

NATIONAL LAW UNIVERSITY, ODISHA

Date:-26th March, 2014

Minutes of

the meeting of the 6TH Finance Committee held on 23rd March, 2014 in the Office of Vice-Chancellor at National Law University Odisha. Following members were present:

1. Prof. V. Nagraj, Vice-Chancellor, NLUO (in the chair)
2. Prof. Faizan Mustáfa
3. Prof. Banikanta Mishra
4. Mr. Sudhakar Panda
5. Prof. B. Hydervali
6. Dr. Afroz Alam
7. Mr. A B Debasis Rout

The following members were granted leave of absence:

1. Prof. Sobhesh Agarwal

After detailed deliberations following decisions were taken:

AGENDA ITEM NO.	PROPOSAL	DECISIONS MADE BY THE FINANCE COMMITTEE
1.	Confirmation of the minutes of the Finance Committee meeting held on dt- 23rd March,2013.	Minutes of the 5th Finance Committee held on 26th March, 2013 was considered and confirmed by the members. Prof. Sudhakar Panda suggested that Finance committee meetings should be held at regular intervals.
2.	To consider internal audit report for the financial year 2012-13	Internal Audit report of the University for the Financial Year 2012-13 along with the response to audit comments by the University placed before members for consideration. After deliberation, members approved the response of the University.

	<p>compliance report.</p> <p>3. To consider financial statement and statutory audit report for the financial year 2012-13. Statutory Audit of the University for the Financial Year 2012-13 was conducted by M/s Brahmananda & Co., Chartered Accountants. The audited financial statement of the University is placed for the consideration of members.</p>	<p>Financial statement along with Statutory Audit report of the University placed before members for consideration and members approved the same</p>
<p>4. To consider supplementary budget estimates for the financial year 2013-14. The provision of funds under 10 units of expenditure in the budget estimates for the current year 2013-14 under the head "Registrar's office" has fallen short of actual requirements. For such expenditure additional funds amounting to 14.41 lakhs may be provided as proposed in the supplementary budget estimates enclosed in Annexure-IV. Also supplementary budget provision for interior work (girl's hostel) of project budget may be provided for.</p>	<p>Members considered the supplementary budget provisions for the financial year 2013-14 and approved the same.</p>	<p>Budget estimates for the financial year 2014-15 placed before the members for consideration. Following modifications suggested by the Members:</p> <ol style="list-style-type: none"> 1. Instead of segregating same expenditure under different departments, it should be clubbed to be shown at one place as University expense except project. 2. VC pointed out that amount expected to be received from CLAT , may be included in total receipts. So Rs 35,00,000 included in total receipts. 3. Proposed expenditure for convocation may be increased from 30 lakhs to 40 lakhs. 4. There may be provision for vehicles for Rs 30 Lakhs 5. While deliberating on proposed UGC fund utilizations
<p>5. To consider budget for the financial year 2014-15. Budget Estimates for the financial year 2014-15 is placed for the consideration of members.</p>		

		<p>members suggested that UGC fund cannot be used for vehicle, maintenance of guest house. Instead it may be used for other headings as given by UGC like books, AMC, facilities for students and teachers, payments towards research etc. Here it was suggested that now University had opened research centre for improving and service centre for service for the poor and research related to disadvantage sections of the society. Finance Committee suggested Rs. 2 lakhs as seed money, so that immediately activity in the centres can be started off. In course of time centres to raise their own resource. However, University may consider supporting such centres which are important areas of research and might have difficulty to raise their resource.</p> <p>6. Committee also suggested that VC may be authorised to compensate in appropriate medical cases in excess related with medical reimbursement of NLUO employees.</p> <p>Budget for the financial year 2014-15 was redrafted incorporating the changes suggested by the members. Hence with these changes Budget estimate for the financial year 2014-15 approved.</p>
<p>6.</p>	<p>To report the decision of Executive Council regarding EPF for the employees and seek suggestions for implementation. Executive Council in its meeting dt.15.03.2014 vide agenda item no.22 resolved that the University will maintain its own PF account as per 1925 PF Act and PF will be paid @12% of the basic pay plus D.A. Permission from the Chief Secretary may be sought for maintaining and administering own provident fund. This decision is made keeping in mind difficulties any employee would be facing while availing the facilities if the PF is maintained by the PF Commissioners. It's been more than four years since the University came into existence. As PF is a statutory requirement, all the employees are entitled to it</p>	<p>Decision of Executive Council on PF agreed and they also suggested while paying arrear of PF University may pay it at one go where as it may difficult for the employees to pay their part at one go. Hence F.C. suggested that PF arrears from employees may be collected in 24 equal instalments. It is also suggested that a separate Bank Account to be opened for PF in the SBI or any Nationalised Bank. The interest for the subscribed PF amount will have to as per the Govt. decision from time to time. So the employees will have to be given a statement of their PF status at periodical intervals, may be once in six months. The PF is a liability to be discharged by the University towards its employees. Hence it must be provided by the</p>

	<p>from the date of joining. The University has made provision in the budget for the financial year 2013-14 and in the current budget towards the arrear of employers contribution to PF. For arrear of contribution prior to 2013-14 provisions may be made for 40 lakhs. Now the question arises as how to collect the arrears from the employees towards their contribution to P.F. It is suggested that the same may be collected in 24 equal installments by deducting it from their monthly salaries. Also the committee is requested to suggest the ways to maintain and invest the PF account starting from April 2014.</p>	<p>University under any circumstances. To monitor the administration of PF a small committee may be constituted by Vice-Chancellor with two employees, one from teaching, one from administration and there can be one member from Finance Committee. The F.O. can be the member Secretary.</p>
7.	<p>To consider creation of gratuity fund for employees Every employee is entitled to gratuity after completion of 5 years of continuous service. As per Gratuity Act, 15 days salary for every completed year of service to be paid at time of separation. The University have not implemented the same. In the current year budget Rs.17 Laks provided for implementation. If approved, the actuarial will be consulted for creation of gratuity fund for the employees of the University from the date of their joining</p>	<p>After deliberation members approved creation of gratuity fund as it is a statutory responsibility of employer. It was also suggested that funds will have to transfer to gratuity account annually. At the beginning fund transfer can be some approximate amount. However, it is advised that F. O. will get the actuarial service report which will give report of the amount t be transferred to the gratuity based on number of employees and their pay scale at the retirement age.</p>
8.	<p>To consider percentage of institutional fees Now the University is in the process of attracting & hoisting good number of sponsored seminars, workshops & research projects sponsored by Govt. agencies and corporate. So it is proposed that 25% of the fees received may be collected as institutional fees. In course of time if consultancy develops approval may be given to collect similar percentage of institutional fees. There may be instances, when it may not be possible to charge institutional fees. In said situation Vice-Chancellor may be given discretion to make appropriate decisions. For example, the UNDP Project the University has taken now. It may be Odisha Govt. projects etc.</p>	<p>It was proposed by Vice-Chancellor that teachers should be allowed to take up funded projects, consultancy related to legal aspects. When the take up these activities good will of the University involved and also will be using physical infrastructure of the University. Hence it was suggested that when these activities are taken up teachers will have to pay 25% of the proposed amount as institutional fees which will go to the institution. At this stage Prof. Banikanta Mishra suggested that instead of 25% it may be made 30% where in 25% will go to the institution 5% will be distributed amongst all employees of the University equally on annual basis. Here it is suggested for the kind consideration of the honourable committee members that at this stage of</p>

		<p>development of the institution, 30% may be at higher side. Instead it may be 20% +5% where 20% will go to institution & 5% for distribution to all employees on annual basis.</p> <p>Here it is also requested in certain circumstance the faculty may not be able to give 25% to the project, for instance when the project is from Govt. of Odisha, Central Govt. etc. In such situation the Vice-Chancellor may be given the flexibility to exempt the institutional fees. This is submitted to Hon'ble members for their kind consideration and approval.</p> <p>For consulting and research project faculty may be allowed 52 days of Academic Leave in a year by the Vice-Chancellor, on being satisfied that such leave is required. This is in light of the fact that the research specifically empirical research promotes image of the University at a time when research is a causality in most of the institutions all over the country. In addition to this research experience of the teacher obviously improves and strengthen the performance in the class and the University will have to paid 25% of the research project fees/consultation fees as institutional fees.</p>
<p>9.</p>	<p>To consider transfer of salary accounts to SBI from HDFC</p> <p>Currently, Salary account of all the employees is maintained by HDFC Bank as they are providing door step services for the University. Recently, State Bank of India was given the permission to open an extension counter in the University premise and RBI had already issued clearance to SBI for the same. Given the fact that Sate Bank of India is a central bank and will be situated in the University campus, so it is proposed to shift the salary account to SB, while still keeping some University deposits with HDFC in order to avail the door step services at the same time protecting the interest of employees as per the Govt. norms</p>	<p>Committee after deliberations reserved that salary accounts of the employees may be transferred to SBI from HDFC after the extension counter of SBI becomes operational at NLUO.</p>

10.	Any other items with the permission of chair.	<p>1. Vice-Chancellor proposed to appoint an estate officer for the University. Committee felt that as there is some procedural difficulty for appointment of estate officer. So it is resolved that one engineer in the rank of executive engineer may be appointed by the University, who will look after the estate also in addition to maintenance.</p> <p>2. Finance Committee suggested University may adopt UGC leave rule for the faculty members.</p>
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Dr. Afroz Alam
Registra (I/C)