

# **Mangalam College of Engineering**

## **Budgeting Policy w.e.f 2018**

### **Introduction**

Mangalam Engineering College has a well-defined Budgeting Exercise as part of its Financial Planning. The Institution has put in place a bottom up, Zero Base budgeting process. The Budget so drawn up is reviewed periodically and revised if warranted, in the light changed circumstances, plans or experiences. The policy is elucidated below.

### **Budgeting Process.**

Three months before the commencement of a Financial Year, the Finance Department will send out a Budget Format to all Departments addressed to the Principal, IQAC and all Heads of Departments calling for their financial commitments in keeping with the plan of action they have drawn up for the year ahead.

The Departments have to keep in mind the areas of priority in tune with the standards and expectations of rating authorities, maintenance of high academic standards, staff and student welfare, research and development initiatives, sports and extracurricular activities etc. The financial outgo which their action plans will involve is estimated in their budgets.

Amount Sanctioned for R&D.

SL NO	PARTICULARS	AMOUNT SANCTIONED
1	Conference/ FDP/Workshop	Rs 1000
2	Journals	Rs 2000- Rs 5000
3	Patent	Rs 3000- Rs 7000
4	DA/TA for Faculty	Rs 1000 / Day

Finance Department will similarly collect information about projected income and expenditure from all functional areas which are generating income and/or spending money. For Example, Fees Collection from students, Bus Fee collection and expenses for running institutions vehicles, HR Department will furnish projected number of employees and their remuneration. Centralised budgeting for Infrastructure augmentation, Vehicle/ Computer purchases etc. Finance Department will consolidate all the revenue and expenses, split into departments and activities, to arrive at the Institution's total Budget.

After submitting the budget of Library and each department, the Finance department will consolidate it with the additional charges, and submit the consolidated Institutional Budget to the Governing body of the Institution for their deliberation and approval. The Governing body may call for additional inputs from any department/ function or instruct upward or downward revision in Income or Expenses. Once approved by the Governing body, the Budget will



become the financial guideline for the Institution for the year. The final budget so approved will also have department wise sub divisions.

All the incomes so arrived at will be minimum targets for achievement and all expenses so approved will be limits to remain within.

### **Budget Review and Revision.**

As the budget is not only a financial plan prepared in advance of the year, but also the financial guideline for the year, the actual development of income and expenses have to be reviewed periodically (ideally every quarter) to ensure that actual income and expenditure is moving along the lines laid down in the Budget. Any variation will have to be examined and corrective action taken. On the other hand, unexpected developments or unanticipated requirements, changes in law, statutory requirements, or outbreak of pandemic etc may also necessitate revision in the budget. Such revisions also will have to be placed before the Managing Committee and their approval taken. Such revised budget will then become the Budget for the year. This process has to be followed every quarter, that is even after the close of the budget year. Deviations should attract suitable Management action.

### **Compliance Action**

Finance Department will be the competent department to follow up budgetary compliance. All expenses and programs shall be verified for compliance with budget. Finance Department will be empowered to halt expenditure which are beyond the approved budget. In case of extraordinary circumstances which may arise before a quarterly review, Managing Committee, or if authorised by the managing Committee, the Chairman will be competent to sanction expenses beyond the budget. Such expenses beyond the budget shall be incorporated into the main budget at the time of next Budget review.

  
**Finance Officer**



  
**Chairman**