

Appendix-B

Rules and procedures regarding the financial affairs of the Students'

Gymkhana

Indian Institute of Technology Kanpur

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Chapter-1: Budget

1.1. Annual Budget of the Gymkhana

Gymkhana budget for the respective year shall be allocated, at the beginning of the Senate tenure, by the Finance committee in cooperation with the Office Bearers. The Finance Convener will present it in the Senate for approval.

1. Gymkhana shall take the following amount of fees from all general body members, which shall contribute to the budget of the Students' Gymkhana.
 - a. Gymkhana: 500 INR (+Some Percentage as Matching Grant from Institute)
 - b. Festivals: 200 INR
2. Reallocation of the Gymkhana Budget, as and when necessary, shall be done by the Finance Convener, which shall be approved in the Finance Committee.

1.1.1. Grant to Gymkhana Festivals

The fee collected towards the Gymkhana Festivals shall be allocated to the festivals as a grant from the Students' Gymkhana by the Finance Convener in consultation with the Finance Committee members.

1.2. Income generated by the Councils/Cells

- The councils/cells are allowed to generate income through sponsorship, charging an approved amount from the participants for any event or any other available source (in consultation with the Finance Convener, Students' Senate)
- An MoU (similar to clause 4.1 of chapter 4 pertaining to festivals) clearly stating liabilities of the said council/cells and the amount to be received from the sponsor must be signed by the President/Council GenSec and Finance Convener before moving forward with any monetary exchanges.
- No cash transactions are allowed.
- Income can be collected through an approved online gateway (e.g., SBI-Collect, etc.) directly in the Gymkhana/Festival bank account.
- Approval to collect income through any other source, by any entity within the Gymkhana, must be taken from the Finance Convener (or directly from the Students' Senate) before collecting the same.

1.3. Funds external to the Annual Budget of the Gymkhana

- The Following funds from the institute can (however not be limited to) may be utilized by any executive of the Gymkhana, which is not included in the Annual Budget of the Gymkhana.
 - Student's Activity Fund (SAF)
 - Fund for Career Development and Soft- Skill Development (CDSS)
- The funds mentioned above can be utilized after the following signatories recommend and approve a proposal to sanction the same:
 - President Students' Gymkhana
 - Finance Convener, Students' Senate
 - Coordinator of the concerned fund (e.g., DoSA in case of SAF)

Chapter-2: General rules and procedures

2.1. Bill Clearance

- Bill for any activity conducted must be submitted in the DoSA office with the Bill Clearance form (SG-2) attached to it and signed by the following signatories:
 - Proposed by: President Students' Gymkhana/General Secretary/UG(PG) Secretary whosoever is relevant to the body under which the activity has taken place.
 - Recommended by: Faculty Counsellor of the respective Council/Cell (in case none is applicable, then the signatory shall be the DoSA)
 - Verified and approved by Finance Convener, Students' Senate.
- The Finance Convener Students' Senate must approve the funds for the activity apriori for which the bill has been submitted in the Students' Gymkhana budget.
- All the necessary supporting documents must be attached with the bill, such as (however not limited to) the following:
 - Approvals from the relevant authorities (**Note:** Any external involvement in gymkhana such as that of speakers/judges/referees, tie-ups with external agencies, etc., shall be authorized by the Dean Students' affairs forwarded by the respective faculty counselor and proposed by the respective office bearer. **No additional approval shall be required otherwise**)
 - Flight tickets: Boarding Pass
 - Prize Money: PAN, acc no. Beneficiary name, result sheet signed by the judges (or any other relevant authority like the event managers/coordinators)
 - Travel by a requisitioned vehicle/Train/Flight: Vehicle Requisition Form/Approval from faculty in charge/counselor
 - ★ In case the vehicle requisition form is not being used. The approval must contain the vehicle number, name and roll no. of the student, date, and duration of the journey, destination (basically the contents of the requisition form).
 - ★ Incase of festivals or when many vehicles are requisitioned, the same contents can be translated on an excel sheet, and approval can be taken once instead of using the requisition form.
- The Finance Convener must be **informed** apriori of any transaction exceeding 5,000 INR.
- In case of reimbursement account statement indicating the particular transaction(s) is to be attached along with the concerned bill and the bill clearance form.
- Bill Clearance shall be contingent on all the clauses mentioned in Chapter 3.

2.2. Advance Request

- Any executive can request an advance of the Gymkhana for any approved activity using the Advance Request Form (SG-1) signed by the following signatories:
 - Proposed by: President Students' Gymkhana/General Secretary/UG(PG) Secretary whosoever is relevant to the body under which the activity has taken place.
 - Recommended and approved by Faculty Counsellor of the respective Council/Cell (in case none is applicable, then the signatory shall be the DoSA)
 - Verified by: Finance Convener, Students' Senate
- A sufficiently detailed estimate of the expenditure planned for the advance amount requested must accompany the Advance Request Form.

2.3. Advance Clearance

- Advance requested, as per section 2.2. must be cleared within 15 working days of the activity for which it has been issued. In case the same is not complied with by the concerned executive, then an equal amount shall be put in the No Dues of the individual.
- An account statement indicating the particular transaction(s) should be attached along with the concerned bill and the Advance clearance form.

2.4. Senate Seed Fund

- Any General Body Member may request an amount from the Senate Seed Fund through the Chairperson, Students' Senate, for any approved activity of the Students' Gymkhana. The Chairperson shall allocate the amount for the activity and inform the Senate of the same and provide a minimum window of 12hrs for objection to the same. If no objection is received within the stipulated time, the amount shall be allocated to the concerned activity.
It may then be used by requesting the amount as advance or a bill may be cleared against the same.
- In case the amount has been requested by an entity within the Gymkhana then the amount can be reallocated as income from SSF to the budget head of the concerned entity.

2.5. Local Purchase Committee

- According to Government of India guidelines (GFR 2017: clause 155) and Institute Norms, for any purchase exceeding ₹25,000 and below ₹2,50,000 may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level.
- The committee will survey the market to ascertain the reasonableness of rate, quality, and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the committee members will jointly record a certificate as under:

“Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/Department concerned.”

- The standard process followed is as follows:
 - Invite quotations from **at least three** separate vendors (in a sealed envelope). The President/GenSec must undertake this task for their respective councils.
 - The quotations thus invited must be **concurrently valid** for at least **one week** during which the LPC members may convene to open the quotations at once.
 - For opening the quotations, a **Local Purchase Committee** has to be formed by submitting a letter to the DOSA office recommending the requirement and constitution of such a committee by the Finance Convener.
 - The Local Purchase Committee shall consist of:
 - Faculty Counselor/Festival Chairman/*DoSA(only for President's office)-(Convener)
 - Finance Convener, Students' Senate
 - President Students' Gymkhana
 - AR, Store and Purchase (or his/her nominee)
 - AR, Internal Audit (or his/her nominee)
 - The quotation opening process follows as:
 - Inform the committee members that quotations have been invited and request for a meeting to open the same at once.
 - The committee shall ascertain each bid's reasonableness as per the GFR guidelines and eventually select the lowest reasonable bid as the winning quotation.
 - This selected winning bid's approval should be obtained on Annexure 2 of the Purchase Committee, IITK.
 - The PO (purchase order) can then be made in the Relevant Executive's name on the official letterhead and relayed to the winning bid's vendor.
 - Now after the PO has been issued, the item should be delivered by the vendor within the set timeframe and verified for its quality, as mentioned in the quotation.
 - Further bill processing after a quality check of the item should proceed as;
 - Attach the bill clearance form as per clause 2.1 of chapter 2 along with Annexure 2 previously filled and follow the same guidelines hereafter.
- ➔ If advance payment is required, attach Annexure 2 with the advance request form and follow the guidelines mentioned in clause 2.2 and 2.3 of chapter 2 hereafter.

2.6. Tender Process

- According to the Government of India guidelines and Institute Norms, a tender must be invited for any **purchase exceeding ₹2,50,000**.
- The **Store Purchase Committee** will survey the market to ascertain the reasonableness of rate, quality, and specifications and then open the tender on the institute's official website with a request for tender.
- The standard process followed is:
 - Publishing the tender inquiry on the Institute's tender website.
 - The tender will then remain open for **21 days, at least** after which the quotations will be opened.
 - For opening the quotations, a **Tender Committee** has to be formed by submitting a letter to the DOSA office recommending the requirement and constitution of such a committee.
 - *The Tender Committee consists of:
 - Associate Dean of Students' Affairs or his/her Nominee
 - Festival Chairman or concerned Faculty Counsellor or his/her nominee
 - Assistant Registrar Stock and Purchase (in case the purchase is made from Institute funds.)
 - Assistant Registrar Audit Section or his/her Nominee.
 - Finance Convener, Students' Senate or his/her Nominee
 - President Students' Gymkhana or General Secretary of the respective Council or his/her Nominee or Festival Coordinator
 - The bid opening process is further divided into 2 subprocesses:
 - First, the technical bid is opened. Wherein, the technical specifications of the product or service offered by the vendor are ascertained.
 - If the Product or Services' Quality does not meet the committee's expectations, the tender for that vendor is not further processed.
 - Next, the financial bid is opened for the selected vendors. It is mandatory to select the L1 bid if the bid is reasonable (as ascertained earlier by the store and purchase committee (see point ii)).
 - If the bid is not reasonable, it is scrapped, and the L1 bid from among the reasonable bids is chosen as the successful bid.
 - Finally, the winning bid's vendor is contacted and debriefed regarding the subjective requirements, after which the contract is signed.

Chapter-3: Asset Purchase and Inventory Management

3.1. Stock Entry and item verification

- **In the case of Gymkhana Festivals**

1. All items purchased/rented ***before the festival*** must be verified and registered in the inventory within 2 days of their purchase or within 1 day of arrival of the items (whichever is suitable)
2. The items purchased/rented ***during the festival*** must be verified and registered in the inventory within 1 day of their purchase.
3. The items can be verified by any of the New SAC Office staff or the Finance Convener (in case of New SAC staff is unavailable at the time).
*If FC is verifying the items in place of office staff, then a mail from the FC shall be sent to the Deputy project manager, DoSA Office stating that the following items have been verified with the exact quantity mentioned.
4. An item verification register/document must be maintained by the Head Finance of the Festival and New SAC Supervisor for this purpose (till an online mechanism is in place).
5. In the case of rented items, a signed receipt/mail must be taken from the vendor countersigned by any relevant executive of the Festival before returning the items. The number of items must be explicitly specified to verify the number of items returned against the quantity rented.
6. The bills pertaining to the concerned item must be verified for the items purchased/rented from the register/document before submitting the same.

- **In all other cases**

1. All items purchased/rented must be verified and registered in-stock inventory within 2 days of their purchase or arrival(proof of receipt required in this case), whichever is later.
2. The items can be verified by any New SAC office staff or the members of the Finance Committee (in case of New SAC Office staff is unavailable at the time)
*If a member of the Finance Committee is verifying the items in place of office staff, then a mail from the Finance Committee member shall be sent to the Deputy project manager, DoSA Office stating that the following items have been verified the exact quantity mentioned.
3. An item verification register/document must be maintained by the Finance Convener and the New SAC Supervisor for this purpose (until an online mechanism is in place).
4. The bills pertaining to the concerned item must be verified for the items purchased/rented from the register/document before submitting the same.

- **General rules for all Gymkhana entities:**

1. Suppose the quantity of items procured as listed under LPC exceeds the pre-approved quantity. In that case, the same must be verified as per the rules as mentioned above as applicable, as soon as possible. The relevant executive's (President Students' Gymkhana/General Secretary/Festival Coordinator) approval for the same must be recommended and granted by the Faculty Counsellor/Festival Chairman/DoSA.
*Eg. 600 qty of item X is mentioned as per quotation; however, due to unavoidable circumstances, if the quantity increases during actual purchase, it must be approved by the faculty counselor on an ad-hoc basis with relevant signed document/mail.
2. Bills in the case of LPC and tender must be made in accordance with the verified quantity only.
3. Any "Non-Consumable" item purchased shall be added against the relevant Coordinator's dues (e.g., Club Coordinators in case of clubs, OCs in case of Cells, Festival Coordinator in case of Festivals, etc.), and he/she has to be responsible for the reproduction of the same items at the time of charge handover. The items subsequently would be added to the incoming Coordinator's dues.
4. In case a "Non-Consumable" item in the dues list (refer point 2) is not functional or damaged, then the same should be reported by the relevant executive, and the item shall be struck off the list.
5. Any item in the inventory (except that of Festivals) may be issued by any General Body Member after approval from the relevant Executive (President Students' Gymkhana/General Secretary) and shall be added to the General Body Member's dues list till the item is returned.
Note that the items can be issued directly by the executives of the same council under their name until the item is returned.
6. In case any item in the inventory goes missing, then the Finance Committee shall suggest an appropriate action to be taken with regard to the clauses as mentioned earlier.

Note: If any of the above clauses are not adhered to, then the bill shall not be passed by the Finance Committee, or the committee shall recommend appropriate action.

Chapter-4: Financial/Accounting rules pertaining to Festivals

4.1 MoU guidelines

All MoUs should follow the following guidelines else, the relevant signatories shall not approve the same.

1. MoU should be entered with GST registered organizations. In case services from a Non-registered service provider are to be utilized, the FAC should recommend the same.
2. MoU must clearly contain all the relevant details of the recipient and the remitter (including the invoice details)
3. In MoU's case with Foreign embassies, Rules and Regulations for Invoices to be followed shall be as per Indian Laws. In case of contradiction between both the countries' laws, then the Double Taxation Avoidance Agreement between both the countries shall prevail over it. If no such agreement exists between the states and contradiction arises, then Indian law shall prevail for the MoU.
4. Every MOU should clearly involve the liability of tax to be borne by which party.
5. Interest Clauses may be added in each MoU so that liability can be determined in case of breach of contract.
6. The following shall be the signatories for any MoU pertaining to the Festivals
 - a. Festival Chairman
 - b. Festival Coordinator
 - c. ADSA/DoSA
 - d. A representative of the concerned party with whom the MoU is being entered into.

4.2 Pre-festival events:

- 1) If any pre-Festival workshop/event or main festival workshop is planned, it can not be outsourced to 3rd party external to the institute, and instead, CCE may be used for the same. However, exceptions may be granted for outsourcing after approval from FAC and DoSA.
- 2) CCE shall be used to manage the accounts for all the festivals for pre-festival income, main festival workshop.
- 3) For clearing Bills and taking Advance from CCE, the Festival Bill Clearance form and Advance request form for the festivals shall be used with the following signatories:
 - a) Festival Chairman
 - b) Festival Coordinator
 - c) Finance Convener, Students' Senate

4.3 Management of Finances and Accounts:

- 1) At least 50% of the Sponsorship amount should be received at least 7 days before the event, and 50% may be collected post-festival within 3 months of the festival.
- 2) For any committed expense made for organizing the festivals, a maximum of 1.5 times the sponsorship amount received before the festival can be used for budgeting. Ideally, 10-15% of the amount to be received post-festival must be taken as a buffer amount in the budget.

- 3) The budget must clearly include all the committed expenses of the festival like Tenders, LPCs, MoUs, and other services that have been approved for utilization in the Festival.
- 4) Prior approval has to be taken from the Festival Chairman for all expenditures involved, including all kinds of travels. Bill clearance shall be contingent on the approval granted by the Chairman. The same may be taken in writing or over email. Note that it must not be taken post facto.
- 5) A list of bills (including those for reimbursement) must be submitted within 21 working days after the festival in the DoSA office. No bill shall be added without any prior intimation of the delay. All further bills must be cleared according to the list provided.
- 6) Tendering/Purchase Committee is required for all services/goods as per the GFR'17 norms.
- 7) Payment shall be made to the person with whom the contract has been entered into. Further, every payment shall be made after considering applicable Indian tax laws. (Double taxation should be avoided wherever applicable)
- 8) Primary responsibility towards GST shall be of service provider except where the GST Act has specified liability towards service recipients.
- 9) Documents/Receipts: Documents or receipts/database of all sources of earning (Sponsorship, merchandises sold) need to be furnished.
- 10) All bills must be settled within 3 months of the festival.
- 11) Post Festival, the following order must be followed in order to settle the pending liabilities.
 - a) LPCs
 - b) Prize Money
 - c) Any service provider with whom an MoU was signed and payment is to be made post-festival.
 - d) Other service providers.
 - e) Reimbursement

4.4 Miscellaneous Income Rules:

- 1) Any remaining income from festivals can be carried forward to be used in the following year's festivals which seriatim conveys that all the festivals' accounts shall be treated as uniform structures (This is applicable to cases of deficits as well).
- 2) Any money thus carried forward to the next year's fests should be verified by the FC at the closing of accounts for that year's festivals and the same can be reflected in the successive year's Gymkhana grant to the festivals.
- 3) Any interest accrued for the current account balance of the festivals can be utilized as per rules established apriori and the same can be allocated by the FC during the Gymkhana grant allocation.
- ❖ Care must be taken for any purchase orders where double taxation is applicable, once the tax has been paid at the time of the purchase, the tax at the sale must be the difference between the sales tax and the purchase tax.
Thus the total amount paid in taxes must not be the sum of the sales and purchase taxes instead. Either avail rebate or only pay the difference at the time of sale of goods as per the established guidelines.