



SANTHIRAM COLLEGE OF PHARMACY

Approved by AICTE & PCI, New Delhi - Affiliated to JNTUA, Anantapur
NH - 18, Nandyal, Kurnool District, Andhra Pradesh - 518501.

6.4.1: Institution has strategies for mobilization and optimal utilization of resources and funds from various sources (government/ nongovernment organizations) and it conducts financial audits regularly (internal and external)

Strategies for mobilization and optimal utilization of resources and funds from various sources

The financial resources of the institute are managed in very effective manner. The following types of accounts are in operation.

- Receipts and payment accounts
- Income and expenditure accounts
- Balance sheet.

Financial planning is exercised well in advance for efficient budgeting and review is done on periodic intervals through Accounts committee under the supervision of principal, dean-administration, management representative, HoD's and account personnel involving the various academic departments and administrative sections of the institute. The institution prepares the budget after taking into account of the sources of earnings and expenditure. It mainly allocates fund for the salary of its faculty and staff, Infrastructure development, faculty development, research, library, canteen, hostels are the other recurring expenditures.

1.Recurring Sources

Fees Receipts: Students are admitted as per AP Government Higher Education norms. The fees amount collected from the Management Quota students' is higher than the fees collected from Government Quota students. As per the norms laid by the Fees Fixation Committee of State Government, fees amount is collected from each student. This amount is spent for recurring expenses i.e. Electricity, Maintenance and Vehicle fuel etc and part of infrastructural development activities as well.

Interest Earnings

Every year student's fees are collected from June to October. This amount is deposited in banks as short term deposits towards recurring expenses i.e. salaries, electricity maintenance



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and vehicle fuel etc. At the time of maturing the banks credit the interest of the concerned deposit, which is an additional income utilized for the development of the college.

2.Non-Recurring Sources

Loans: The institute obtains Term Loans and Hire Purchase Loans from Public sector Bank with Minimum rate of interest. This amount is utilized for the development of infrastructural facilities.

Government Grants and Sponsorship Receipts: Institute is getting Grants from various Government Bodies i.e. AICTE, IEDC, DST etc. to purchase modernized laboratory equipments, latest version software and others. Apart from this, the college applies for getting grants to conduct various Symposiums, Seminars, National and International conferences and other similar activities.

Non - Government Bodies and Sponsorship Receipts: Donations are received from Institutions' well-wishers (i.e. alumni and others) and Philanthropists for students' research and project activities. The college also gets various sponsorships from industries, private firms and individuals.

3.Optimal Utilization

The institution monitors the earnings through the admission of the students and revenue collection in the form of income derived on deposits and other assets. Salary component, infrastructural requirement based on increased intake and new courses, the equipment in laboratories, furniture, books, journals and sundry expanses are considered as expenditure. This study is carried out in association with the management, chartered accountant, HoD's based on previous year expenditure.

Finance Committee meets twice a year and reviews the income- expenditure statements and suggest further action plan. Management through governing body looks in to income and expenditure pattern and pragmatic recommendations are given.

Recurring Expenses: Salary to staff, academic activities and payment of bank interest are done from fees collection.



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Infrastructural development facilities and Building construction works: Management allocates budget to create and upgrade the infrastructural facilities in tune with the modern trends and for construction works. Bank loans and corpus donations received from well-wishers and philanthropist are judiciously utilized for the same.

College purchases new vehicles as per student strength, through hire purchase loans from banks and loans are repaid with reduced rates of interest from the subsidized and reasonable transport charges.

Institution conducts financial audits regularly (internal and external)

A fully computerized accounts department is functioning in the institution and every financial transaction is recorded through software. Financial rules are in place in the institute and “no-cash” transaction system is followed for amounts above Rs.2,000/-. Fee payment is encouraged through online mode. A flexible financial system allows spending more than the budget allocated as per the approved budget on demands and requirement.

Optimal utilization and execution of the budget is monitored through internal and external auditing. The internal audit is an ongoing continuous process and is conducted on quarterly basis. Internal Audit is performed by Qualified Internal Auditors permanently appointed from Society office and the faculty members of SCOP to do a thorough check and verification of all payments, receipts & journals vouchers of the transactions cash books, ledger account review that are carried out in each financial year on an accrual basis system. During the course of Internal Audit, all required steps are taken to regularize the accounts and to obtain confirmations for the credit balances. The copy of the internal audit report covering all matters related to maintenance of accounts is preserved. At the end of every odd semester of the academic year stock of every department is verified by the faculty members from other departments who act as internal auditors. The qualified remarks if any, given by the auditor are taken into consideration for future course of actions.

The External audit conducted by the chartered accountant appointed by the college performs audit of the financial statements of the college. The financial records are audited by qualified chartered accountants after the end of each fiscal year is certified income & expenditures, balance sheet are certified. Statutory financial audit of Institute is conducted in two sessions,



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first in the month of October November/ December for period of six months starting from 1st April to September and second in the month of May/June for the period from October to March. Finalization of account is completed in June and audited statement is prepared in July. After the completion of external statutory audit, the final audit report with audit findings are submitted to the Management. The consolidation of the findings of the Institutions with Society office has been completed and the annual returns have been submitted to Income tax Authorities, Registrar of Societies, AP and to the other relevant authorities concerned. All accounting systems are accrual basis and computerized.

All government scholarships and funds received from government as grants are audited separately by the auditor appointed by government. The major source of income for the institution is the collection of tuition fee for A-Category students as stipulated by the Govt. of AP and fee re-imburement by the Govt. of A.P. In case of deficit financing, loans are taken from banks to meet the expanses. Audited financial statements are made public by placing it on institute website. The observation of the auditors if any are immediately corrected / rectified.