10,000.00
SG	20,000.00	11,000.00	40,000.00	15,000.00
Patron of the College	40,000.00	20,000.00	1,00,000.00	35,000.00
Chairman Board of Administration	50,000.00	25,000.00	2,00,000.00	50,000.00
Patron Board Administration	1,00,000.00	50,000.00	3,00,000.00	1,00,000.00
Chairman, Executive Committee, AUEE	Above	Above	Above	Above
	1,00,000.00	50,000.00	3,00,000.00	1,00,000.00

Note: Financial Powers to regulate income are maximum which can be utilized in a Financial Year.

15. Financial Powers cannot be delegated to officiating appointments.

Auth: HQ AWES Letter No. 1643/1/F/AL/2011 at 27 Nov 2011.

### Expenditure

16. Expenditure will be undertaken in accordance with the approved budget. No deviation is generally permitted. However, in case of unforeseen emergent expenditure Institute Managing Committee may approve supplementary budget upto Rs 1,50,000/- only. Non planned or special expenditure beyond Rs 1,50,000/- will require the sanction of the Patron.

17. The details of expenditure which can be incurred from the funds are given below:-

S.No   Name of Funds   Expenditure

#### **Capital Fund**

- |     |  |   |
|-----|--|---|
| (a) | Corpus Fund                            | To be invested in FDs with nationalized banks.<br>50% of interest to ARF (Asset Replacement Fund) |
| (b) | Project Grant Fund/<br>Technical Grant | Specific expenditure on the projects.   |
| (c) | Construction Grant                     | Construction of buildings/materials/fidures etc.  |

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Principal  
Army College of Nursing  
Chidambaram, Tamil Nadu

## Revenue Fund

### (a) College Fund

Visits  
Inspections  
Audit  
Legal fees  
Electricity  
Water  
Tele/Internet  
Insurance of Vehicles, Road Tax  
Purchase and Maintenance of College Bus/  
vehicles  
Fuel expenditure  
Advertisements  
Stationery and printing  
Printing of Prospectus  
Liveries  
TA/DA  
Security  
Affiliation fee  
Transfer to Terminal Benefits fund, Miscellaneous  
office expenditure  
Guest lecturers  
Automation of offices  
Organization & conduct of Seminars/Workshops  
Convocation Expenditure  
Participation in co-curricular activities, educational  
tours, Exhibitions  
First aid box  
Incentives to students  
Annual day function  
Prizes and Awards  
Pay and allices of Adm staff if tuition fee is  
inadequate to meet the requirement

### (b) Security Deposit Fund

Refund of security deposits to students, employees  
and contractors.

### (c) Library fund ✓

Purchase of books, Newspapers, Magazines,  
Periodicals etc.  
Purchase of furniture/racks for library  
Pay and allices of library staff if tuition fee is

  
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Chennai-600 026

inadequate to meet the requirement.

- (d) Development/Building Fund ✓ Construction of class rooms.  
Upkeep and maintenance of buildings. Gardens.  
College premises.  
Arboriculture.
- (e) Examination Fund Printing of question papers.  
Stationery.  
Payment of ED Pay to supervisory staff.  
Miscellaneous expenditure for conduct of examinations.
- (f) Sports Fund ✓ Maintenance and upgradation of playing fields.  
Sports infrastructure.  
Purchase of sports kit and gear.  
Expenditure on conduct of sports competitions and participation in Sports events.  
Pay and salaries of sports staff if tuition fee is inadequate to meet the requirement.
- (g) Magazine/Journal Fund ✓ Publication of college Magazine/Journal.
- (h) Tuition Fund ✓ Pay and salaries of Faculty and staff.  
EPF.  
Incentives/extra pay to Faculty and staff.
- (i) University fund University fee and any other charges levied by the university.
- (k) Alumni Fund ✓ Expenditure connected with alumni meetings.
- (l) Placement/Promotional Fund Visit of industrial/corporate houses in connection with placement. Liaison visits of placement cells.  
Staff to industries and other establishments.  
Incentives/awards to placement staff. Publicity for placement.
- (m) Computer Fund ✓ Purchase and maintenance of computers, Audio visuals, Peripherals, Consumables and software.  
Upgradation and maintenance of IT and CAL equipment.  
Pay and salaries of computer lab staff if tuition fee is inadequate to meet the requirement.

  
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Jalgaon, Gujarat

(n)	Laboratory Fund	Purchase, Maintenance and replacement of lab equipment/materials. Salary of lab staff in case tuition fee is inadequate to meet the requirement.
(o)	Terminal Benefits Fund	Service Gratuity, encashment of leave.
(p)	Sy CR	—
(q)	Sy DR	Loans to staff
(r)	Property	Depreciation, damages/losses
(s)	Asset Replacement Fund	Replacement of moveable/immoveable assets.
(t)	Hostel Fund	Repair and maintenance of Hostel buildings. Purchase of Messing material. Renovation and upkeep of guest rooms. Purchase and replacement of furniture. Purchase of crockery, cutlery and cooking utensils. Maintenance of Hostel office. Pay and allowances of Hostel staff. Security, Electricity, Water and Conservancy charges for hostel. Annual Maintenance Contracts.

Note Hostel accounts will be maintained separately.

17 to 20 Blank

  
 In Witness Whereof  
 Principal  
 Army College  
 Dated: \_\_\_\_\_



## **CHAPTER - 3**

### **BUDGET**

#### **Planning**

21. Budget preparation of the Army Professional Colleges is the most important and challenging 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. It will be ensured that the decisions taken during Heads of the professional colleges conference are incorporated in the budget. The responsibility for planning and preparation of budget vests in the Principal/Director who can take the assistance of the registrar, if required.

22. The budget will take into consideration the expansion and anticipated liabilities of the college. While formulating the budget, the aspect of increase in DA and other allowances will be kept in view.

#### **Passing of Budget**

23. The budget will be presented by the Principal/Director/Registrar in the Institute Management Committee (IMC) Meeting in Jan/Feb every year. The IMC would scrutinize each item in detail. It has the powers to raise observations, vary the figures of estimates, ask the Principal/Director/Registrar to revise the estimates and represent the budget if required. It may pass the budget on presentation/representation as the case may be before 31 March.

24. Budget will clearly bring out the assets and liabilities, fixed deposits and the utilization of funds. The budget will cater for escalation in cost/inflation. Previous years income over expenditure will be credited in the college fund.

25. At times colleges may have to spend heavy amount on some projects like construction of buildings, equipping laboratories, purchase of computers etc. This may result in negative income over expenditure and show a sudden dip in college finances. In such cases remarks column of budget must show such details to explain ground situation.

26. Wide disparities in income and expenditure in various sub heads may suggest remedial measures. IMC will discuss and initiate corrective action for the purpose of balancing the budget.

#### **Review of Budget**

27. Half yearly review of the budget will be done by 30<sup>th</sup> November every year.

#### **Supplementary Budget**

28. In case of unforeseen and emergency requirement of funds, IMC is empowered to pass supplementary budget upto Rs 1.50,000/-.

### Deficit Budget

29. In case the budget shows deficit, effective steps would be taken not only to neutralise the deficit but also to have some surplus for future growth of the college.

30. Financial Powers for inter fund transfer are given below:-

(a)	IMC	Upto Rs 50,000/-
(b)	Chairman	Above Rs 50,000/- upto Rs 3 lacs
(c)	Patron	Above Rs 3 lacs upto Rs 6.25 lacs
(d)	Chairman Board of Administration	Above Rs 6.25 lacs upto Rs 6.50 lacs
(e)	GOC-in-C Command	Above Rs 6.50 lacs upto Rs 12.50 lacs
(f)	Chairman Executive Committee AWES	Above Rs 12.50 lacs upto Rs 25 lacs
(g)	President BOG AWES	Beyond Rs 25 lacs

Auth:- HQ AWES letter No B/45741/FM/AWES dt 25 Apr 2012

  
M. S. S. S. S.  
Principal  
Army College of Nursing  
Jalandhar Cantt

## **CHAPTER - 4**

### **PURCHASE**

**31. General Instructions.** The following instructions for purchase of items for the colleges 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 10,000/- and above will be planned in advance. It will be ensured that the items are not purchased from the same dealer time and again. Cheques within the powers of the Principal can have Vice Principal/Adm Officer as Co signatory.  
**Auth:- HQ (AWES) letter No B/45741/FM/AWES dt 28 Feb 2012**
- (c) All payments above Rs 5000/- will be made through cheques only.

**32. Purchase Committee.** A purchase Committee comprising of two members, one Faculty and one Adm staff will be detailed by the Principal/Director for a period of three months. Members of the purchase committee will be changed after every three months. The purchase committee would survey the market for the items demanded. It will be responsible to Managing Committee through Principal/Director for the purchase of items.

**33. Quotations.** The parties should be requested by the purchase committee to send their quotations in sealed covers. The quotations will be kept with Registrar and opened by the purchase committee on given date and time. Purchase of articles/group of articles costing above Rs 5000/- will always be done by inviting quotations. It will be ensured that the total amount (above Rs 5000/-) for which an item/group of items is purchased is not further broken into successive Rs 5000/- to defeat the essence of this clause. For purchase beyond Rs 25000/- the quotations will be opened by a Board of Officers detailed by the Chairman. It is desirable that quotations are opened in the presence of parties who have submitted the quotations.

**34. Comparative Statement.** A Comparative Statement of the quotations received would be prepared and the lowest rate of each article would be indicated in red ink. The purchase committee will endorse its recommendations for the purchase of items. The recommendations of the purchase committee would be submitted to competent authority for approval. Minimum three quotations would be required. In case it is felt that the lowest quotation is not acceptable, detailed reasons will be included in the noting to justify its rejection and acceptance of higher quotation.

**35. Exemptions from Procedure.** The above procedure will not be followed in the following cases :-

- (a) Items purchased through DG S&D.
- (b) Items purchased from CSD/Kendriya Bhandar.

  
M. Maheswary

Principal

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Jalandhar Cantt.



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

37. **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.

38 to 40 Blank

[illegible]

- (e) Items purchased through NCCF as under: -

- (i) Up to Rs 1,00,000/- without quotation.

- (ii) Items up to Rs 25,00,000/- of office equipments if provided at DGS rates.

  
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Jalandhar Cantt.



**CHAPTER - 5**  
**MANAGEMENT OF FINANCES**

**Responsibility to Manage Finances.**

41. Over all responsibility of Managing the finances of the College vests in the Principal/Director. 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.

**Duties of Director/Principal.**

42. Duties of Director/Principal where either Director or Principal is authorized will be as under:-

- (a) He would be responsible to the Patron through Management Committee for financial management of the College.
- (b) He would ensure that all policies laid down by HQ AWES, Board of Administration and the Institute Management Committee about management of finances are implemented.
- (c) He may take the assistance of Registrar in financial management of the college.
- (d) He would supervise the functioning of the Registrar and provide advice and guidance on financial matters.
- (e) He would be responsible to plan and implement the projects relating to the growth of the institute.
- (f) He would ensure that all contracts, like canteen, bookstall etc are properly and legally done and implemented. Ensure that the rebates if any from the above contracts are properly accounted for.
- (g) He may exercise financial powers vested in him.
- (h) He would keep the institute management committee and the Patron informed about the financial condition of the college.
- (j) He would ensure that Patron's approval is obtained for expenditure beyond Rs 50,000/- and inter transfer fund of Rs 50,000/- and above.
- (k) He would scrutinise the audit report and ensure that action is taken on the observations of auditor.
- (l) He would be Chairman of Institute Finance Committee.

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### Duties of Principal

43. Duties of Principal where Principal is authorized in addition to Director would be as under

- (a) He would supervise the work of registrar about management of finances and provide guidance and advice from time to time.
- (b) He would keep the Director informed about the financial condition of the college.
- (c) He would be responsible to plan and implement the projects relating to the growth of the Institute.
- (d) He would regularly scrutinise the state of accounts and ensure that they are correctly maintained and the payments are made as per authorization and entitlements.
- (e) He would ensure that college funds are audited and actions are taken on the observations of the auditor.
- (f) He would ensure that the monetary limits laid down are adhered to.
- (g) He would detail the purchase committee in consultation with the Director.
- (h) He would periodically inspect the financial documents and append his signatures.

### Duties of Registrar

44. The duties of Registrar about management finances are enumerated below: -

- (a) Assist Director/Principal in the discharge of financial duties.
- (b) Proper maintenance of college accounts and render advice to Director/Principal proper investment of college funds as per policy.
- (c) Arrange timely remittances in accordance with the rules to provident fund commissioner, IT authorities, Tele authorities and Electricity rent and allied charges accommodation to MES authorities, where applicable.
- (d) Arrange annual stocktaking and condemnation boards in respect of all stores and proper follow-up action. Ensure annual stock taking board proceedings reflect depreciation and the present value of the property items.
- (e) Ensure proper maintenance of files, documents, ledgers, vouchers and other documents on financial matters.
- (f) Prompt processing and payment of bills as per instructions.
- (g) Arrange proper provisioning, procurement and accounting of college stores and equipment.

M. Maheshwari  
Principal and equipment.  
Army College of Nursing  
Jalandhar Cantt.



- (j) Liaise with units, MES and local institutions for effective and efficient functioning.
- (k) Close cash account book before 5<sup>th</sup> of each month and put up the same for signature of Director/Principal.
- (l) Ensure timely realization of interest on FDs from financial institutions and proper accounting.
- (m) Put up to Director/Principal details about renewal/reinvestment of FDs at least 15 days before these are maturing.
- (n) Ensure that property items purchased are properly taken on ledger charge.
- (o) Ensure all payments exceeding Rs 5000/- are made through cheques only.
- (p) Take follow-up action on audit observations and keep the Director/principal informed of the same.
- (q) Prepare pay bills of employees as per entitlement every month and act as drawing and disbursing officer.
- (r) Maintain systematic record of entitlements, dues and liabilities of the staff and periodically produce them to Director/Principal for perusal.
- (s) Prepare all relevant cheques pertaining to drawal and disbursing the pay and put up for counter signature of Chairman through Director/Principal on a properly recorded noting sheet.
- (t) Make arrangements to draw the money from the bank. He will be responsible for its security, safe custody and correct disbursement.
- (u) Prepare budget of the institute under the directions of Director/Principal and present the same in the Institute Managing Committee.
- (v) Ensure that fee is deposited by the students and issue notice to defaulters as per rules.

#### **Duties of Accountant**

45. The duties of accountant about management of finances would be as under:-

- (a) He/She will work under the control of Office Superintendent.
- (b) Maintenance of cash account books and ledgers.
- (c) Preparation of fee receipts for students to deposit cash/cheque to bank.
- (d) Preparation of summary of the fee collections.
- (e) Preparation of vouchers of daily income/expenditure and necessary entries in cash

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book/ledgers.

- (f) Depositing of cash/cheques to bank.
- (g) Preparation of quarterly audit board proceedings.
- (h) Preparation of monthly balance of cash book/ledgers.
- (i) Reconciliation with monthly bank statement and keeping record thereof.
- (j) Maintain, fee collection record/register of all the students.
- (k) Assist CA in carrying out audit.
- (l) Overall responsibility of accounts office covering all matters concerning accounts.
- (m) Keep photocopies of college FDs and remind Registrar/Superintendent/ Principal for their crediting/re-investment at least fifteen days before the date of maturity.
- (n) Maintain proper record of sundry creditors/debtors.
- (o) Carryout all tasks assigned by Principal/Registrar /Superintendent.

#### Opening and Operation of Bank Account.

46. The college will open saving bank account in nationalized/authorized bank where revenues will be deposited. The account will be operated jointly by Director/Principal & Chairman Institute Management Committee or an officer nominated by the Chairman with the approval of Patron. Cheque books will be kept in the custody of Registrar.

47. All payments above Rs 5000/- will be made through cheque only.

#### Monetary limits

48. Maximum limit of cash in hand is Rs 15,000/-. Cash will be kept in safe custody of Registrar.

Auth: HQ (AWES) letter No B/45741/FM/AWES dt 10 Jul 2012.

#### Fees

49. Collection of Fees. The fees will be collected only through bank. The dates of deposit of fees will be fixed by the colleges in consultation with banks and the same would be intimated to the students. Late fees, where applicable, will be charged as laid down in Rules and Regulations for AWES institutions. Fees will not be collected in cash by the colleges under any circumstances.

Auth: HQ AWES letter No B/45741/FM/AWES dt 21 Sep 2011.

#### Refund

50. Once the admission results are announced, there is a need to take a security deposit with willingness certificate so that candidates do not keep holding on to the seats and also to ensure that candidates in waiting list are called in time. This will ensure that seats are fully utilized and the institutes are not put to financial hardship due to seats remaining vacant.

  
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51. Once the admission results are declared and the list of candidates granted admission/ wait listed is finalized, all institutions will obtain a willingness certificate from the candidates and charge Rs. 10,000/-, at their discretion, as Registration fees from both categories. If the candidate joins the institution and commences the course, this registration fees will be adjusted against tuition fee.

52. Universities have a cut off date beyond which they do not permit admissions. Keeping this date in view all institutions will work out a cut off date by which they will permit withdrawal. This date will be so selected as to enable the institution to make the wait listed candidates join the

**53. Refund of Registration Fees Before Commencement of the Course / Cut off Date** In case of withdrawal before commencement of the course / cut off date, Full registration fee less Rs. 1000/- processing charges will be refunded.

**54. Refund of Fees after Commencement of the Course but Before Last Date of Admission if Seat is filled by Another Candidate.** Refund of fees after commencement of the course but before last date of admission, if seat is filled by another candidate will be as under:-

(a)	Initial Registration Fees	- Full Registration fees less Rs. 1000/- processing charges.
(b)	Admission Fees	- To be refunded
(c)	Security Deposit	- To be refunded in full
(d)	Student Association Fees	- To be refunded
(e)	Tuition fees	- As per actual. A single day of the month will be treated as a month.
(f)	Hostel Charges	- As per actual. A single day of the month will be treated as a month.
(g)	Messing Charges	- As per actual. A single day of the month will be treated as a month.
(h)	Other Charges	- As per actual. A single day of the month will be treated as a month.
(h)	Other Charges	- As per actual. A single day of the month will be treated as a month.

**55. Refund of Fees to Candidates Joining NDA/IMA/ OTA/ AFMC/ Army/ Air Force/Navy/ Other AWES Run Professional Colleges.** Candidates who get selected for NDA/IMA/OTA/AFMC/ Army/Air Force/Navy/ Other AWES run Professional Colleges, and join these institutions, will be refunded the full amount on production of a certificate from the concerned institution as a proof for joining that institution, except the following:-

- (k) Receipt / Issue Voucher File.
- (l) EPF Register.
- (m) Payment of Terminal Benefits Register.
- (n) Attendance Register of persons employed on daily wages/casual.
- (o) Noting sheets on financial matters.

**61. Columnar Account Book.**

(a) In each cash book brought into use, the pages will be serially numbered and initialed by the Registrar, and a certificate as per specimen given below will be endorsed on the inner cover:-

"Certified that this book was brought into use on \_\_\_\_\_ and that it contains \_\_\_\_\_ pages which have been serially numbered and initiated".

(b) All entries made in the cashbook will be supported by vouchers/ receipts and cheques/ cheque slips. The entries will be serially numbered and dated, and all supporting documents preserved carefully on guard book / files for a period of 20 years.

(c) All entries of payment made for purchase of property will have the page number of the ledger on which the items have been taken on charge.

(d) Columnar cashbook will have property sub heads in Asset as well as liability column.

(e) Payments of over Rs 5,000/- will be made by cheques only.

**62. Salary Register.**

(a) Salaries will be worked out as per the entitlement of the individual, recorded in the salary register and disbursed through bank.

(b) All payments and recoveries shall be supported by appointment letters/specific sanctions and by bills/attendance registers/penal deductions/orders, as applicable.

(c) The salary details will be made available to the members of the staff for scrutiny by the 1<sup>st</sup> week of succeeding month.

**Employees Provident Fund**

63. **EPF.** All employees whether casual, temporary, daily wages, piece rated, term based or regular are required to become members of EPF subject to a salary ceiling of Rs 6500/- per month (Basic +DA) and contribute 12% of their salary towards EPF with equal contribution from the employer as laid down in Employees Provident Fund and Miscellaneous Provisions Act 1952. The detailed instructions on Employee Provident Fund are given in paras from 63 to 69.

Army College of Training  
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64. **Coverage.** All employees subject to the salary limit of Rs 6500/- per month (Basic+DA) are entitled and are required to become members whether casual, temporary daily wages, piece rated from the date of joining. It is obligatory for such employees to become members to EPF. The instructions are applicable to our educational institutions employing 20 or more persons.

65. **EPF Membership**

(a) **Compulsory Membership.** It is obligatory for all employees drawing salary upto Rs 6500/- per month to become members of EPF as stated in Para 64 above. Employees drawing salary more than Rs 6500/- per month at the time of appointment fall in the excluded category and it is not obligatory for the management to contribute towards EPF for such employees.

(b) **Membership by Mutual Consent.** Employees whose pay scales are more than Rs 6500/- per month (Basic+DA) may become members of EPF by mutual consent of employees and employer. It is not obligatory for the employer to give consent and contribute for employees drawing salary more than Rs 6500/- per month. However, if the employer gives the consent, matching contribution has to be made by the employer subject to salary ceiling limit of Rs 6500/- per month. But once an employee becomes a member, with mutual consent, it would be mandatory for the employee to continue as a member.

(c) **Membership of EPF for Employees on Appointment.** The following clarifications are given:-

(i) If an employee resigns from one College and takes up employment in a different college under AWES or otherwise, he/she shall be considered a fresh appointee and all instructions pertaining to new appointees on EPF membership would apply to him/her. It would be immaterial whether such an employee was member of EPF in his/her previous appointment.

(ii) It is not obligatory for the management or the employee to contribute towards EPF merely because such an employee was having EPF membership in the previous employment/place.

66. **Contribution.** EPF contribution from the employees with matching contributions from the employer would be 12% of the salary where the employee strength is 20 or more subject to salary limit of Rs 6500/- PM (Basic+DA). No additional contribution would be made by the employer except as stated above.

67. **Universal Application of Policy.** The policy is to be decided by the Institute Management Committee with the approval of Patron and the same would be applied universally. There will be no discrimination since the same will not stand the scrutiny of law and would not meet the ends of justice.

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Jalandhar Cantt

68. **Maintenance of Records.** Out of the contribution made by the employer as explained earlier, the record in the service book of the employee would be kept as under :-

Year contribution from employer

@ 8.33 towards Pension Fund scheme      -      3.67% towards EPF

69. **Depositing of EPF contribution to the Account of EPF.** All contributions towards the EPF will be deposited in the bank account of EPF (after ascertaining the same from EPF authorities) latest by 7<sup>th</sup> of the following month. The challans after depositing the EPF amount in the bank will be submitted to EPF authorities and proper record maintained of the same.

70. **Examples.** Some of the examples giving clarifications are given below :-

(a) **Example 1.** Mrs. A was serving in AIM Kolkata and was member of EPF. She resigns from the job and takes up employment in AIMT Greater Noida. She would be considered a fresh employee in AIMT Greater Noida and it would not be obligatory for the management of AIMT Greater Noida to contribute towards EPF if her salary (Basic+DA) in new appointment is more than Rs 6500/- per month.

(b) **Example 2.** Mr. A was working in a private college at Bhatinda. He resigns from his job and takes up employment as a clerk in AIE Delhi Cantt. He would be considered a fresh appointee in AIE Delhi Cantt and all instructions on EPF on initial appointment would apply to him. It would not be mandatory for the management to contribute towards EPF if his salary (Basic+DA) is above Rs 6500/- per month.

(c) **Example 3.** Mr. B becomes the member of EPF when his salary was Rs 6000/- per month in X College. Now his salary has gone up to Rs 8000/- per month in the same college due to pay revision. The employer wants to stop his EPF contribution since the salary of Mr. B has gone beyond Rs 6500/-pm. The management can not stop the EPF contribution for Mr. B. It can however, limit EPF contribution to his salary ceiling of (Basic+DA) Rs 6500/- per month.

#### **Fixed Deposits**

71. **Fixed Deposit Register.** The details of FDs would be entered in Fixed Deposit Register. A quarterly statement of FDs showing all details will be forwarded by the Director/Principal on 01 January, 1 April, 1 July and 1 October to the Chairman.

72. **Accounting of Fixed Deposits.** Fixed deposits will be checked once a year in April and a report of the same would be submitted to the Patron through Chairman Institute Management Committee.

  
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### Payment of Bills

73. 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.

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## CHAPTER - 6

### INVESTMENTS

#### General

81. Army Colleges funds are Regimental funds as laid down vide AO 9/2001/PS/Regimental Funds. College funds will be invested in Nationalized Banks and Public Sector Undertakings (PSUs) as laid down by Personal Services Dte (PS-3), Integrated HQ of MoD (Army). No investment will be done with the agencies/ banks not approved by Personal Services Dte Integrated HQ of MoD (Army).

82. It will be ensured that funds not required are invested to generate maximum income. No fund should remain idle even for small periods. Funds not immediately required would be invested for periods depending upon their requirement.

#### Investment

83. Proper investment plan will be prepared for the whole year. College funds will be invested in order to earn maximum interest in authorized banks/PSUs.

84. The IMC should review the investment every three months for the forthcoming quarter.

85. As a general guideline upto 80% of the funds may be invested in Nationalized Banks and upto 20% in PSUs approved by PS-3 Integrated HQ of MoD (Army).

#### Corpus Money

86. The entire corpus money will be invested in fixed deposits with nationalized banks/PSUs as mentioned above to generate maximum interest. 50% of the interest earned on corpus money will be ploughed back in the corpus while the remaining 50% will be credited in Asset Replacement Fund.

#### Unutilized Funds

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

#### Technical/Equipment Grant

88. The colleges should make proper purchase plan for purchase of equipment out of technical grant as per requirement. Funds not immediately required for purchase of equipment will be invested in fixed deposits to generate income. Interest earned on the fixed deposits would be taken on ledger charge in the same fund.

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### Grants in Aid

89. The Grants in aid given by HQ AWES and other formations when not immediately required will also be invested in fixed deposits with nationalized banks/PSUs as applicable. Interest earned on these fixed deposits will be taken on ledger charge under the same head.

### Custody of Fixed Deposits

90. All fixed deposits will be kept in nationalized bank lockers. Where this is not feasible, these will be kept under fireproof safe fixed to the wall with proper lock preferably in one of the unit quarter guard. Photocopies of fixed deposits will be kept with Registrar/ Account Clerk/Accountant.

### Renewal of Fixed Deposits

91. It will be the duty of Director/Principal to renew/reinvest the fixed deposits in accordance with the directions of the Chairman that should be obtained on proper noting sheet.

### Encashment of Fixed Deposits

92. 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.

### Growth and Expansion

93. The colleges will cater for funds for growth and expansion. They will target to grow at minimum 7% per annum in term of securities and fixed deposits.

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## CHAPTER-7

### AUDIT

#### Closing of Accounts

101. Accounts will be closed at the end of each month and balance sheet prepared. Bank pass books will be updated every month.

102. Reconciliation statement will be prepared by the Accountant every month and reflected in the columnar cash books. Accounts will be closed latest by 5<sup>th</sup> of next month and submitted for Chairman countersignature by 10<sup>th</sup> of each month.

#### Quarterly Certificate

103. Director/Principal will render a certificate as given below at the end of each quarter:-

(a) Accounts of the college are being maintained as per accounting procedure and rules and regulations.

(b) The original Fixed deposits are held in the \_\_\_\_\_ bank locker or kept under fire proof safe fixed to the wall with proper lock in one of the unit's quarter guard. These have been physically checked and their total value corresponds to that reflected in the cashbook.

OR

The Fixed deposits are held under my personal custody:-

(c) All interest warrants which are due for encashment have been deposited in the bank.

(d) Bank reconciliation has been carried out and there is no discrepancy.

(e) Expenditure has been incurred on authorized items in accordance with the rules.

(f) Items purchased have been taken on ledger charge.

#### Quarterly Audit

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

#### Annual Audit

105. 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.



#### Surprise Check of Accounts

106. 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.

#### Annual Statement of Accounts

107. 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.

#### Employment of Chartered Accountant

108. 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.

#### Settlement of Audit Objections/Observations

109. 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.

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## **CHAPTER-8**

### **HOSTEL ACCOUNT**

#### **General**

111. All Colleges are planned to be fully residential. Where there is shortage of accommodation in the newly opened colleges, accommodation will be allotted to students as per rules laid down in Army Welfare Education Society Rules and Regulations.

112. Hostel Accounts will be maintained separately.

#### **Payment of Fee**

113. Hostel fee will be paid on monthly/quarterly/half yearly basis alongwith the college fees as laid down in the prospectus of the colleges. Appropriate fines will be imposed on the students who do not pay the fee in time and the same will be laid down in the college prospectus. Hostellers who do not pay their dues for two consecutive months, will be struck off from the rolls of hostel after due notice to their parents. While fixing the room rent the following guide lines will be followed:-

- (a) 5 percent RQI on the capital cost of the hostel and mess building.
- (b) Maintenance cost of hostel/mess including payment towards water electricity etc.

#### **Common Service Charges**

114. The colleges may levy reasonable charges for common services like auditorium, security, drinking water, gardening cleanliness etc. The details of such charges will be included in the prospectus. Such services may be outsourced through local private agencies after contract and agreement.

#### **Mess Charges**

115. Mess charges will be based on actual consumption during the month. Any two meals taken in a day will count for full day. For Dining out/leave from hostel, proper permission will be obtained by the hostellers from the warden, failing which the messing charges will be levied. For any Dining out, hostellers will give at least 24 hours notice to the authorities. The hostellers will also fill their details for dining out in the register meant for this purpose.

#### **Other Charges**

116. The following other charges can be levied by the Army Colleges based on the facilities and the nature. These will be decided by Institute Managing Committee and duly incorporated in the prospectus.

- (a) **Assets Maintenance Fee.** Charges for renovation/repair and maintenance of the assets may be charged from the hostellers as decided by the Institute Managing Committee.

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- (c) Indoor games.
- \* (d) Electricity and water charges consumed by the hostellers.

#### Messing Committee

117. Messing Committee consisting of Warden, Prefect and two/three student representatives will be constituted who would decide the bill of fare on weekly basis and the same would be displayed on notice board. Warden will dine with the hostellers.

#### Duties of Warden

118. The warden will perform the following duties :-

- (a) He/She would report to the Director/Principal through registrar of the college.
- (b) Cleanliness and upkeep of hostel premises including hostel kitchen.
- (c) Security.
- (d) Ensure that all hostellers are present in the hostel except when on bonafide duty/out pass.
- (e) Grant of out pass as per policy of college.
- (f) Ensure that students maintain proper discipline in & outside the hostel premises.
- (g) Opening and closing of students Mess and Anteroom.
- (h) Checking of students guests as per details submitted by them.
- (i) Ensure that hostellers follow the hostel rules.
- (j) Appointment of hostel committees on monthly basis as under:-
  - (i) Mess Committee - Two/Three students.
  - (ii) Anteroom Incharge - One student/One standby.
  - (iii) Guest room Incharge - One student/One standby.
- (k) Maintenance of hostellers attendance register on daily basis and get signatures on it of registrar every day.
- (l) Ensure that keys of anteroom and guest rooms are deposited with him/her by student incharge every day.
- (m) Maintain record of all students to include the following :-
  - (i) Name of the student.
  - (ii) Discipline and year.



- (iii) Father/guardian address and telephone No.
  - (iv) Name of Guests allowed to meet.
  - (v) Name and address of local guardian with telephone No.
  - (vi) Blood Group/ Medical History.
  - (vii) Any other details.
- (n) Ensure that no guest stays in the hostel with the students at night or visit their living accommodation.
  - (o) Management of library in hostel, if any.
  - (p) Surprise check and attendance in the hostel.
  - (q) Exercise control over Mess Incharge as laid down.
  - (r) Exercise control over hostel and mess staff.
  - (s) Ensure that sick hostellers are immediately attended to/evacuated for medical treatment and report the same to registrar.
  - (t) Recommend names of Head boy/girl and prefects.
  - (u) Place important notices on notice board.
  - (v) Check groceries on receipt as per bill for quantity and quality.
  - (w) Ensure ration store is properly managed.
  - (x) Hold monthly interaction meetings of hostellers and invite Director/ Principal to such meetings.
  - (y) Check hostel accounts.
  - (z) Maintain the following documents:-
    - (i) Out pass register.
    - (ii) In and out register.
    - (iii) Attendance register.
    - (iv) Discipline register.
    - (v) Library register.
    - (vi) Occupation of guest room register.
    - (vii) Guard duty register.

  
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- (vii) Sick report register.
- (ix) Record of repairs and maintenance of building.
- (aa) Ensure that visitors are allowed in the hostel during visiting hours only.
- (ab) Any other duty assigned by Director/Principal.

#### Laundry Facilities

119. Nominated/selected washer man will be allowed to come to the hostel at specified timings. Charges for washing and ironing of cloths would be laid down by hostel authorities. However, for girls hostel washer woman will only be engaged.

#### Purchase of Messing Items

120. Messing items will be purchased from the government/cooperative stores where these are available. If government/cooperative stores are not available, items will be purchased from market by purchase committee consisting of warden and two hostel representatives including one student. The purchase committee will survey the market and buy the items at the lowest rate subject to meeting the quality requirements.

#### Breakages/Losses

121. Breakages/losses of hostel property/crockery/cutlery/building will be charged from the defaulters before writing off from the property ledger. The rate for breakages/losses would be cost price or market rate whichever is higher. Broken items may be replaced by newly purchased items depending upon the requirement.

#### Guest room Charges

122. Guest room charges will be collected from the occupants. Ordinarily no guest would be allowed to stay in the guest room for more than two nights. Only entitled persons will be allowed to stay in guest rooms after due written permission of Director/Principal. The guest room charges will be collected in cash. Cheques will not be accepted. The guest room charges would include the following, details of which would be incorporated in prospectus:-

- (a) Room rent.
- (b) Allied service charges, like electricity, water, cleaning etc.
- (c) Messing.

#### Stock Register.

123. A stock register will be maintained by the warden, which would show the details of ration purchases, consumption and balance on daily basis. The stock register will be put up to Director/Principal once a week for his perusal. A monthly state of purchase and expenditure of ration and

allied items will be prepared by the warden and put up to Director/Principal for perusal and countersignature.

**Pay and Allowances of Ancillary Staff.**

124. The ancillary services like cooking, cleaning of utensils, waiter etc may be out sourced through private agency providing such services. Where this is not possible ancillary staff will be employed on contract. The contract rates will be decided by the Institute Managing Committee.

**Audit of Accounts**

125. Hostel accounts will be audited alongwith the college accounts by a Chartered Accountant (CA) as per rules and procedure laid down for college accounts.

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## CHAPTER - 9

### MISCELLANEOUS ASPECTS

Appendix A - Percentages of Depreciation of various Property items - Para 140 (b)

#### Deduction of Income Tax from Employee

131. All colleges will obtain TAN from Income Tax authorities, deduct income tax on the pay and allowances of the employees and deposit the same with income tax authorities in time, laid down by them. It would be the responsibility of colleges to deduct the Income Tax and deposit in time.

#### Income Tax and Filing of Income Tax Return

132. All Army Professional Colleges are exempt from payment of Income Tax and filing of income tax return under section 10 (23AAA) of Income Tax Act 1961 as amended from time to time. 132(A). It has become mandatory from 01 Apr 2010 to quote PAN for non deduction of tax at source on fixed deposits. All Professional Colleges will therefore obtain PAN at the earliest and quote the same to the banks to avoid tax deduction at source.

Armk Hqs AWES Letter No. B/45741/FM/AWES dt 13 Jul 10.  
of the infrastructure of the college.

#### Property

134. Property items both immovable and movable will be taken on separate ledger charge. MES items will be taken on charge in a separate ledger. All property items will be on the charge of Registrar. The details are given below:-

(a) **Immovable Property.** Immovable property will include land and all items of civil/ electrical constructions within the college premises. Full details of Immovable property like building No, date of construction, type of building, additions/alterations, where on charge of any unit/college cost of construction, date of inauguration (if applicable) details of demolition etc will be maintained in separate ledgers as follows:-

(i) Land is correctly held as purchased and there is no encroachment. A certificate will be rendered to AWES.

(ii) MES building including TRS Huts, structures and facilities.

(iii) Property constructed from college fund, class rooms, boundary wall etc.

(iv) Details of Regimental property permanently fixed in buildings i.e. fixtures at the cost of the college e.g. curtains, Projection systems, lights and sound system in the college auditorium, tiled flooring in staff and other rooms etc.

(v) Any other structure existing in college premises.

(vi) All trees inside college should be marked, held on charge and accounted for.



(b) **Movable Property.** All movable property will be centrally accounted for by the Registrar. Separate ledgers will be maintained for MES furniture, loan stores, hostel items, sports stores, computer equipment, lab equipment etc. As and when any item is purchased by the purchase committee, it will be taken on central ledger charge by means of a CRV giving all details, cost, name of firm, file reference etc. The stores will be given on loan to various labs/offices for daily use. The loan vouchers will be renewed every year. The concerned Lecturers/persons/students will there after be responsible for their safekeeping. Any losses, breakages, theft etc will be reported immediately to the Registrar by the individual concerned.

#### Custody and Handling of Property Items

135. It is of utmost importance that articles of value are properly stored so that these may be made use of readily as and when required and also serve for the fullest period of their effective life. The following safeguards in regard to stocking of articles should be complied with :-

- (a) Valuable articles like Computer, Microscope, Epidiascope, Film Strip Projector, Television set, Portable Microscope etc. should be kept locked if their containers have locking arrangement and stored in steel almirahs. One set of keys of the almirah should be with the Lecturer-in-charge and another set with the Principal.
- (b) Wherever articles have machine numbers, a note of the machine numbers should be kept in the stock register for the purpose of identification.
- (c) Articles of furniture should be serially numbered followed by the code name for each nomenclature of furniture and the year of purchase (for example Almirah Wooden- ALM-W-1/66). The serial numbers should be noted in the stock register for the purpose of identification. A register or list should be maintained in the respective rooms. Lecturers will be made responsible for the furniture in class rooms. Articles of furniture in the common rooms should be put in charge of a nominated senior lecturer.
- (d) Breakable/costly articles like Fortin's Barometer, Physical Balance, Analytical Balance etc should be kept in suitable cases and locked when not in use.
- (e) All glassware should be handled carefully during demonstrations or experiments. Glassware should be stored in the laboratory rooms or as near as possible so that the incidence of breakages may be reduced to the minimum.

#### Issue of Property Items

136. Procedure to be followed will be as under :-

- (a) Valuable articles intended for demonstration purposes or doing experiments should be taken out from the place of storage and placed back in the presence of the Lecturer/Demonstrator.



(b) Chemicals and consumable items required for consumption in experiments should not be issued in large quantities to the students so as to prevent wastage.

(c) Reference books should not be issued by the Librarian to the students for study at home. These should also not be issued to the teachers except for reference and return on the same day under proper receipt. A register should be maintained for the purpose of issuing and monitoring the return of library books. As an absolute rule, no library books should be allowed to remain with the students / teachers (including the Principal) longer than necessary. For the purpose of conduction of the annual physical verification, the Librarian shall be responsible to collect back all the library books from the students and teaching staff before the close of the college for vacation.

(d) Except in the case of articles which will be consumed in the process of experiments, no article should be struck off from the Stock Register even if it is lost or damaged, before its value is written off by the competent authority. The approval of the Managing Committee is necessary for striking off an article, which is lost or has become unserviceable, in case its write off does not fall within the powers delegated to the Principal. Chemicals and other consumable articles used for experiments should be shown as issued on day-to-day or weekly basis as may be found convenient and the entry in the stock register attested by the Lecturer/Demonstrator.

(e) Articles of stationery may be shown as issued on a monthly basis if it is not convenient to account for the same on fortnightly basis. The purpose for issue should be written clearly and the list is to be countersigned by the Registrar. The Registrar should keep a proper control over the consumption of articles of stationery so as to ensure that there is no wastage.

### 137. Stock Verification

(a) Physical Verification of articles in stock in the science laboratories, library, craft rooms, art room, office (in respect of stationery and office equipment), etc. should be conducted :-

(i) Once a year in May & June after the Annual Examination is over and not later than the end of vacation preferably during the vacation, and the excesses or shortages noticed abstracted in a list, department-wise, in the following form in triplicate :-

#### NAME OF THE DEPARTMENT

Stock Register Page No	Name of the article	Stock as per		Excess (+) Shortage (-)	Result of investigation
		Stock Register	Physical verification		

(aa) Excesses. Excess will be investigated to find out any omission or shortage in accounting with reference to the invoices of articles received. They should be brought to account in the Stock Register with suitable remarks and proper steps taken to safeguard against such omissions or commissions in future.

  
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Jammu

(ab) **Shortages.** Shortages indicate losses or breakages in handling and as such require detailed investigation. Losses will be made good by the store holder.

(ii) Whenever there is a change in the incumbency due to transfer, death, etc.

### 138. **Loss of Stores**

(a) In regard to loss of store due to theft, report should be sent to Chairman and HQ Command simultaneously.

(b) In regard to losses of stores other than due to theft, responsibility has to be fixed on the stock holder. For this purpose a report will be furnished immediately after such losses come to notice.

### 139. **Breakages.** In regard to loss of stores due to breakages, action will be taken as indicated below :-

(a) As and when breakage arises, action will be taken to fix responsibility on the student or staff at fault and to recover the cost price or market price, whichever is higher. A receipt on IAFA-175 should be issued to the person concerned and the amount credited in Asset Replacement Fund. A note of the breakage will be kept in a register.

(b) As regards other breakages, that are accidental, breakages while conducting experiments, an on the spot investigation should be conducted by the Principal/Director and the result thereof recorded in a register which should be maintained for each department separately. The broken articles should be preserved for investigation by the Condemnation Board.

### **Depreciation of Property Items.**

140. The following policies and guidelines for depreciation of property items will be followed. A property ledger will be maintained showing details of original price, depreciation and present value of property items. It will be ensured that the yearly amount credited in asset replacement fund must at least be equal to the total depreciated amount of property items. Annual Stock Taking Board would also carryout and reflect depreciation of items in the Annual Stock Taking Board proceedings. Depreciation of property items will be done in accordance with following instructions:-

(a) **Method of Depreciation.** Written Down Value (WDV) Method will be followed for depreciation of property items. WDV method is illustrated below:-

(i)	Cost of Article	Rs 100.00
(ii)	After first year value is 100-20% of 100 (Where depreciation is 20%)	Rs 100 - Rs 20 = Rs 80.00
(iii)	After Second year value is Rs 80 - 20 % of 80	Rs 80 - Rs 16 = Rs. 64.00

Principal  
Army College of Nursing  
Jalandhar Cantt.



(b) **Percentages of Depreciation of Property Items.** The details of percentages of depreciation for various property items are at Appendix A. These percentages are maximum for depreciating the property items on annual basis. The Board of Officers has the powers of recommending lower percentage of depreciation depending upon the physical condition of property items.

141. **Condemnation Board.** Following procedure will be adopted in this regard :-

(a) As soon as the annual physical verification is completed, a Condemnation Board consisting of one member of the Management Committee and the two lecturers will be constituted to investigate into the deficiencies in the stock and make recommendations to the Management Committee either for the recovery of the cost of articles or write off the cost price of the articles, if justified. While making recommendations to write off, the Condemnation Board should take into consideration the period of effective life of the article wherever the same has been prescribed or the normal period of life.

(b) The report of the losses/breakages should be sent to the Chairman along with the minutes of the Condemnation Board by 01 Jul each year.

(c) On receipt of the order of the Chairman, action will be taken by the Director as indicated therein. No article will be written off from the Stock Register without proper board proceedings and a reference to the sanction number and date should be given in the Stock Register in support of the entry for write off.

(d) All breakages / losses should be written off ledger charge by means of CTV giving full details and the same will be countersigned by the Principal/Director.

**Approving Authority for Annual Stock Taking Board Proceedings**

142. Chairman of the BMC would be the approving authority of Annual Stock Taking proceedings where the value of unserviceable / condemned items / depreciated value does not exceed Financial Powers laid down under monthly ceiling for his appointment.

143. In case the value of unserviceable / condemned items / depreciation in the Annual Stock Taking Board proceedings exceeds the financial powers of the Chairman under monthly ceiling, the proceedings of Annual Stock Taking Board will be forwarded to Patron for his approval. The Patron would be the approving authority for the Annual Stock Taking proceedings irrespective of financial limit.


144. The following instructions will be complied with :-

(a) 50% interest on corpus will be credited in Asset Replacement Fund.

(b) It will be ensured that addition to Asset replacement Fund every year should at least be equal to depreciated value of movable property items.

(c) Unserviceable items will be replaced from the items purchased from Asset Replacement Fund.

(d) The sale proceeds of unserviceable / movable property items will be credited in Asset replacement fund.

  
Principal  
Army College  
Jalandhar Cantt



### Retention and Destruction of Financial Documents

145. **Retention.** The following documents in connection with accounts and funds will be retained for a period of ten years:-

- (a) Columnar Cash Book with connected Receipts and Issue Vouchers
- (b) Cash Account with Receipts and Issue Vouchers.
- (c) Receipt Book.
- (d) Accounts pertaining to Grants / Corpus.
- (e) Audit Reports.
- (f) Proceedings of Court of Inquiry pertaining to financial irregularities.
- (g) Contracts / Agreements.
- (h) Appointment letters, agreements and accounts of employees.

146. The following documents will be retained for a period of five years:-

- (a) Files relating to purchase transactions.
- (b) Documents pertaining to Inter Fund Transfers.
- (c) Monthly Statement of Accounts.

147. **Destruction.** A Board of Officers will be assembled annually for the purpose of recommending financial documents for destruction. The recommendations of the board of officers will be submitted to the Chairman. The documents will only be destroyed after approval of the Chairman. It will be ensured that documents involving litigation will not be destroyed till finalization of the case. Similarly documents relating to audit objections will be retained till such time audit objections are settled.

### TA and DA

148. All employees of college when detailed on duty to proceed to other stations are entitled to TA and DA as applicable to Central Government employees. For travel by Road in ones own transport / by Air, prior permission of the Chairman will be obtained. All such moves will be carried out with the prior sanction of Chairman and will be kept to the barest minimum.

### Reporting of Misappropriation/Losses of Money

149. Cases of mis-appropriation and losses of money will be reported by Principal/Director and Chairman to higher authorities immediately on occurrence and as soon as these come to notice.

150. **Prospectus.** It will be ensured that the details on the following are included in the prospectus:-

- (a) Fee Structure, time and mode of payment.
- (b) Hostel fee, time & mode of payment.

- (c) Details of registration charges.
- (d) Cost of Admission forms and date of submission.
- (e) Security deposit.
- (f) Refund.
- (g) Prospectus and Admission form charges.

#### Income Generation

151. Where funds required for expansion of college cannot be found from the reserve funds, the management may raise them by organizing fetes, securing grant in aid, donations/voluntary contribution (with no strings attached) or by such other means as it may deem fit e.g. renting out of auditorium for conduct of written examinations, interviews, parent teachers meet, variety entertainment programmes and for other social causes keeping the dignity and élan of the college in mind.

#### Responsibilities of Directors/Additional Directors AWES Cells

152. Directors/Additional Directors will perform the following functions relating to the financial management in colleges in their areas of jurisdiction:-

- (a) Monitor and scrutinize college accounts.
- (b) Visit each college at least once a year.
- (c) Monitor that the rules and regulations and policies laid down by HQ AWES are implemented.
- (d) Scrutinize the data and raise observations, if any.
- (e) The following documents are to be checked during visits to the Colleges:-
  - (i) Corpus and ploughing back of 50% of interest earned on it.
  - (ii) Asset replacement fund. 50% of interest earned on corpus is to be credited in asset replacement fund.
  - (iii) Audit report and action taken on observations of Chartered Accountant.
  - (iv) Utilization of various grants.
  - (v) Implementation of rules and regulations and policies of HQ AWES.
  - (vi) Budget and expenditure, income and expenditure follow the provisions of approved Budget.
  - (vii) Hostel Account.
  - (f) Checking of authorized establishment and staff held.

  
 M. Maheshwari  
 Principal  
 Army College of Nursing  
 Jalandhar Cantt

- (g) Expenditure on services like electricity water, hired transport, college transport, hiring of daily wages, messing facilities etc.

#### **Payment to Visiting Faculty and Guest Lecturers**

153. The rates of payment to Visiting Faculty and Guest Lecturers will be laid down by Institute Managing Committee. Visiting Faculty and Guest Lecturers will be paid accordingly.

#### **Charges for Campus Accommodation**

154. Faculty and staff given residential accommodation by the college will not be paid HRA. A suitable amount on account of rent, water, electricity etc may be charged from them. The rate of such charges will be laid down by the Institute Managing Committee.

#### **Insurance**

155. All college employees and students are insured for accidental deaths/loss of limbs under Vidyarthi Suraksha Kavach taken from ICICI Lombard Insurance Company Limited. The terms and conditions of the insurance are negotiated every year. Colleges will forward their subscriptions by 31 Aug.

#### **Payment of Affiliation Fee/Guarantee and to IIMs/Other Organisations for conduct of Written Examinations.**

156. Colleges will pay affiliation fee to the university. Guarantee from the banks will be provided to the university/State Govt as required. Management colleges will pay IIMs for conduct of CAT as laid down by IIMs. Other Colleges may pay fees if their admission tests are conducted by other organization.

#### **Purchase of Land**

157. Land will be purchased on the name of AWES. Proper record will be maintained containing all details. It will be ensured that the land of the institution is not encroached.

#### **Reports and Returns**

158. The following reports and returns will be submitted to HQ AWES :-

- (a) Information data on quarterly basis.
- (b) Audit report of colleges with observations and actions taken.
- (c) No encroachment on land of the institute.
- (d) Cases of accidents, assaults and affray, un natural death, ragging immoral, behavior, damage to property, loss of life and sexual harassment would be reported on occurrence.
- (e) Change of Principal/Chairman on occurrence.

  
Principal  
Army College of Nursing  
Jalandhar Cantt.



**Appendix 'A'**

(Refers to Para 140 (b))

**GUIDELINES FOR DEPRECIATION OF PROPERTY**

1.	Furniture Items like Sofa Sets, Chairs, Beds etc	20%
2.	Computer	25%
3.	Electric Items	25%
4.	Generator Set	20%
5.	Automobile	15%
6.	Lab Items/ implements	10%
7.	Crockery	20%
8.	Cutlery	10%
9.	Gamla Copper/Flower Pots (Steel/Brass)	10%
10.	Sport Fixtures (Permanently fixed with ground/wall)	15%
11.	Electronic Items	25%
12.	Fire Fighting Equipment	10%
13.	PA Equipment	25%
14.	Bicycle	15%
15.	Vacuum Cleaner	25%
16.	Camera	25%
17.	Paid Locks	25%
18.	Black Boards	15%
19.	Dunnies/ Mats	25%
20.	Globe Geographic	10%
21.	Play way Equipment	10%
22.	Steel Box	10%
23.	Brief cases/Suit Cases	15%
24.	Furnishing Items like Curtains, Covers, cushion etc	20%

**Note** These are guidelines and also the maximum possible depreciation. Board of officers during inspection may not depreciate by the laid down percentage.

Army College of Health  
Jalandhar Cantt