

# FINANCE POLICY



# SHRI GNANAMBICA DEGREE COLLEGE

(AUTONOMOUS)  
(Affiliated to S.V. University)



## FINANCE POLICY

The purpose of this policy and its associated procedures is to ensure that the college maintains and develops financial control systems that adhere to the principles of sound financial management. It is critical that these systems function effectively to meet these requirements. This policy also encompasses other finance-related areas, including depreciation, reserves, and investments.

To prevent the duplication or omission of functions and to establish a framework of accountability, the college has clearly defined the financial responsibilities of each individual involved in financial administration.

**The governing body holds ultimate responsibility for financial administration. Their primary duties include:**

- Setting the college's long-term financial objectives.
- Ensuring that received grants are used for their intended purposes.
- Approving the annual budget.
- Authorizing changes to staffing.
- Ensuring a Scheme of Delegation is implemented.
- Overseeing the management of assets.
- Ensuring accurate maintenance of accounting records.
- Confirming that budget monitoring statements accurately reflect income and expenditure.

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AN ISO 9001 - 2015 CERTIFIED INSTITUTION

- Approving the annual accounts.
- Initially reviewing and authorizing the annual budget and any significant changes.
- Regularly monitoring actual income and expenditure against the budget.
- Appointing an external auditor.

### **Purchase Committee**

The college's Purchase Committee is responsible for overseeing all purchases related to academic and administrative needs.

- Department heads or the office superintendent submit requisitions to the principal.
- The principal forwards these requisitions to the Purchase Committee.
- The Purchase Committee follows a standard procedure, inviting three tenders from different companies. After evaluation, the most appropriate company is selected, and a work order is issued.

### **Audit**

The primary objective of the audit process is to provide independent assurance that:

- Financial responsibilities are being properly managed.
- Resources are utilized in an efficient, economical, and effective manner.
- Robust internal financial control systems are maintained.

Audit tasks include:

- Reviewing monthly bank reconciliations.
- Verifying that changes in the monthly payroll have been appropriately authorized.

- Checking a sample of orders, delivery notes, and invoices to ensure proper documentation and authorization.
- Verifying that payments align with invoices, orders, and delivery notes, confirming their legitimacy.
- Reviewing expense claims to ensure they are properly documented and authorized.
- Conducting spot checks on petty cash balances and supporting vouchers.
- Reviewing major contracts to ensure formal tender procedures are followed.

### **Monitoring Financial Resources**

Before each financial year begins, the principal submits a budget allocation proposal to the management, based on recommendations from department heads.

The college budget includes recurring expenses, such as salaries, electricity, internet, maintenance, stationery, and other consumables, as well as non-recurring expenses, such as lab equipment, furniture, and development projects.

The accounts department monitors expenditures in accordance with the budget approved by the management.

### **Sources of Income**

The college's primary income sources include:

- Salary grants
- Non-salary grants
- Student fees
- Scholarship funds
- UGC Minor Research Project (MRP) grants
- National Service Scheme (NSS) grants
- Fees from self-financed courses

The audit report is reviewed by the management, and any queries raised by the auditor are promptly addressed.



A handwritten signature in black ink, appearing to be "S. P. Ravi", written in a cursive style.

PRINCIPAL

Principal

Sri Gnanambica Degree College  
Madanapalle - 517 325