



SHRIMANTA SHANKAR ACADEMY

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Date- 13.05.2016

STANDARD OPERATING PROCEDURE (SOP) FOR FINANCIAL DEPARTMENT FOR SRIMANTA SHANKAR ACADEMY (GIPS)

1. OBJECTIVE:

The Aim of SOP is to lay down necessary directives for the smooth and efficient administrative functioning, handling, operating funds, functioning of F&A Department and to ensure that statutory compliances are made in the following areas:

1. Delegation of Authorities and Financial Powers
2. General accounting and book keeping procedures
3. Review of Statutory Compliances
4. Procurement Policies
5. Maintenance of Cash and Bank Balances
6. Disbursement of Salaries/ Payroll
7. Fixed assets purchases and its accounting

2. DELEGATION OF AUTHORITIES AND FINANCE DEPARTMENT:

With a view to improve the overall efficiency of funds management and to delays in according sanctions for expenditure, the procedure has been outlined below.

The structure of F&A Department would be as follows:

FINANCE & ACCOUNTS DEPARTMENT

President

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Secretary

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Treasurer

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Finance Manager

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Accounts Officer Asstt. Accounts Officer Accountant/Cashier
(Book Keeping, Payrolls) (Payment Notes, Tour Sheets) (Petty Cash, Banking Matters)

- Job Responsibilities are attached at Annexure I

3. KEY CONTROLS WITHIN F&A DEPARTMENT:

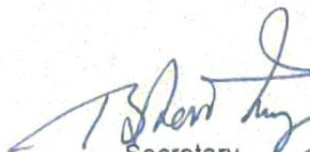
3.1. Receipt of Bills:

The following procedures shall be followed at the time of receipt of bills :

- a) Entry shall be made giving details of the bills received such as date of receipt of the invoice, name of vendor, date of the invoice, description in the invoice, amount etc. in the Manual Register maintained by accounts officer.
- b) A unique serial number code on the top of the bill would be mentioned which would be same as the serial on which the bill was entered in the Manual Register.
- c) The bill would be then approved by the Secretary for further processing,
- d) It would be ensured that entry of the bills in the register will be made on the same day of receipt of bills from vendor and hand over the details to the senior accounts officer.

3.2. Entry of Bill in the Books of Accounts:

- a) After review of the bills by the Secretary, the bill would be checked by Finance Manager with the PO/Agreement/ Approval of the bill. He would ensure that necessary supporting documents are attached with the bill.


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- b) The Finance Manager would check the TDS and Service Tax implications on the bill and provide for the same in the books of accounts accordingly.
- c) In case of purchase of any material or sports goods, relevant entry would be made in the Stock Register for the quantity and value and serial no given in the Stock Register would be mentioned in the Purchase Invoice before the purchase bill is entered in the books of accounts.
- d) After the purchase bills are approved by the Finance Manager, entry would be made in the books of accounts.
- e) It would be ensured that the entry of the bills will be made within 24 hours of receipt of bills from the accounts officer.
- f) Also it would be ensured that the serial nos are correct for posting the entry in the books of accounts.

3.3. Preparation of Approval note for Payment:

- a) After the above steps, approval note for release of payment of bill shall be prepared by the Accounts officer along with the relevant supporting documents such as Original Invoice, Journal Voucher passed by the Sr.Accounts officer, agreement wherever applicable)
- b) After preparing the approval note, Accounts officer would ensure that the approval note is signed by the relevant authorities. Once this is signed by relevant signatories, the payment note would be approved by Finance Manager.
- c) On approval of payment note by Finance Manager, the note along with supporting document should be sent to Chairman/Secretary/Treasurer for along with all the supporting documents.

3.4. Issue of Cheques:

- a) On receipt of approval of Chairman/Secretary/Treasurer, the Finance Manager would send the same to Account officer for prepare the cheque on the basis of approval note signed by the relevant authorities.
- b) After cheque is prepared, the same would be sent for President/Secretary and Treasure (mandatory) approval/signature along with the payment note and supporting documentation. Unless otherwise mentioned, the cheques should be processed on the following dates:
For regular payment 10th and 25th of the each month
For Salary and TDS 5th of the next month
For Service Tax 3rd of the next month
- c) Once the cheques are signed, the payment entry would be made in the books of accounts by Accounts officer on the same day.

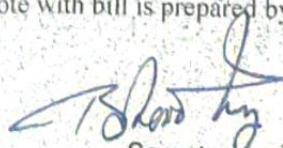
3.5. Dispatch of Cheques:

- a) The cheque should be dispatched on the same day through courier unless they are handed over.
- b) A control register would be maintained by Accountant for all courier sent giving details of courier no, cheque no, name of the party, amount and follow up should be done by Accounts officer twice a week with the courier company on the delivery of cheques so that the control register can be updated accordingly.

It shall be ensured by Finance Manager the above procedure and controls have been followed within 48 hrs of receipt of invoice.

3.6. Cash Payments:

- a) Cash payments would be avoided as far as possible. Only petty bills or impress accounts can be paid in cash for the following petty expenses:
 - i) Expenditure of refreshments during official meetings.
 - ii) Staff Conveyance.
 - iii) Office maintenance of petty nature,
 - iv) Printing & Stationary of petty nature.
 - v) Any other petty expenses approved by sr. official.
- b) No cash payments above Rs 20,000/- should be made against a single bill.
- c) Cash payment would be released only after approval of senior authority on receipt of the bill for payment.
- d) It also ensured that the complete approval note with bill is prepared by the Accounts officer before handing over it to the Senior Authority.


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3.7. Payroll:

- a) The accounts officer will prepare monthly salary sheet by the end of every month on the basis of attendance and leave records of the employees.
- b) TDS deduction would be checked with the computation of taxable income prepared for each employee and tax deducted so far before the current month.
- c) Any adjustments for any advances or loan taken by the employee would be made before the approval salary.
- d) In case of new employees, appointment letters would be checked along with other relevant documents such as last employers, relieving certificates, experience certificate. While preparing TDS calculations, last employers **FORM-16** should be considered.
- e) The salary sheet would then checked by the Accounts officer/Finance Manager and approved by Finance Manager.
- f) In case of employees leaving the Institution, the full and final settlement of accounts would be prepared by the Accounts officer and approved by the Secretary. The Finance Manager would checked the following documents before making full and final payment:
Letter of resignation, acceptance of resignation by adjustment, any loans/staff advance/imprest outstanding, any TDS sort deduction on the basis of declarations not received, copy of tax savings investment such as payment of LIC premiums, PPF, House rent receipts, home loan certificates for which credit has been taken etc, any office equipments such laptop, mobile, I Card handed over etc.
- g) Accounts officer would prepare the final cheque for disbursement and it for approval to the Chairman/Secretary and Treasurer (mandatory) for their approval along with the relevant supporting.

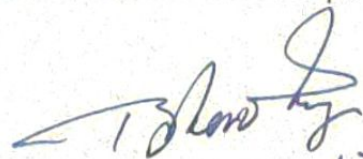
3.8. Staff advances and Loans:

- a) Staff advances and loan can only be given to employees SSA after the approve Secretary/President as per the Institutions HR policy.
- b) Finance Manager will ensure the advance is being adjusted on a monthly basis before disbursement as per the terms of sanction.

4. PURCHASE DEPARTMENT AND MAINTENANCE OF STORE RECORDS:

The following procedures shall be followed before purchasing anything by SSA:

- a) Purchase orders would be issued and signed by the relevant authoritative personnel. A copy of the signed PO should be provided to Finance & Accounts department. It is mandatory that three price quotations shall be taken before placing any order and a comparative sheet should be prepared by the Finance Manager.
- b) The PO would be consulted with Finance Manager before signing to review the statutory compliances, legal terms and conditions etc.
- c) The lowest quotation would be generally approved from the management, unless otherwise approved by the Secretary. The following persons are authorized for issue of POs:
 - 1) Dean Administration GIPS up to Rs 20000/-
 - 2) Principal, GIPS up to Rs 30,000/-
 - 3) Members of SSA from 1,50,000/- to 2,50,000/-
 - 4) Chairman/President/Secretary from 3,00,000/- and above.
- d) The price list and other documentations should be maintained by the Purchase and Administrative officer.
- e) On receipt of material, the goods should be checked by Purchase & Administrative officer to ensure they meet the quality standards.
- f) Entry should be made in the Goods Inward Register by Clerk/Store Keeper.
- g) Copy of GRN along with bill should be forwarded to Accounts Department.


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ANNEXURE - 1
JOB RESPONSIBILITIES OF FINANCE AND ACCOUNTS

DEPARTMENT

A. Responsibilities of Finance Manager.

1. Books of Accounts

To follow and ensure that the prescribed procedure of internal checks and controls of book keeping and maintenance of accounts records are followed as per SOP.

2. Statutory Compliance - TDS, Service Tax etc

- a) To ensure the compliance of relevant statutory provisions of various Acts i.e Income Tax, Service Tax, PF, ESIC is made.
- b) To ensure that statutory payments are made on time for TDS, Service tax etc.
- c) Follow up with the consultants for statutory compliances and provide information for the statutory liabilities.
- d) To deduct the TDS and deposit on the relevant bills received in the accounts as per Income Tax Act.
- e) To deduct the TDS and deposit on all the relevant advance payments as per the Income Tax Act.
- f) To calculate the tax liability of the employees on the salary and proportionately deduct the TDS every month.
- g) To enter the payment received from the clients in the excel sheet on month to month basis so as to know the amount of service tax which is payable to the government authority.

3. Bank Payments

Before signing the cheque from the competent authority the Manager (F&A) shall ensure the following:

- a) There is adequate balance in the account.
- b) Bank account is updated and reconciled on a daily basis.
- c) All the relevant documents have been completed.

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- d) Post dated cheques shall be avoided and can only be issued after obtaining written approval from the competent authority.

4. Compliance of Audit Queries

To provide clarification/ input to internal/ statutory auditors and proper coordination to them.

5. Cash payments and Journal Vouchers

- a) To do timely checking and approval of Purchase, Cash & Journal vouchers & prepare the list as to the deficiencies found during this checking and get these rectified.
- b) Approval of cash payment as per the approved limit.

6. Financial Statements

To prepare the financial statements on a quarterly basis.


B. Responsibilities of Accounts Officer

1. Book Keeping

- a) Ensure books of accounts are updated till date.
- b) Ensure all payment entries made till date.
- c) Ensure proper narrations are entered in the books of accounts.
- d) Ensure all debtors and creditors balances are reconciled every month.
- e) Ensure all bank accounts are reconciled till date.

2. Payment Notes

- a) Preparation of payment notes on the basis of supporting documentation such as Agreement, PO and approval etc.
- b) Ensure payment note is signed by relevant authorities,
- c) Entry of payment notes after obtaining copy of signed cheque from the authorized signatory.


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3. Maintenance of Fixed Assets Register

- a) FA register should be updated every time a new FA is purchased and the same asset should be tagged with a unique code no.
- b) Physical verification of fixed assets should be carried out on a quarterly basis by Sr. Accounts officer and the report should be submitted to Chairman/President/Secretary and Finance & Audit Committee.

4. Store Register and Stock Records


- a) Carry out physical verification of inventory and reconciliation with the books of accounts quarterly.
- b) Report on physical verification should be submitted to FM/Secy.
- c. Responsibilities of Accountant/Cashier

5. Banking Matters

- a) To withdraw the cash from the bank.
- b) Preparation of cheques as per signed payment notes.
- c) Timely feeding of J.V & Cash vouchers in the Tally System.
- d) To maintain the updated records relating to the fund position and reporting to the Finance Manager.
- e) Maintenance of petty cash balances.
- f) To prepare the petty cash book and enter all petty cash payments/receipts,
- g) Get petty cash book register signed by the Secretary.

6. Other Matters

- a) Complete on a daily basis the letters/ documents received and sent by courier and follow up with Courier Company on delivery of cheques.
- b) Assist the accounts team in any field work.


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Details of funds utilized under various heads of accounts are given below.

Sl. No.	Head of the Account	2021-22 (As per Provisional B S)	2020-21 (As per Audited BS)	2019-20 (As per Audited BS)	2018-19 (As per Audited BS)
1	Salary & Allowances	17837020	13996591	19603178	17167004
2	Salary to Guest Faculty	425200	793100	862050	286500
3	Laboratory Consumable	1991533	555333	601597	2309064
4	Advertisement & Publicity	1845200	1467560	1694246	963740
5	Administrative Charges	1795	49592	33446	35572
6	Affiliation Fees(PCI)	895000	600000	875000	550000
7	APDCL for Solar	0	0	0	795
8	Approval Processing fees tp PCI	0	0	0	6458
9	Award & Prize money to Students	116000	0	188000	347000
10	Affiliation Fees(ASTUI)	0	0	195000	62000
11	Animal House Expenses	185850	24633	0	80824
12	Admission Cell Expenses	20000	1290	0	0
13	Architect fees	0	35400	0	0
14	Audit fees	67500	67500	73750	85000
15	Annual Maintenance Charges	0	0	0	30444
16	Bank Charges	768	3878	26781	25980
17	College Function & Festival	86770	23890	612833	0
18	Conveyance	0	18002	0	0
19	E-Journal Expenses(Library)	13570	13570	13570	13570
20	Electricity Charges	478425	180204	269587	541098
21	Employers Contribution to PF	597486	547486	637174	628982
22	Enterprenuship Expenses	0	0	0	45000
23	Games & Sports	149280	0	25970	56986
24	Honorarium to Staff	0	0	110500	0
25	Insurance	152853	37524	123502	21108
26	Industry Interaction Programme	65000	169390	0	0
27	Insurance for Accident Policy	0	8268	0	0
28	Insurance for Staff	0	67590	0	0
29	Internet Expenses	317000	309000	0	11900
30	Inspection Charges	0	0	68260	0
31	NBA Expenses	0	0	0	118472
32	Lift Maintenance	0	0	0	74127
33	Magazine Expenses	187000	167000	156000	159500
34	Meeting & Conference	101250	85319	25000	336365
35	Miscellaneous Expenses	0	0	0	174470
36	News paper & periodicals	4500	4500	0	8164
37	National Science & Pharmacy day	217381	0	18000	64286
38	Office Expenses	472950	28592	6390	22029
39	Office Maintenance	104221	21635	3298	35776
40	Postage & Telegram	0	2827	0	0

41	Print Journal	0	0	0	58860
42	Annual Professional Tax	0	0	0	2600
43	Placement Cell Expenses	0	0	3844	0
44	Printing & Stationery	423281	79405	152083	492554
45	Refreshment & Entertainment	13640	39549	133099	213928
46	Professional fees	0	0	0	29500
47	Renewal fees to ASTU	120000	350000	102000	
48	Repairs & Maintenance	102540	7796	15617	33754
49	Revenue Tax	0	101000	0	0
50	Registration Fees	0	0	0	10000
51	Renewal fees to AICTE	0	0	0	75000
52	PCI Service Tax	41659	0	0	0
53	Seminar & Workshop Exp	20540	4968	123380	101237
54	Staff seclection Expenses	95828	65828	0	0
55	Student activities Expenses	75600	2500	0	0
56	Telephone Charges	7500	9600	0	21229
57	Training & Placement Exp.	64320	4001	55440	53737
58	Transportation charges	0	0	0	13806
59	Vehicle Running & Maintenance	18654	11897	158970	73238
60	Waiver to students	1091000	4368000	0	0
61	Website development	133548	66707	44516	44516
62	Depreciation	1884429	2045062	2347141	1949084
	T O T A L	30426091	26435987	29359222	27435257