

# **Budget Policy**

of

LakiReddy Bali Reddy College of Engineering

(Autonomous)

Mylavaram – 521 230



## **Policy Statement**

LBRCE budget policy aims to prepare Annual Financial Statements containing estimates of all revenue raised during a particular financial year as well as the estimates of all expenditure incurred during a financial year.

### **I-Administration**

- **Purchase committee-**

This committee shall comprise Principal, Vice Principal and Finance manager

- **Finance committee**

This committee shall comprise Principal, Vice Principal, Finance manager and a senior faculty

### **II-Budget Estimate**

Ensure that a budget estimate is prepared by taking into consideration the operational, maintenance and development plans submitted by various departments that include;

**i. Non- Recurring expenditure (Development) :**

- Civil/Construction costs
- Equipment (laboratory/others)
- Capital items
- Furniture
- Computers
- Software
- Books

**ii. Recurring expenditure (Operational and Maintenance):**

- Maintenance & Upgradation
- Consumable Material
- Salaries & Honorarium
- Expense on Seminar/Workshops/Conferences/Symposiums/ Training Programs/Faculty Development Programs
- Travel (Workshop/FDP/ Guest lecturers/ Teacher Training/ Industrial visits/ TA, DA for Staff & Students)
- Annual Events expenses
- Advertisement & Printing expenses
- Water expenses
- Power expenses
- Internet & Telephone
- Security expenses
- Misc. Exp. for academic activities

- Research & Development Project Expenditure
- Training & Placement Expenses

### **III- Budget Preparation and recommendations:**

The budget shall be approved and finalized by the finance committee headed by the Principal in the month of January/ February every year in the following stages:

- Budget circular is sent to Heads of Departments requesting them to forward their budget proposals of the subsequent year.
- Finance manager receives the budget proposals from head of the departments.
- Budget proposals are reviewed by Principal in the presence of the concerned Head of the department before framing recommendations for consideration of Governing Body.
- Formulation of the budget estimates of the institute by the Finance Committee.
- Submission of budget proposals and revised estimates to Governing Body for sanction.
- Sanctioned Budget is received from Governing Body and communicated to all HODs and Section Heads.

### **IV- Estimates for Receipts & Payments**

- The finance manager shall ensure that all the Receipts & Payments are accounted for in every financial year.

### **V- Inevitable payments**

- Provide for expenditure outside or in excess of the sanctioned budget allocation for the year without the prior sanction of the competent authority.
- Similarly, absence of budget provision or inadequacy of funds should not be given a justification for postponement of payment for the services already rendered. The adequacy of the budget provision should be taken into consideration before incurring any liability.

### **VI- Financial Audit**

#### **i. Internal Audit**

Internal audit shall be conducted every quarter. The finance committee shall meet at least once every quarter in a year along the respective Dept. coordinators.

#### **ii. External Audit**

The external audit shall be conducted twice in a financial year. The external agency shall verify whether "financial statements" (the information being verified) are stated in accordance with specified

criteria or not and submit a report to Governing Body for approval.

The institute seeks to continuously review and improve the Budget Policy as adopted above and will commit to its implementation.