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BYE-LAWS OF
INSTITUTE OF HOTEL MANAGEMENT, CATERING TECHNOLOGY
& APPLIED NUTRITION (JHARKHAND) SOCIETY

N.B. The procedures prescribed and powers delegated in these Bye-Laws should be read with the obligations cast on the Society in the Memorandum of Association and any instructions or directives issued by the Central and State Governments to the Society.

DEFINITIONS: In these Bye-Laws, except where the contexts indicate otherwise.

1. The expressions 'Society', 'Board', 'Executive Committee', 'Member Secretary', 'Institute', 'State Government' and 'Central Government' shall have the same meaning assigned to them in the Rules & Regulations of the Institute of Hotel Management and Catering Technology, Ranchi, Jharkhand.
2. 'Financial Year' shall mean the financial year followed by the Central Government.

I. **FINANCIAL BUDGETARY AND ACCOUNTS MATTERS**

BUDGET PROCEDURE:

1. The budget estimates of the Society for each financial year shall be prepared by the Member Secretary in the forms prescribed by the Board of Governors as per Rule 25 of the Rules & Regulations and shall be submitted by the Member Secretary with such explanatory notes and recommendations as may be necessary for consideration at a meeting of the Executive Committee to be held not later than 31st July of the proceeding financial year. The Executive Committee shall consider the Budget Estimates and may approve them or offer such comments or suggest such changes as it may consider necessary and appropriate.
2. The Budget Estimates of each financial year as approved by the Executive Committee shall be placed before a meeting of the Board to be held before 15th August of the proceeding financial year. The Board shall consider the Budget Estimates and may approve them or offer such comments or suggest such changes as it may consider necessary and appropriate.

3. Copies of the Budget Estimates and the explanatory notes as thereon shall be sent to each member of the Executive Committee and the Board by registered post atleast ten clear days before the meeting of the Executive Committee or the Board at which these estimates are to be considered.
4. While submitting the budget estimates to the Executive Committee and the Board the Member Secretary shall group the individual items in the estimates into a number of small groups. The approval by the Board of the budget estimates shall constitute an approval of such grouping also. After the estimates are approved by the Board, the Executive Committee shall have full powers to effect adjustments among the items within a group so long as the total expenditure estimates for the group is not exceeded. The Board shall have full powers to effect adjustments between one group and another.

POWERS OF EXPENDITURE:

5. Subject to the availability of funds in the approved budget estimates, and subject further to such bye-laws, regulations or instructions as have been or may be laid down by the Board to govern the procedure to be followed and the powers to be exercised by various authorities in regard to specific types of classes of cases such as the creation of posts, appointments, purchases of stores, etc., expenditure out of the funds of the Society may be sanctioned by the following authorities to the extent indicated:-

Nature of Expenditure	Sanctioning Authority	Extent of Powers
i) Capital Expenditure	The Board	Full powers
ii) Revenue Expenditure:		
(a) Repetitive	Member Secretary	Not exceeding Rs.10,000/- (Rupees Ten thousand only per month)
	Chairman of the Executive Committee	Not exceeding Rs.50,000/- (Rupees Fifty thousand only per month)
	Executive Committee	Not exceeding Rs.5,00,000/- (Rupees Five lakhs only per month)
	The Board	Full powers
(b) Non-repetitive	Member Secretary	Rs.20,000/- (Rupees Twenty thousand only) in each case
	Chairman of the Executive Committee	Rs.2,00,000/- (Rupees Two lakhs only) in each case
	Executive Committee	Rs.5,00,000/- (Rupees Five lakhs only) in each case
	The Board	Full powers

EXPLANATION:

The expression "Repetitive" and "Non-repetitive" implies a distinction between sanctions which involve repeated payments of a fixed figure at definite intervals and sanctions which involve expenditure on one single item or a number of closely related items and which ceases to be effective as soon as this expenditure has been incurred. For instance, if furniture is hired or if a shed is taken on rent on the sanction once accorded, is a standing for repeated payments of a stated amount every month; if on the other hand sanction is accorded to the purchase of stores, stationery etc. each sanction can cover only a single item or a number of closely related items and the sanction will expire as soon as the purchase has been completed.

RECORD OF SANCTIONS:

6. The approval of the budget estimates by the Board shall be regarded as equivalent to financial sanctions in respect of the following items in the respective recurring expenditure budget account:-

- 1) Staff salaries etc.
- 4) Students activities
- 5) Operational costs
- 6) Expenditure on training food
- 7) Miscellaneous academic expenses
- 8) Office expenses
- 9) Bank Charges

The remainder of the items of the recurring expenditure should be covered by sanctions given by the appropriate authorities and recorded before the expenditure is actually incurred.

BANK ACCOUNT AND WITHDRAWALS:

7. The bankers of the Society shall be any scheduled Bank. All the money at the disposal of the Society, with the exception of the permanent advance referred to in bye-law (8) and the money deposited in the fixed deposits or invested in accordance with such rules of bye-laws as may be laid down for the purpose, shall be deposited into the Society's account in the Bank and shall not be withdrawn except on Cheque signed by the Member Secretary and the Accounts Officer jointly of the Society, provided that Cheque exceeding Rs.50,000/- (Rupees Fifty thousand only) shall be countersigned in addition by the Chairman of the Executive Committee. The Chairman will satisfy himself that the expenditure has been sanctioned by the competent authority and that the Member Secretary's pay order has been duly recorded. The Cheque books and other



documents relating to the bank account shall remain in the personal custody of the Member Secretary.

PERMANENT ADVANCE:

8. A sum of Rs.10,000/- (Rupees Ten thousand only) shall be placed at the disposal of the Member Secretary as a permanent advance for meeting office contingencies, petty expenditure and miscellaneous or emergent payments of any kind which have to be made in cash, provided that payments exceeding Rs.500/- (Rupees Five hundred only) shall as far as possible be paid by Cheque. The Member Secretary may in turn place the permanent advance in the custody of responsible administrative official of the Institute. The expenditure out of the permanent advance shall be incurred in accordance with the relevant bye-laws. An account of such expenditure shall be maintained and the permanent advance shall be recouped as often as may be necessary and in any case not less frequently than once a week.

MAINTENANCE OF ACCOUNTS:

9. The accounts of the Society shall be maintained by the Member Secretary in accordance with the normal commercial principles of double entry book keeping, and all the necessary accounts, documents and books shall be maintained in accordance with normal commercial practice.

AUDIT:

10. (i) The accounts of the Society shall be got audited annually by auditors to be appointed by the Board, out of the panel maintained by CAG, report of which shall be placed before the Board as and when audited.
(ii) Books of account shall also be got open for audit by an authority nominated by the executive committee and the report of which shall also be placed before the Board as and when audited.

SUBMISSION OF AUDITED ACCOUNTS TO THE BOARD:

11. The audited accounts of the Society for each financial year together with the auditor's report thereon and accompanied by such other documents, notice etc, as may be necessary shall be placed by the Member Secretary before the Executive Committee for scrutiny and approval. The Executive Committee shall consider and may approve or offer such comments or suggest such changes as it may consider necessary and appropriate. The

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audited accounts as scrutinized and approved by the Executive Committee shall be placed by the Member Secretary before the Board for approval and if necessary to be forwarded to the State and Central Governments as prescribed from time to time.

II. ESTABLISHMENT AND OTHER ADMINISTRATIVE MATTERS:

1. CREATION OF POSTS:

- a) Subject to the availability of funds in the approved budget estimates, sanction for creation of posts under the Society shall be accorded by the following authorities to the extent indicated:-

<u>SANCTIONING AUTHORITY</u>	<u>EXTENT OF POWERS</u>
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The Board	Full powers.
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The Executive Committee	Class III and IV
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- b) The powers of creation of posts vested by Bye-law II (I) above shall be exercised by the various authorities within the guidelines provided by the structure of posts and pay scales as approved by the Board.

2. RECORD OF SANCTION OF POSTS:

Sanction for creation of posts shall be recorded in the form prescribed in and these shall be filled in a register of sanctions for posts.

3. APPOINTMENT:

The appointing and appellant authority for various posts shall be as under:

POSTS	APPOINTING AUTHORITY	APPELANT AUTHORITY
1. Principal	Chairman	Board of Governors
2. Class I & II	Chairman	Board of Governors
3. Class III & IV	Member Secretary	Executive Committee



4. PURCHASE OF EQUIPMENT, STORES AND SUPPLIES:

- a) The power of various authorities in the Society for incurring expenditure on the purchase of equipment, stores and supplies of all kinds shall be the same as the general powers of expenditure vested in them by bye-laws I (5).
- b) There will be a purchase committee consisting of Chairman of the Executive Committee, Principal and Accounts Officer for the purchase to be made above Rs.50,000/- in each case of purchase. The procedure as prescribed by the State Government from time to time shall be automatically adopted.

5. CONTRACTS

- a) The form and substance of contracts involving a financial consideration exceeding the expenditure powers of the Member Secretary shall require an approval by the Executive Committee / Convener and the form and substance of contract involving a financial consideration exceeding the expenditure powers of the Executive Committee shall require approval by the Board.
- b) The drafts of all contracts involving a financial consideration exceeding Rs.25,000/- (Rupees Twenty five thousand only) shall be shown to a solicitor or a Legal Advisor as to the correctness of their form, before they are approved by the appropriate authority. In respect of contracts involving a financial considerations not exceeding Rs.25,000/- the authority competent to approve the form and substance the contracts shall at its discretion decide whether the advice of a solicitor/ Legal Advisor need be taken.

6. WRITE OFF OF LOSSES ETC.

a) POWERS OF SPECIFIED AUTHORITIES:

Irrecoverable losses of stores of any kinds belonging to the Society, as well as deficiencies in the value of stores included in the stock and other accounts, may be written off by the following authorities to the extent indicated against each, provided that if the loss or deficiency discloses a defect in rules or procedures or if there has been serious negligence on the part of any employee of the society the matter shall be brought to the notice of the Board for such action as it may consider necessary.



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Nature of loss	Authority	Monetary limit to which the loss may be written off in each case
Irrecoverable losses of stores or deficiencies in the value of stores included in the stock and other accounts.	a) Member Secretary b) Executive Committee c) The Board	a) Rs 5,000/- b) Rs. 10,000/- c) Full powers

b) UNSERVICEABLE OBSOLETE OR SURPLUS STORES:

In cases where the stores are bodily present and cannot be said to have been lost, but have become unserviceable, obsolete or surplus, a survey report should be prepared by the Member Secretary or under his direction, with reference to the survey report the stores should be declared unserviceable, obsolete or surplus as the case may be by the authority who would have been competent in terms of bye-laws II 6 (a) to write off a loss equivalent to their value, and the same authority shall also indicate in the same order the mode in which the stores in question should be disposed or provided that where the said authority holds that the stores have become unserviceable, obsolete or surplus owing to negligence, fraud etc. on the part of any employee of the Society, the matter should be reported to the Board for such action as the Board may consider necessary.

c) VALUE OF STORES TO BE WRITTEN OFF:

The value of the stores to be written off or declared obsolete, unserviceable or surplus shall be the book value where priced accounts are maintained, and the replacement value (i.e. the market value of a new article or item of stores of identical or similar nature) where no priced accounts are maintained.

