

**G. NARAYANAMMA INSTITUTE OF TECHNOLOGY & SCIENCE**  
**(Autonomous) (For Women)**

**BUDGET POLICY**



Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad Accredited  
by NBA & NAAC, An ISO 9001:2015 Certified Institution  
Shaikpet, Hyderabad – 500 104

# BUDGET ALLOCATION POLICY

The Budget Allocation Policy of GNITS ensures that resources are allocated optimally to achieve the Institution's goals and prevent wastage.

This Policy intends to achieve the following objectives:

- ✓ To efficiently and effectively manage financial resources.
- ✓ To maintain transparency in all aspects of Financial Management and Financial Reporting.
- ✓ To deliver Maximum benefits at Minimal Expenditure.
- ✓ To ensure desirable standards of accountability and credibility of the Institution in the use of funds.
- ✓ To comply with the legal requirements of various Acts.

## Budget Estimate

The Budget Allocation Policy of GNITS follows a systematic procedure. It considers the estimated expenditure under these broad categories:

### a) **Non-Recurring Expenditure**

- ✓ Academic requirements of each Department
- ✓ Forecasting based on Dead stock of Equipment, Furniture, Computers, Software, Books, etc..

### b) **Recurring expenditure consisting of capital and operational Expenditure**

- ✓ Laboratory consumables
- ✓ Maintenance & spares
- ✓ Stationery
- ✓ Industrial Visits
- ✓ Department Association Membership fee
- ✓ Internet & Telephone
- ✓ Training and Travel (staff & students)
- ✓ Student Projects
- ✓ Electrical expenses
- ✓ Software purchase
- ✓ General expenses and Miscellaneous Expenditure for academic activities

### c) **Research & Development Expenditure**

The requirements of the emerging research projects within each Department are detailed.

### d) **Training & Placement Expenditure**

- ✓ Training programs
- ✓ Training materials
- ✓ Hiring trainers
- ✓ Purchasing learning management software
- ✓ Associated travel for off-site training
- ✓ Accommodation for off-site training

## **Budget Calendar**

Budget is prepared in the month of April/May of every year. The Budget Calendar outlines the deadlines for the completion of the various steps leading to the finalization of the budget estimates. The following stages are implemented before the budget estimates are approved by the Principal:

1. Budget circular is sent to Heads of Department requesting them to submit their budget proposals of the subsequent year by a set date.
2. Receiving of budget proposals from Department.
3. Reviewing of the budget proposals if considered necessary by the Principal.
4. Formulation of the consolidated budget estimates of the Institute by the Finance Committee, under the guidance and directions of the Principal.
5. Submission of revised budget estimates to the Principal for Approval.
6. Sanctioned Budget is communicated to all HOD's and Section Heads.
7. Approval of Budget in the Governing Body meeting

## **Budget Allocation Committee**

The Budget Allocation Committee considers all proposals for new expenditure and makes appropriate recommendations. The Committee meets periodically and the Principal presides over the meetings.

The Budget Allocation Committee consists of

- ✓ 2 senior faculty
- ✓ Accounts Officer
- ✓ Principal

The Budget Allocation Committee provides financial planning of the institution which includes:

- ✓ Financial Planning
- ✓ Budgeting
- ✓ Developing and monitoring of internal controls
- ✓ Developing and monitoring of accountability policies.
- ✓ Ensuring proper utilisation of funds
- ✓ Financial Reporting

## **Imprest Accounting**

The Accounts Officer in consultation with the Principal may make any Imprest advances to specific offices/Departments for the payment of minor and/or basic items they may require for use from time to time.

## **Delegation of Imprest**

The management of the Institution has delegated the financial powers to the following members as follows:

Principal : up to Rs.1,00,000/-

HOD : up to Rs.25,000/-

Any officer to whom an office imprest advance has been made shall:

- a. Obtain and retain vouchers in substantiation of each payment made.
- b. Ensure the safe custody of imprest cash in his/her possession
- c. Restrict the amount of each separate payment to such limit as may be approved in writing by the Principal in relation to specific classes of expenditure from time to time.
- d. Not exceed the estimated expenditure by 20% without prior approval from the Principal.

The Processing Imprests shall be as follows:

- Completion and signing of the imprest requisition by the authorised member of staff, shall be made at least 7 days in advance, specifying details for which the money is required.
- Confirmation by the Accounts Section that the applicant has no outstanding imprest. Payment of imprests in cash shall not exceed Rs. 1000/-.
- Payment may be made either in cash or by cheque depending on the amount involved. (This process is expected to take at least five working days.)
- No further imprest shall be granted before the previous one has been accounted for (except in exceptional circumstances as may be considered and approved by the Principal upon recommendation by the Accounts Officer.)
- All outstanding imprests shall be surrendered within a week after completion of the planned activity.
- A petty cash float of Rs.10,000/- shall be maintained under the imprest system to cater to minor office expenses. The maximum limit of the float may be reviewed by the Principal.

### **Inevitable payments**

Budgets serve as financial plans that outline expected income and expenses. Deviating from these plans without proper approval can lead to financial mismanagement, potential deficits, and accountability issues. Therefore, obtaining authorization before exceeding budget limits ensures responsible financial management and adherence to established financial guidelines and policies. Spending that goes beyond what has been officially allocated in the budget for a specific period, needs to be authorized beforehand by the relevant authority.

### **Internal Audit**

- a) There shall be an Internal Auditor(s), under the direction of the Principal, whose role shall be to maintain continuous examination and audit of accounts, financial records and transactions, stores and inventories.
- b) The Accounts Officer and any other officer or employee of the Institute shall avail to the Internal Auditor(s) all the records and documents that they may be required from time to time in the course of discharging their duties.
- c) The Internal Auditor shall have authority to inspect any department and has access to reports and documents as he/she may require. The Internal Auditor may require the production of cash, stores and other property and shall be entitled to receive such explanations as he/she considers necessary and proper so as to be able to make an informed report to the Finance Committee.

### **External Audit**

- a) In adherence to the stipulated provisions of the Income Tax Act, GNITS conducts an annual statutory audit performed by external auditors.
- b) These external auditors are appointed to conduct audits in accordance with Generally Accepted Accounting Policies, applicable Financial Reporting Frameworks, Statutory Provisions, and the standards on auditing issued by the Institute of Chartered Accountants of India (ICAI).
- c) The external auditors play a pivotal role in examining the validity of the institute's financial records, with a focus on detecting discrepancies arising from fraud, errors, or embezzlement. Their audits enhance the authenticity and credibility of financial statements, affirming the accuracy and completeness of accounting records, and ensuring alignment with industry-standard practices.

  
Principal