

FINANCE POLICY

Objectives

The financial policy of the Holy Grace Academy of Management Studies (HGAMS) aims to achieve the following objectives:

- Prudent management of financial resources
- Honesty and transparency in financial management and financial reporting
- Compliance with the legal requirements of various Acts
- Documentation of income and expenditure, assets and liabilities, banking requirements, budgeting, internal controls, reporting etc.
- Presentation of periodic reports to the management, stake holders, beneficiaries and to the government
- Accountability and credibility of HGAMS in the use of funds entrusted to it
- Practice of standard accounting practices in the management of financial resources

Planning and Budgeting

HGAMS follows a budgetary system and maintains high accounting standards.

- A consolidated general budget is prepared annually. It is sent to the governing body for approval. The past experience and actual expenditure is kept in mind when preparing the budget.
- The governing body meets once a year to review the financial situation of the institution. It will go through the periodical financial reports of projects.
- The yearly budget for the Holy Grace Academy of Management Studies (HGAMS) is prepared according to the requirements of the MBA department, taking into consideration the annual intake of students, infrastructure development, requirements of students, faculty & staff (including promotions), latest technologies, etc. On receipt of each proposal, the Department head, in consultation with the Director, prepares a consolidated proposal to be presented before the Finance Director. The institute prepares annual budgets which are reviewed and approved by the Governing body.

- Since the department is in a growing phase, the Management has made it clear that funds would not be a bottle neck for the sustained growth and development of the institute. It is assured that adequate funds are allocated in the budget for meeting all the expenditure, with due supervision and monitoring. Under no circumstances, will the teaching- learning process be made to suffer on account of shortage of funds.
- The Director is delegated with financial powers up to a maximum of Rs. 50,000 per year within the approved budget for the year. The Director may in case of any contingency, obtain oral permission from the Secretary, if the expenditure to be incurred exceeds his powers and get it ratified along with required receipts.
- All the expenditures need prior approval from the designated authority. Funds are sourced and met only for the expenses approved in the budget. If funds are required for expenses not mentioned in the proposed budget, management approval is a must.

The expenses for the activities of the department include:

- Remuneration for conducting department level workshops / seminars / webinars, etc.
- Purchase of stationery items for the department
- Other petty expenses for the department

Expenditures

- The institution maintains a system in which daily financial transactions are appropriately authorized, recorded and documented. The system is computerized using standard software.
- The processing of payment includes a vouchering system. Each transaction is entered into the financial system while bills and vouchers are filed separately. Each voucher is supported by proof of payment such as bills, invoices, and receipts.

Consolidated Salary Register

A consolidated Salary register is maintained where payments to staff by way of salary is recorded project wise. All Salary Payments shall be preferably paid by bank transfer.

Internal Controls

- Authorization of financial transactions - The Director shall authorize all the payments by signing the voucher as a sign of approval.
- The Administrator maintains a consolidated rough cash book where the receipt and payments of cash is recorded.
- The Accountant enters the transactions in the computer software on daily basis.
- Cashbooks are printed on a monthly basis showing the balance in cash in hand and in bank.

Audit of accounts

- The statutory annual audit of accounts of the institution is normally done before the month of June every year.
- Audit of the books of accounts, and records of the college are periodically audited by an external chartered accountant and the audited reports are placed before the Governing Body for approval.
- Preparation of Consolidated budget/institution wide budget for the coming year February to March 7 End of Financial Year 31st March 16.

MAKING A DIFFERENCE