



## FINANCE POLICY

### **Strategies for mobilization and optimal utilization of resources and funds from various sources**

The institute's financial resources are handled quite well. There are the following kinds of accounts in use

- Receipts and payment accounts
- Income and expenditure accounts
- Balance sheet

In order to facilitate efficient budgeting, financial planning is carried out well in advance. Periodic reviews are conducted by the Accounts Committee, which is overseen by the principal, the management representative and account personnel from the institute's administrative and academic divisions. The sources of income and expenses are considered by the organization when preparing the budget. It primarily allots funds for staff and faculty salaries. Other recurrent expenses include infrastructure development, faculty development, research, libraries and canteens.

#### **1. Recurring Sources**

**Fees Receipts:** The Tamil Nadu government's higher education policies govern the student admission. 65% of students are admitted through Anna University counselling and the remaining 35% are admitted through the Consortium of Tamilnadu's Self-Financing Professional, Arts, and Science Colleges. The amount of fees is collected from each student in accordance with the guidelines established by the State Government's Fees Fixation Committee. The student fees is placed in short-term savings accounts at bank to covering ongoing costs like salaries, electricity, maintenance, fuel, etc., as well as a portion of infrastructure development projects.



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## **2. Non-Recurring Sources**

**Loans:** Through Prasad Educational Trust, the institute is able to Purchase Loans from Public Sector Banks at a minimum interest rate. This sum is applied toward the construction of infrastructure.

## **3. Optimal Utilization**

The university keeps an eye on the money it makes from student admissions and revenue collected from deposits and other assets. Costs include the salary component, the infrastructure needed for the additional students and new courses, laboratory equipment, furnishings, books, journals, and other miscellaneous expenses. Based on spending from the prior year, analysis is being conducted in collaboration with the management, chartered accountants, and HoDs.

**Recurring Expenses:** The fees amount collected from the students is used for personnel salaries, educational expenses, and bank interest payments. Building construction projects and infrastructure development facilities: Management sets aside funds for both building construction projects and the creation and modernization of infrastructure facilities. The same is prudently done with bank loans.

**Internal and External Audits:** The organization operates a completely computerized accounts department, and software records each and every financial transaction. Internal and external auditing is used to ensure that the budget is used optimally and is being executed correctly. The internal audit is a quarterly process that is continuous and continuing. A comprehensive check and verification of all payments, receipts, and journal vouchers of the transactions, cash books, and ledger account review are carried out by qualified internal auditors who are permanently appointed from the Prasad Educational Trust. Internal audits are conducted on an accrual basis system in each financial year. All necessary actions are made to regularize the accounts and get confirmations for the credit balances throughout the Internal Audit process.



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A copy of the internal audit report that addresses every aspect of account maintenance is kept safe. Faculty members from other departments who serve as internal auditors verify each department's stock at the conclusion of the academic year's. Any qualified remarks made by the auditor are taken into account when determining subsequent steps. The financial statements, the balance sheet, income and expenses and the financial records are audited by certified chartered accountants. After the account is finalized and the audited statement is created. The final audit report including the audit findings and the external statutory audit. The yearly reports have been sent to the Income Tax Department and other pertinent Department.



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