

## Financial rules

Introduction:

Rule 1: These Rules may be called General Financial Rules of the National Law University, Odisha, Cuttack and most of the provisions incorporated herein are mainly derived from the General Financial Rules of the Government.

Rule 1. (2): They shall come into force at once from the date of adoption by the Executive Council of the University.

Rule 2: In these rules, unless the context otherwise requires: -

**Finance Officer** means the Head of the finance department of the University.

**Appropriation** means the assignment to meet specified expenditure, of funds included in a primary Unit of appropriation.

**Competent Authority means**, in respect of the power to be exercised under any of these rules, the Vice Chancellor or such other authorities to which the financial power is delegated and as per the specific orders of the University.

**Funds mean**, Recurring fund and Capital Fund.

**Removal of doubts:** where a doubt arises as to interpretation of any of the provisions of these rules, the matter shall be referred to the vice Chancellor or Finance committee as the case may deem fit.

**Financial year means**, the year beginning on the 1<sup>st</sup> April and ending on 31<sup>st</sup> of March following.

**Validity of sanction:** All sanction order issued for incurring expenditure from Recurring Fund will have validity for that particular financial year. However, the sanction order issued for incurring expenditure on from Capital funds will have validity for the period during which such capital assets are to be created. Hence, the unspent fund against any particular sanction for capital items shall be carried over to next financial year with the permission of the Vice Chancellor. This aspect has to be suitably incorporated in the sanction order.

**General Principles:** All moneys received by or on behalf of the University either as dues or deposits remittance or otherwise shall be brought into University account without delay.

**Standards of financial propriety:**

1. Every Officer is expected to exercise the same vigilance in respect of expenditure incurred from the University funds as a person of ordinary prudence would exercise in respect of expenditure from his own money.
2. The expenditure should not be more than the occasion demands.
3. No authority should exercise its powers of sanctioning expenditure to pass an order which will directly or indirectly to its own advantage.
4. Expenditure from University funds should not be incurred for the benefit of a particular person or a section of people, unless-
  - (a) A claim for the amount could be enforced in a Court of Law, or
  - (b) The expenditure is in pursuance of a recognised policy or custom.
5. The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole source of profit to the recipients.

**Expenditure from University funds: -**

No authority may incur any expenditure or enter into any liability involving expenditure or transfer of moneys or investment or deposit from University funds unless the same has been sanctioned by a competent authority. Further, such sanction should be for the objectives and functions of the University and in accordance with budget provisions made by the FC or Executive Committee as the case may be.

**Management of funds:**

All moneys received by or on behalf of the University shall be brought into account and the amount so received credited in the University account in the bank on the same day or the next working day.

The money received shall be acknowledged by a signed receipt, by duly authorised person.

No expenditure shall be incurred unless such expenditure is authorised by the competent authority as per delegation of financial powers.

Similarly refund of deposit to student or to any vendor shall be made with the sanction of the VC or any other authority so specifies.

Capital expenditure shall not be incurred without previous approval the FC and EC.

The registrar and Finance Office may be authorised by the FC and EC for operating funds with limits.

This is required to meet the day today activities. For this purpose, a suitable amount be authorised as imprest which could be recouped on regular interval as per the need.

The VC shall have complete powers to sanction expenditure from Revenue and as well capital funds subject to prior approval for the capital items as incorporated in the budget.

The VC shall have the authority to spend or incur expenditure to spend or incur expenditure of emergent nature not provided in the budget not exceeding INR 200,000/- on each such occasion.

However, the total of such emergent expenditure shall not exceed INR 10,00,000/- for the whole financial year. Moreover, the expenditure so incurred may be got ratified by the FC and EC in their earliest meeting following the period during which such expenditure was incurred.

#### **Investment:**

All long term investment of the funds shall be invested in bank deposits in a scheduled bank as defined by the RBI ACT 1938 or in a corresponding bank constituted under the Banking companies Act 1970 and 1983 and-or such Government Securities as may be determined by the FC from time to time.

#### **Budget:**

Budget estimates of income and expenditure for the following financial year shall be prepared for both Revenue and Capital as per the directions of the finance committee and placed before the EC for approval before 30th June every year and after such approval a copy be sent to Government.

#### **Creation of funds:**

The EC may establish one or more funds for identified purposes by transferring such sums as it may deem fit out of the revenue account of the University; e.g. Corpus fund, Campus development fund, etc.

#### **Provident Fund and NPS:**

The University may maintain the Provident fund of the faculty and staff if they were governed by the PF; i.e. those who were on the role of such scheme in different Universities and carried over their services to this University.

As regards staff who were recruited afresh on or after 01-01-2004, shall be governed by NPF. The University shall maintain separate accounts for the schemes.

#### **Accounting Responsibilities and procedures:**

Finance Officer shall ensure observance of Accounting regulations.

The Finance Officer shall ensure proper maintenance of all financial records of the University. The cash book should be balanced at the close of every working day and signed by the Accounts Officer or the officer who has been assigned maintenance of **Cash Book**.

The University shall keep and maintain such books of accounts, registers, receipt books, and files as are required conforming to the standard accounting rules as maintained by other universities.

**Maintenance of Registers and Accounts:**

The University shall maintain the following accounts book in English:

Cash Book/ Bill Registers

Ledger

Register of investments

Stock Register

Property Register

Annual Accounts for submission to Audit and placement in the legislative assembly

Provident fund/NPS fund register

Salary Register

Postage stamp account/ bill register for courier expenses may be maintained separately. The books of accounts shall be in the custody of Accounts Officer.

The Annual Accounts of the University may be got audited by the Chartered Accountant appointed by the EC, specifying the terms and conditions and Audit fee.

The Audited Annual Accounts shall be forwarded to the Government before 30<sup>th</sup> December of the following year for the previous financial year.

Buildings, Assets, money and securities shall stand in the name of the University.

**Stock Register:**

The University shall maintain a stock register in which proper entries will be made for all pieces duly labelled and numbered. A separate stock register may be maintained for consumable stores, library books and capital items. The Accession register shall be maintained by the Librarian.

The General Administration/Stores and stock division may maintain the stock register for stores (consumables) and stock register for assets.

Finance Officer will ensure that proper percentage of depreciation is allowed and direct that the depreciation is shown in the asset register so that the value of assets shown in the Annual Accounts and the values as shown in the asset register matches.

**Supplementary demands.**

The Finance committee may present not before six months from 1<sup>st</sup> April of the financial year and not more than two times in any financial year, to the Executive Council, supplementary demands got grant at any time during the course of a financial year.

TA and DA, Purchases, Purchase policy, Purchase committee, Preparation of tender enquiry and all other financial issues may be governed as per the provisions of General

**Financial Rules, 2015 and subsequent revisions. The University may adopt the GFR 2015 as guiding rules for all purposes other than those mentioned here specifically.**