BUDGET POLICY

CMR INSTITUTE OF TECHNOLOGY

(UGC - Autonomous)
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1. Introduction

Budget represents the Annual Financial Statement showing the estimates of receipts and expenditure in respect of a financial year. Financial year commences on 1st day of April of each year and ends on 31st day of March of the following year.

The Budget specifies the objects for and the limits upto which expenditure may be legally incurred during the course of a financial year. Its objective is to exercise financial control over approved items of income and expenditure. In other words, it is an instrument of financial control.

The budget shall contain the following:

a) Estimates of all Revenue/Income expected to be raised during the financial year to which the budget relates.
b) Estimates of all Expenditure head-wise.

2. Budget Estimate

A budget is a financial plan for a defined period of time, usually a year. It is an instrument of financial control. Budget is defined as "A comprehensive plan, expressed in financial terms by which an operating programme is effective for a period of time". An institute considers estimates for expenditure under these broad categories:

a) Non-Recurring expenditure:

Non-Recurring Budget estimates are forecast under the following heads of account:

- Equipment Dead stock
- Furniture Dead stock
- Computer Dead stock
- Software Dead stock
- Books Dead stock

b) Recurring expenditure:

- Laboratory consumables
- Maintenance & spares
- Internet & Telephone
- Travel (staff & students)
- Electrical expenses
- Miscellaneous Expenditure for academic activities

c) Research & Development Project Expenditure

The requirements of the emerging research projects within the department are detailed under this category.

d) Training & Placement Expenses

This budget typically covers costs related to creating, implementing, and maintaining training programs, such as training materials, hiring trainers, purchasing learning management software, and any associated travel or accommodation expenses for off-site training.

3. Budget Calendar

a. Budget Calendar indicates the deadline for the completion of the various steps leading to the finalization of the budget estimates. Budget is prepared in the month of January/February of the year. The following are the stages to be implemented before the budget estimates are approved by the Principal/Director:

- Budget circular is sent to Head of Departments requesting them to forward their budget proposals of the subsequent year by a set date.
- Receiving of budget proposals from department.
- Reviewing of the budget proposals if considered necessary by the Principal/Director, budget proposals can be reviewed with the concerned department before framing recommendations for sanction/approval from Management and Governing Body.
- Formulation of the budget estimates of the institute under the overall guidance and directions of the Principal/Director.
- Submission of budget proposals and revised estimates to Management office & Governing Body for Sanction.
- Sanctioned Budget is received from the Management and Governing Body and communicated to all HOD's and Section Heads.

4. Estimates for Receipts & Payments

Receipts & Payments are accounted as under:

a. For the current year

- Actual receipts and payments upto the month of December.
- Receipts and Payments for January, February and March (3 months) are accounted on the basis of actual receipts and payments of Nine months (i.e. up to December) and total receipts and expenses are accounted for 12 months.

b. Guidelines For Next year

i. Receipts:

- Fees: Number of students for next year multiplied by Fees per student.
- Other Receipts: 10% increase in current year fees.

ii. Payments

- Salary: 15% increase in current year total salary expenses.
- Non-Salary Expenses: 15% increase in current year total expenses.
- Dead-Stock: List provided by the respective department and sanction given by the Principal/Director.
- Depreciation: Last year Depreciation & dead stock purchases.
- Surplus/Deficit: Difference between receipts and payments.

5. Inevitable payments

No expenditure outside or in excess of the sanctioned budget allocation for the year shall be incurred without the prior sanction of the authority competent to give such sanction. 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.