

# Institute Finance Policy



## SHRI MADHWA VADIRAJA INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(A unit of Shri Sode Vadiraja Mutt Education Trust ®)  
VISHWOTHAMA NAGARA, BANTAKAL, UDUPI  
Affiliated to VTU, Belagavi, Approved by AICTE, New Delhi  
Accredited by NAAC with A Grade

July 2019



*Principal*

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## 1.0 Preamble:

The effective functioning of any organization largely depends on sound financial management.

This Fund Mobilization and Utilization Policy describes the strategies and guidelines to be adhered to by Shri Madhwa Vadiraja Institute of Technology and Management (SMVITM) for proficiently raising and managing funds to support various academic, research, and infrastructure development initiatives within the institution.

SMVITM, being a self-financing non-profit organization, is governed by honorary members on its governing body and management team, ensuring prudent utilization of generated funds for the benefit of the institution.

The primary aim of the policy is to ensure financial sustainability and excellence in education.

## 2.0 Fund mobilization

Fund mobilization at SMVITM encompasses various sources, ensuring a diversified and sustainable financial foundation.

The primary avenues for fund mobilization include:

### 2.1 Fee Collection from Students:

Tuition fees and other student-related charges contribute significantly to the financial resources of the institution.

### 2.2 Alumni contributions:

Fund mobilizing through alumni contributions.

### 2.3 Contributions from Philanthropies:

Donations from individuals who support the college's mission.

### 2.4 Government Funded Projects:

Participating in and securing funding from government-sponsored projects and initiatives to support specific academic and research endeavors.

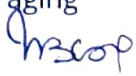
### 2.5 Term Loans from Banks:

Accessing term loans from banking institutions to meet larger financial requirements like infrastructure development.

### 2.6 Testing and Consultancy Fees:

Generating revenue through testing services and consultancy fees, leveraging the institution's expertise and facilities.



  
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### 2.7 Fabrication Services:

Fabrication of furniture, specialized components, prototypes, or products using the institution's facilities.

### 2.8 Visvesvaraya Technological University Grants for NSS/Sports:

Obtaining grants from VTU specifically allocated for activities related to the National Service Scheme (NSS), sports development.

### 2.9 Rent from Cafeteria, Stationery Stores, and Karnataka Bank:

Earning rental income from on-campus amenities, including the cafeteria, stationary stores, and Karnataka Bank.

These diverse sources of fund mobilization enable SMVITM to maintain financial stability and support its academic, research, and infrastructural objectives. The institution remains committed to utilizing these funds judiciously for the overall betterment of the academic community.

### 3.0 Fund Utilization

The funds acquired from various sources at SMVITM are allocated and utilized for diverse purposes, ensuring the institution's holistic development and the welfare of its stakeholders.

The primary areas of fund utilization include:

#### 3.1 Salary of Teaching and Supporting Staff:

Allocations for the salary of teaching and supporting staff, ensuring competitive and fair compensation.

#### 3.2 Scholarships and Free Ships:

Providing financial support to deserving students through scholarships and free ships, promoting accessibility to quality education.

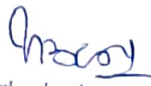
#### 3.3 Affiliation and Accreditation Fee:

Meeting the costs associated with affiliations and accreditations to ensure compliance with regulatory standards.

#### 3.4 Purchase of Equipment, Machinery, Software, and Furniture:

Acquiring necessary resources such as laboratory equipment, machinery, software licenses, and furniture to enhance academic and research infrastructure.



  
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### 3.5 Library Resources:

Allocating funds for the procurement of library books, e-subscriptions of journals, and other educational resources.

### 3.6 Utility Bills and Miscellaneous Expenses:

Covering operational costs like electricity charges, telephone, internet bills, postage, and other miscellaneous expenses.

### 3.7 Maintenance and Security:

Allocating funds for annual maintenance contracts, consumables, repair and maintenance, sanitation, housekeeping, gardening, and security charges.

### 3.8 Repayment of Bank Loan:

Allocating funds to meet obligations related to the repayment of bank loans.

### 3.9 Advertisement, Printing & Stationery:

Supporting promotional activities, printing materials, and stationery needs for effective communication and administration.

### 3.10 Infrastructural Development:

Financing infrastructural development projects and building construction works to enhance the overall campus facilities.

### 3.11 Research and Project Activities:

Supporting research initiatives and project activities that contribute to academic excellence and innovation.

### 3.12 Seminars, Conferences, and Faculty Development Programmes:

Allocating funds for organizing and participating in academic events, seminars, conferences, and faculty development programs.

### 3.13 Extra/Co-curricular activities:

Supporting students to participate in Extra/Co-curricular activities for the overall development.


### 3.14 Training and Workshops:

Supporting for specialized training sessions, workshops, or guest speakers to enhance students' skills and knowledge in specific areas of interest.

### 3.15 Green Campus Initiatives:

Investing in environmentally friendly initiatives to promote sustainability and create a green campus.



  
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By carefully allocating funds to these areas, SMVITM aims to create a conducive learning environment, foster research and innovation, and provide comprehensive support to students, faculty, and staff.

#### 4.0 Institute and Department/section Budget:

The budgeting process at SMVITM involves a systematic approach, ensuring collaboration among departments, oversight by governing bodies, and adaptability to unforeseen circumstances.

##### Budgeting involves the following steps:

Head of the Departments/section heads shall prepare the approximate annual budget and the same is submitted to the principal well before the commencement of an academic year.

Principal prepares the consolidated Institution budget and presents the same before the Governing Council for approval. Approved budget is handed over to the respective department and section heads for implementation.

Finance committee makes necessary arrangement to mobilize the fund as per the budget requirement.

The institutional finance committee keeps track of the budget through internal audit. In any unforeseen circumstances, non-budgeted amount is allotted depending on the merit of the case.

After implementation by the departments/sections, Invoice and purchase order is reviewed by the finance committee at the end of the year.

#### 5.0 Purchase Procedure

In order to maintain fair and transparency in purchase, following steps followed at SMVITM:

The purchase requisition for the department/section/library shall be informed to the Head of the concerned department/ section head by the lab-in-charge/foreman/concerned staff.

HOD/section head after carefully going through the purchase requisition shall prepare a consolidated purchase request and the same shall be forwarded to the Principal along with quotations from various vendors for necessary action.

Other than routine purchase such as consumables; purchase of equipment/machinery/service etc are to be carried out with the consent of management/Secretary.



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After the approval from the management, the purchase committee meeting shall be arranged by the Principal. Detailed discussions on the purchase of equipment/facility/service etc. are to be made in the light of cost, quantity, background of vendor/service after sales etc. Also the purchase cost to be negotiated during the purchase committee meeting. If required the opinion of the expert may be sought.

Once the vendor is finalized and decision is taken in the purchase committee meeting, a detailed purchase order needs to be prepared by the Principal office. As a policy matter, at the most, 30% of the total cost may be paid in advance. Balance payment is to be made after successful installation and satisfactory working. If the equipment/machinery are expensive, rare and take a long time to purchase, a penalty clause may be included in the purchase order.

For research equipment where tax exemptions are allowed, the HOD of the concerned department shall send the request letter along with copy of purchase order to the University through the Principal and seek the issue of tax exemption certificate. In such cases, purchase order has to be released only after the receipt of tax exemption certificate.

Copy of the purchase order and advance payment details are to be communicated to Trust office/concerned HOD/ office superintendent and stores from Principal's office.

As soon as the item is received, the concerned head shall inform the suppliers for installation and demonstration of the item purchased.

Based on the satisfactory working, the concerned head shall inform the lab foreman/department office staff to enter the stock details in the stock register maintained in the department lab. Then, the remarks about the satisfactory working and payment consent are to be made in the invoice by the concerned head.

The invoice shall then to be sent to store in charge to make necessary entries in the register.

The invoices with the remarks about the stock details are to be sent to office superintendent for payment. Copy of the quotation invited, purchase committee proceedings and purchase order shall be maintained in the Principal's office.

As soon as the payments are made, the office superintendent shall indicate the payment details on the invoice and copy of invoice shall be sent to the



  
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concerned heads and stores. The original invoice is to be maintained in the main office.

**Note:**

1. Principal is authorized to process the routine purchase such as Chemicals/ detergents/ consumables etc. without purchase committee meeting.
2. Any items/products, whose cost is less than Rs. 5000/- can be purchased directly by the Principal/HoDs without purchase committee meeting.
3. In case of emergency, the purchase of equipment can be processed without the approval of Purchase Committee. However, the same to be placed before the committee for approval later.

**6.0 Review and Evaluation:**

The institution has transparent and well-structured mechanisms to supervise the effective and efficient use of funds.

The Institute Finance Committee assists the Governing Council in overseeing financial resources.

The institute has mechanisms for both internal and external audits. Internal audits will be conducted semi-annually, and external audits will be conducted annually.

**7.0 Conclusion:**

This Fund Mobilization Policy serves as a guiding document to ensure sustainable financial growth. It is essential to regularly review and update this policy to adapt to changing circumstances and opportunities in the fundraising landscape. The successful implementation of this policy will contribute to the overall success and development of the institution.



  
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