



विकास प्रबंधन संस्थान
Development Management Institute

FINANCE AND ACCOUNTS MANUAL

Issue 1
August 2015

Development Management Institute (DMI)
Finance and Accounts Manual
Issue 1 – August 2015

1. Preamble

1.1 Objectives and Scope

1.1.1 This Manual is meant to guide and facilitate the smooth conduct of all financial activities of the faculty and staff members of Development Management Institute (DMI). The provisions of this Manual are intended to provide a basis for planning, organising and management of all financial transactions in the Institute and help the employees understand their roles, responsibilities, duties, benefits, privileges and facilities in regard to the financial and accounting part of their effective contribution to the realisation of the mission and vision of the Institute. This manual also aims at guiding the authorities of the Institute for authorisation and/ or approval of all financial transactions pertaining to its various programmes, activities and resources.

1.1.2 The provisions of this Manual shall apply to all employees of the Institute. This Manual incorporates the changes suggested by the Board of Governors of the Institute at their meeting held on August 7, 2015, and comes into effect on August 8, 2015.

1.2 DMI's Mission and Activities

1.2.1 DMI's mission is "to empower and usher in participatory governance and management of institutions, enterprises and resources for enhancing livelihoods, especially for the poor, and generating sustainable development."

1.2.2 Set up with the active support of the Government of Bihar and other prominent development organizations and development support agencies. DMI endeavours to empower grassroots through:

- Creating a cadre of Development Management Professionals through Development Management Education, such as Post-Graduate Programmes, Certificate Programmes, Fellow Programmes, etc.;
- Enhancing competencies for Development Management Praxis through Competency Enhancement Programmes (CEP);
- Orienting Vision, Values and Leadership Practices towards Good Governance; and
- Engaging in networked trans-disciplinary action research and policy advocacy.

1.3 Definitions

1.3.1 "Account" refers to any person, organisation or entity with which the Institute has any financial transaction.

1.3.2 "Accounting Head" means any accounting entity or account to which a financial transaction or a set of financial transactions is charged, and may consist of income, expenditure or investment or their combination.

- 1.3.3 “Ad hoc employee” means a “Faculty” or “Staff” member appointed on a temporary basis for a duration not exceeding one year on consolidated remuneration with specific conditions as shown in her/ his appointment letter.
- 1.3.4 “Adjunct Faculty” means a Faculty member appointed on a temporary basis for a specific role or specific roles on consolidated remuneration with specific conditions as shown in her/ his appointment letter.
- 1.3.5 “Appointing Authority” means the person/persons vested with the power to issue order of appointment to, exercise administrative control over and initiate and conduct or have conducted any disciplinary action against an employee of DMI.
- 1.3.6 “Board” means the Board of Governors constituted by the DMI Society for the smooth functioning of the Institute as per its vision, mission, goals and objectives.
- 1.3.7 “Budget” means the annual plan of income, expenditure and investments under different accounting heads of the Institute, corresponding to its various activities.
- 1.3.8 “Chairman” means the Chairman of the Board of Governors of DMI.
- 1.3.9 “Contract Employee” means a Faculty or Staff member appointed on a consolidated remuneration for a fixed duration not exceeding five years.
- 1.3.10 “Coordinator” means a Faculty member entrusted with certain academic and/or non-academic, including administrative, responsibilities for planning and execution on behalf of the Director.
- 1.3.11 “Dean” means a Faculty member who coordinates the activities of Faculty members and/or staff members and advises the Director on the direction and activities of the Institute, and is entrusted with certain academic and/or non-academic, including administrative, responsibilities for planning and execution on behalf of the Director.
- 1.3.12 “Director” means the academic and executive head of DMI, appointed by the Board and responsible for ensuring effective functioning of DMI and realising the vision and mission of the Institute.
- 1.3.13 “DMI” means the Development Management Institute, with its registered office at Biscomaun Bhawan, Patna, Bihar.
- 1.3.14 “Employee” means any person who has been employed by the Institute either as “Faculty” or as “Staff”, and will include “ad hoc employees”, “Contract employees” and “Regular employees”.
- 1.3.15 “Faculty” means an Assistant Professor/ Associate Professor/ Professor/ Senior Professor/ Director or a person of any other designation appointed for the purpose of engaging herself/ himself primarily in teaching, training, research, consultancy and associated functions of an academic nature. Staff members (like Research Associates, Research/ Academic/ Faculty/ Teaching Assistants) appointed by the Institute to support Faculty members in their academic functions will not be considered as “Faculty”.
- 1.3.16 “GAAP” means Generally Accepted Accounting Practices, as adopted by accounting professionals of the Institute of Chartered Accountants of India (ICAI).
- 1.3.17 “HR” means Human Resource(s), comprising the Faculty and Staff members of the Institute, as well as all persons or groups of persons associated with DMI and contributing to its cause.

- 1.3.18 "HRM" means Human Resource Management and comprises all processes relating to planning, recruitment, development, and regulating the conduct and behaviour in the workplace of the employees of the Institute.
- 1.3.19 "Institute" means the Development Management Institute (DMI).
- 1.3.20 "ICT" means Information and Communication Technology, as commonly understood in the IT profession.
- 1.3.21 "IT" means "Information Technology as commonly understood in the IT profession, or Income-Tax, as per the context in which the abbreviation is use.
- 1.3.22 "President" means the President of the Development Management Institute Society.
- 1.3.23 "Regular employee" means a Faculty or Staff appointed in the prescribed scale of pay, either on probation or on contract basis or on tenure basis, for a period of more than a year.
- 1.3.24 "Reporting Authority" means the person(s) to whom an employee is assigned for day-to-day work and who give(s) directions to the employee and supervise(s) and guide(s) her/ his work. The Director shall be the Reporting Authority for all Faculty members. In the case of Staff members, the "Reporting Authority" will be notified as per the organisational structure and requirements of the Institute.
- 1.3.25 "Senior Faculty" means a Faculty member of the Institute in the position of Director, Dean, Senior Professor or Professor.
- 1.3.26 "Senior Staff" means a Staff member of the Institute in the position of Manager.
- 1.3.27 "Society" means the Development Management Institute Society having its registered office at Biscomaun Bhawan, Fifth Floor, Gandhi Maidan (Bank Road), Patna-800001 at the time of its constitution.
- 1.3.28 "Scale of Pay" means the pay band corresponding to the position of an Employee prescribed by the Institute from time to time.
- 1.3.29 "Staff" means a person serving in the institute in any capacity other than Faculty.
- 1.3.30 "TOR" is an abbreviation for 'Terms of Reference'.
- 1.3.31 "Year", save as referred to otherwise, will always refer to a financial year, starting on the first day of April in any calendar year and ending on the 31st March of the following calendar year.

2 Finance and Accounting Goals and Practices

2.1 Financial Management Goal

2.1.1 The goal of financial management at the Institute is the utilisation of its financial resources for the maximisation of its academic effectiveness and the realisation of the mission for which it has been set up.

2.1.2 The Institute has been established to realise its mission through the following major activities:

2.1.2.1 Creation of a cadre of Development Management professionals through its two-year Post-graduate Programmes, Certificate courses and Programmes, and the Fellow Programmes ;

2.1.2.2 Enhancement of professional and personal competencies of Development Management Professionals through sustained short-duration Competencies Enhancement Programmes (CEP);

2.1.2.3 Engagement in networked trans-disciplinary Action Research and Policy Advocacy, through the following Collaborative Action Research and Education (CARE) centres:

- Sustainable Livelihoods
- Collectives and Commons
- Leadership and Governance

2.1.2.4 Orientation of Vision, Values and Leadership Practices towards Good Governance, by working with organisations and institutions at different levels.

2.1.3 The pursuit of the above programmes requires speed and flexibility in decision-making and implementation. In view of the unique role that DMI has set for itself, the Financial Management function is planned to provide a proactive support and facilitating role to the academic activities of the Institute, instead of being a purely control role that it plays in conventional educational institutions of higher learning.

2.2 Financial and Accounting Practices

2.2.1 The Finance and Accounting Practices of the Institute will follow the established practices given hereunder:

2.2.1.1 Double Entry Accounting system

2.2.1.2 Accrual system of accounting

2.2.1.3 Generally Accepted Accounting Practices (GAAP)

2.2.1.4 Compliance with the relevant Accounting Standards of the Institute of Chartered Accountants of India (ICAI) applicable to public societies imparting higher education.

2.3 Authorisation and Instrument for Financial Planning

2.3.1 The Annual Budget of the Institute prepared by the Budget Committee of the Institute will form the basis for all financial transactions of the Institute. The Budget will be put up to the

Board of Governors for approval at its meeting during the first quarter of any calendar year, or for ratification in the event of the meeting held subsequently.

2.3.2 The Annual Budget of the Institute will be prepared by a Committee comprising the following members, on or before the 31st December of any year for presentation to the Director, who will put it up to the Board for approval at its meeting scheduled during the last quarter of the year, or ratification at the immediate first meeting held afterwards in the event it does not take place during the last quarter:

- Dean (Administration)
- Dean (Academic)
- PDM Programme coordinator
- CEP Coordinator
- Manager (Administration)
- Manager (Finance and Accounts)

The Budget Committee will have Dean (Administration) as the Convenor and the Manager (Finance and Accounts) as Member-Secretary, and can co-opt any other faculty/ staff member as needed.

2.3.3 The Annual Budget will be prepared for the twelve-month period commencing on the 1st April of any year and ending on the 31st March of the subsequent year.

2.3.4 The following will be the major Budget Heads:

A. Income:

- a. Fees and other receipts from PDM
- b. CEP Fees
- c. Income from Consultancy Projects
- d. Scholar Support Funds from supporting agencies and organisations
- e. Support Funds for Academic Events
- f. Grants from
 - i. Govt. of Bihar
 - ii. Other agencies
- g. Income from Investments
- h. Other/ Miscellaneous Incomes

B. Salary Expenses

- a. Salaries, Honoraria, Allowances and Benefits
 - i. Faculty Salaries CARE Centre-wise
 - ii. Staff Salaries

C. Acquisition of Assets

- a. Land
- b. Civil Works

- c. Academic Infrastructure (PDM, CEPs, CARE Centres)
 - i. Furniture and Fixtures in academic areas
 - ii. Audio-visual and educational equipment (including reprographic ones)
 - iii. Laboratory Equipment
 - iv. Miscellaneous Fixed Assets
- d. Infrastructure for Faculty, Staff and Academic Support Offices
 - i. Furniture and Fixtures
 - ii. Miscellaneous Fixed Assets
- e. Infrastructure for Residential Facilities for Faculty, Staff, Students and CEP Participants
 - i. Furniture and Fixtures
 - ii. Miscellaneous Fixed Assets
- f. Guest House Infrastructure
 - i. Furniture and Fixtures
 - ii. Miscellaneous Fixed Assets
- g. Vehicles and other movable assets

D. Other Expenses

- a. Information Resource Centre Expenses
 - i. Acquisition of Books and e-books
 - ii. Subscriptions to Journals, Electronic Databases, Magazines, and Newspapers
 - iii. Acquisition of/ subscription to educational videos, games, cases and other audio-visual and educational support materials
 - iv. Acquisition of/ Licence Fee for special educational application software packages like SPSS, MS Project, Systat, XLStat, CorelDraw, Autocad, etc.
- b. PDM Programme Expenses
 - i. Admission Expenses
 - ii. Learning Resources
 - iii. Experiential Learning and Field Studies
 - iv. Support for hostel and mess operations
 - v. Scholar Support
 - vi. Visiting/ Guest Faculty Expenses (Honoraria, Travel, Lodging, Boarding and other support)
 - vii. Convocation Expenses
- c. CEP Expenses
 - i. Advertisement and Enrolment
 - ii. Learning Resources
 - iii. Fee waiver
 - iv. Visiting/ Guest Faculty Expenses (Honoraria, Travel, Lodging, Boarding and other support)

- v. Lodging and Boarding
- vi. Travel Expenses
- d. Seminars, Workshops, Conferences and Symposia
 - i. Planning and Communication
 - ii. Learning Resources and Kits
 - iii. Expenses on Honoraria, Travel, Lodging, Boarding and other support for participants
 - iv. Publications
- e. CARE Centre Expenses
 - i. Sustainable Livelihoods
 - 1. HR-related Expenses
 - 2. Information and Communication, including publications
 - ii. Collectives and Commons
 - 1. HR-related Expenses
 - 2. Information and Communication, including publications
 - iii. Leadership and Governance
 - 1. HR-related Expenses
 - 2. Information and Communication, including publications
- f. Human Resources Related Expenses
 - i. Advertisement Expenses
 - ii. Recruitment Expenses
- g. Faculty Development
- h. Staff Development
- i. ICT-Enabled Services
 - i. Software Development
 - ii. Supporting Hardware
 - iii. Maintenance/ Licence Fees
 - iv. Maintenance Expenses
- j. Academic support to other institutions, including DMI Society members, project sponsors, etc.
- k. Administrative Expenses
 - i. Rental Expenses
 - 1. Academic premises
 - 2. Residential Facilities
 - a. Students' Hostel(s)
 - b. CEP Participants' Halls of Residence
 - c. Faculty and Staff Quarters
 - ii. Support for operation and maintenance of guest houses, students' hostels, CEP Participants' Halls of Residence, Faculty and Staff Quarters, and other facilities and premises of the Institute.
 - iii. Office Expenses

- iv. Electricity, Power, Diesel, DG set operating Expenses
- v. Vehicle Running Expenses
- vi. Maintenance and Spares
- vii. Travel and Hospitality
- viii. Printing and Stationery
- ix. ICT (Postage, Courier, Telephones, Rental for Lease line, WAPs) Expenses
- x. Bank Charges
- xi. Audit Fees
- xii. Miscellaneous Expenses

E. Financial Investments

- a. Corpus Funds
- b. Scholar Support Fund
- c. Fixed Deposits

2.4 Authority for Operation of Budget

2.4.1 The Director will be the final authority for authorising all items of income, expenditure, investment and creation of assets, as per the provisions of the Annual Budget. However, for the smooth conduct of the affairs of the Institute, the Coordinators of various programmes and/or activities will assist the Director in ensuring that the decisions on the basis of which all financial transactions are authorised by the Director are carried out in a fair and transparent manner, and in the best interest of the Institute and in line with its mission and vision, as explained in the following paragraphs.

2.4.2 The Director will normally constitute different committees, consisting of three to five persons from among the Faculty and Staff of the Institute, and appoint a Faculty member/ Senior Staff member as Coordinator for each of the Committees. The Coordinator, in association with the Committee of which s/he is the Coordinator, will be responsible for annual planning of the activities under her/his purview and provide the inputs for preparation of the Annual Budget. The Director will constitute the following Committees as per the needs of the Institute:

- PDM (Post-Graduate Programme in Development Management) Committee
- CPCs (Certificate Programmes and Courses) Committee
- FDM (Fellow Programme in Development Management) Committee
- CEP (Competencies Enhancement Programmes) Committee
- CARE (Collaborative Action Research and Education) Centres
- ITES (IT Enabled Services) Committee
- LIS (Library and Information Services) Committee
- Administrative Support Committee
- Purchase and Contracts Committee
- Corpus and Investment Planning and Management Committee

- 2.4.3 The Director may also constitute special-purpose standing committees in respect of certain critical functions like admissions and placement.
- 2.4.4 The Director may also entrust certain functions directly to the Dean or any individual faculty member, if the situation so warrants. In such an event, the Dean or other faculty members entrusted with the task will have the same responsibility and authority as the Coordinator of any committee.
- 2.4.5 Each of the above Committees will be responsible for the following:
- Planning of all activities of the Committee;
 - Preparation of inputs for preparation of the Annual Budget in respect of all activities under its purview;
 - Execution of all activities planned by the Committee;
 - Ensuring fulfilment of the mandate entrusted to it in line with the mission and vision of the Institute by regular monitoring of its performance against the plan, and reporting any deviations from the plan to the Director and resolving all issues that will arise in the course of implementation of the plans in consultation with the Director and in tune with the mission of the Institute; and
 - Any other activity required to be performed for fulfilment of the roles expected of it, stated either explicitly in its TOR or implied through it.
- 2.4.6 The Coordinator of each of the Committees will conduct periodic meetings of the Committee, with clearly defined agenda and have the minutes of each meeting prepared and approved by its members before its next meeting. The Coordinators will endeavour to evolve consensus on all issues during the deliberations of the committees and have the decisions implemented. The Coordinators will be primarily responsible for the results in respect of all functions entrusted to the Committees they coordinate.
- 2.4.7 The Director will periodically review the income, expenditure, investment and creation of assets of the Institute with reference to the budgetary projections and may authorise re-appropriation of funds among the Budget Heads as needed within the overall ceiling of the Budget.

3. Management of Income, Funds and Expenses

3.1 Income Management

3.1.1 Tuition and Other Fees

3.1.1.1 The collection of tuition and other fees from the students of PDM and other academic programmes will be regulated by the PDM Coordinator and will be carried out by the Accounts Department. All moneys received from the participants will be duly acknowledged by formal receipts which will contain the following details:

- a. Date and Time of receipt
- b. Name of student and her/his student ID no.
- c. Programme and batch enrolled in
- d. Details of items for which the amounts are being received, their account heads and codes, and the amounts received against each of the items, along with details of terms for which the remittances are made by students
- e. Details of mode of receipt, such as cash/ cheque (Cheque/ DD/ Bank Transfer Transaction No., Date, Drawee details, Bank and Branch details, amount, etc.)
- f. Total amount received
- g. Signature of accountant (except when the receipt is auto-generated through online systems)
- h. Any statement of condition *such as* 'Receipt issued subject to realisation of the value of cheque'.

3.1.2 CEP Fees

3.1.2.1 The collection of programme and other fees from the participants of CEPs and other similar programmes for practising professionals will be regulated by the CEP Coordinator and will be carried out by the Accounts Department. All moneys received from the participants will be duly acknowledged by formal receipts which will contain the following details:

- a. Date and Time of receipt
- b. Name of participant and the organisation s/he represents/ deputed from.
- c. Name of Programme and its details
- d. Details of items for which the amounts are being received, their account heads and codes, and the amounts received against each of the items
- e. Details of mode of receipt, such as cash/ cheque (Cheque/ DD/ Bank Transfer Transaction No., Date, Drawee details, Bank and Branch details, amount, etc.)
- f. Total amount received
- g. Signature of accountant (except when the receipt is auto-generated through online systems)
- h. Any statement of condition *such as* 'Receipt issued subject to realisation of the value of cheque'.

3.1.3 Income from Consultancy and Collaborative Learning Projects

3.1.3.1 The management of consulting fees for different assignments will be regulated by the respective CARE Centre Coordinator, if the consulting assignment can be identified with a CARE Centre. In case a consulting assignment is not identified with a CARE Centre, the faculty member who is coordinating the assignment will take care of the management of consulting fees for the assignment s/he is handling. All moneys received from the organisations towards the assignments entrusted to DMI will be duly acknowledged by formal receipts which will contain the following details:

- a. Name and address of the paying organisation, including details of contact persons nominated by the organisation to coordinate with DMI
- b. Date of issue of receipt (which should be the same as or quite close to the date of receipt of cheque/ DD/ bank transfer
- c. Details of consultancy assignment for which the payment is received, along with details of contract/ agreement/ Work Order/ similar document
- d. Details of instalment (such as advance, final payment, milestone-related payment, etc.), their account heads and codes, and the amounts received against each of the items, including the different tax items (like service tax, TDS, etc.)
- e. Name and designation of the coordinator handling the assignment at DMI
- f. Details of mode of receipt, such as cash/ cheque (Cheque/ DD/ Bank Transfer Transaction No., Date, Drawee details, Bank and Branch details, amount, etc.)
- g. Total amount received
- h. Signature of accountant (except when the receipt is auto-generated through online systems)
- i. Any statement of condition *such as* 'Receipt issued subject to realisation of the value of cheque'.

3.2 Scholar Support Funds from Supporting Agencies and Organisations

3.2.1 The management of receipt of Scholar Support Funds from different agencies and organisations will be regulated by the PDM/ other programme Coordinators, depending upon the programme for which the funds are received. In addition to issue of formal receipts for the amount received from the agencies/ organisations by the accounts department, the concerned coordinator will also send/ cause to send under the signature of Director or Chairman, wherever so required, a letter of acknowledgement and appreciation of the gesture of the organisation. The formal receipt issued by the accounts department will have all details similar to those for consultancy assignments, but will be suitably adapted to the context.

3.2.2 The management of investment of Scholar Support Funds will be handled by the Corpus and Investment Planning and Management Committee, which will work in close coordination with the PDM and other programme coordinators.

3.3 Support Funds for Academic Events

3.3.1 The management of Support Funds for different academic events, such as seminars, conferences, symposia, workshops, colloquia, etc. will be regulated by the respective programme coordinators, who will send/ cause to send under the signature of Director or Chairman, wherever so required, a letter of acknowledgement and appreciation of the gesture of the organisation. This will be in addition to issue of formal receipts for the amount received from the agencies/ organisations by the accounts department; the receipt will have all details similar to those for consultancy assignments, but will be suitably adapted to the context.

3.4 Income from Corpus Funds and other Investments

3.4.1 The day-to-day management of corpus funds and other investments will rest with a Corpus and Investment Planning and Management Committee constituted by the Director. The committee will comprise the following members:

- a. A faculty member from the Finance and Accounts Management area, with good exposure to the management of institutional finance and investments, financial instruments and markets, and banking and related areas;
- b. A senior faculty member from the Board of Governors; and
- c. Manager (Finance and Accounts)

3.4.2 The Corpus and Investment Planning and Management Committee will periodically review the fund requirements of the Institute and assess the extent of excess funds accruing at different points of time. The committee will explore different avenues for investment of the surplus funds for maximisation of earnings for the Institute and recommend to the Director the appropriate course of action, have his approval and ensure that the investment is made in a timely manner. The Committee will undertake the preparation of monthly fund flow statements for this purpose, and will endeavour to keep low-yield funds (like balance in Savings/ current account) to the minimum, without compromising on the need to have adequate funds for routine operations and expected payments.

3.4.3 The income earned from the corpus funds is meant to bridge the gap between the revenue generated from the activities of the Institute and the total operating expenses. However, if the excess of operating expenses over the revenue generated from the different activities of the Institute is more than the income generated from the corpus funds, the Institute will not be financially sustainable. The Institute will, therefore, plan its programmes and activities in such a way that the revenue earned from the corpus funds will meet a part of the deficit and at the same time preserve the assets and provide the congenial ambience of learning necessary for academic excellence. Keeping this in view, 50% of the income from corpus funds will be utilised for initiating and supplementing Institute-funded collaborative action research and policy advocacy in furtherance of its mission and for enhancing the academic quality, and the remaining 50% will be used for meeting the excess of operating expenses over operating revenue, including expenses required for maintenance of campus and preservation of

ambience. This situation is planned to be realised within two to three years of occupation of the new campus in full and the release of full corpus funds by the Govt.

- 3.4.4 Any part of the income from corpus funds not utilised during a year will be added back to the corpus and re-invested appropriately to preserve the true value of the corpus in the long run. A separate policy for the preservation of the true value of the corpus will be evolved by the Corpus and Investment Planning and Management Committee with the approval of Director.

3.5 Management of Expenses

- 3.5.1 The decisions on expenses for various items will be made by the respective coordinators as per the annual plans prepared by the different committees for programme and activities, and within the budgetary ceilings for the year. Such decisions have to be taken in consultation with the committee members at their meetings and have to be recorded appropriately in the minutes, which will form the basis for incurring expenses.
- 3.5.2 In the event a programme/ activity is not handled by a committee but entrusted to a faculty member, s/he has to follow established prudent practices before committing the Institute to any item of expenditure.
- 3.5.3 All items of expenditure will have to be supported by a request by the Coordinator or an administrative staff member to an external agency for the provision of services or supply of items, or both, either in the form of a Purchase Order/ Work Order/ Contract/ Agreement/ request by e-mail/letter/ similar document. However, in the case of petty purchases/ services, this requirement will not apply. Similarly, in respect of payment of honoraria to visiting/ guest faculty, distinguished speakers at academic events, reimbursement of out-of-pocket expenses to visiting/ guest faculty and distinguished speakers, no such documentation will be necessary, save the approval of the Director for incurring such expenses.
- 3.5.4 In all cases of expenditure, unless delegated, the Director will be the authority for according financial approval. The Director may, however, delegate the powers in full or in parts to faculty members/ staff members, as and when necessary, through office orders issued in writing.
- 3.5.5 As a normal practice, no payment will be made to any party without the financial approval of the Director, except in cases of emergency or urgency where the Director will be requested to accord post-fact approval with full justification.

4 Management of Accounts

4.1 Primary Responsibility for Maintenance and Management of Accounts

4.1.1 It shall be the responsibility of Manager (Finance and Accounts) to ensure that the accounts of the Institute are maintained up-to-date at all points of time and as per the current accounting standards. In particular, the following general principles will guide the maintenance of accounts in the Institute:

4.1.1.1 Double Entry Accounting system;

4.1.1.2 Accrual system of accounting;

4.1.1.3 Generally Accepted Accounting Practices (GAAP);

4.1.1.4 Compliance with the relevant Accounting Standards of the Institute of Chartered Accountants of India (ICAI) applicable to public societies imparting higher education;

4.1.1.5 Maintenance of financial discipline and prudence in all matters relating to recording of transactions and maintenance of records, cash management, payments to and collection from different stakeholders of the Institute; and

4.1.1.6 Timely and precise reporting of financial results and issues of concern to the Director; and

4.1.1.7 Regular financial planning with a view to

- a. Avoid cash flow related issues
- b. Ensure that the funds are effectively and efficiently utilised and
- c. Maximise the earnings from investments.

4.2 Use of ICT for Finance and Accounts Management

4.2.1 The entire Financial and Accounting procedures will be totally computerised during the financial year 2015-16 to ensure transparency, accountability and quick decision-making.

4.3 Accounting Process for Incomes

4.3.1 The primary sources of income for the Institute are:

- a. Tuition and other fees from the participants of PDM and similar educational programmes (like CDM and FDM)
- b. Programme Fees from CEP Participants, paid either directly by them or their sponsoring organisations
- c. Consultancy Fees from client organisations in respect of consultancy services rendered by the Institute
- d. Scholar support funds from organisations to provide financial assistance to the participants enrolled in different programmes of DMI
- e. Support funds and grants for conducting academic events
- f. Grants from the Government of Bihar
- g. Grants from other agencies
- h. Other incomes

- 4.3.2 The receipts will be recorded in the relevant accounts for all such incomes immediately on their receipt and the cheques/ DDs received from the parties will be deposited with the bank on the day they are received, or on the next bank working day (irrespective of the holidays and weekly off days for the Institute) if they are received too late in the afternoon to deposit on the same day. The ledgers will be so maintained that every payer (a programme participant, a sponsoring organisation, grant-giving agency, Govt. department, etc.) has an account (personal account), with corresponding accounts for the purpose for which the amounts are received. Simultaneously with the receipt of the instruments, the formal, official receipts will be prepared and handed over to the party if the payment is made in person, or scanned and sent to the party by e-mail if the amount has been received by post/ courier/ bank transfer. In the event of grants by organisations, a note of thanks under the signature of the Coordinator, Director or Chairman, as appropriate, should be followed by the official receipt.
- 4.3.3 Irrespective of the issue of covering letter along with the receipts, the coordinator in charge of the programme/ activity for which the amounts have been received will be provided a summary of the receipts, to help her/him in the management of the programme/ activity. The format for reporting such receipts will be developed by the Finance/ Accounts Department in consultation with the relevant programme/ activity coordinators.

4.4 Accounting Process for Expenses

4.4.1 Payment of Salaries

- 4.4.1.1 The salaries and benefits of all employees on the rolls of the Institute (regular as well as *ad hoc*) will be credited to their bank accounts on the last working day of every calendar month. No employee will be paid her/his salary in cash.
- 4.4.1.2 For the purpose of salary payment, the attendance records of all employees will be reckoned from the 26th day of the previous month to the 25th of the one in which salary is paid. In case of employees whose services end on the last day of any calendar month, the salary in respect of the period from the 26th of the month to the end of the month will be computed and paid separately.
- 4.4.1.3 The Finance and Accounts Department will prepare a detailed employee-wise list of all earnings and deductions, get it checked by the Manager (Finance and Accounts) and approved by the Director at least two days before the last working day of any month. The salary statement list will contain the following details in respect of each employee:
- i. Employee ID No.
 - ii. Name of the Employee
 - iii. Designation
 - iv. Date of joining DMI
 - v. Date on which the last increment was approved

- vi. Pay Band with Grade Pay
- vii. Earnings
 - a. Basic Pay
 - b. Grade Pay
 - c. Dearness Allowance
 - d. House Rent Allowance/ Taxable value of perquisites in lieu thereof
 - e. Taxable value of other perquisites
 - f. Conveyance allowance
 - g. Other earnings (to be specified item-wise)
 - h. Total Earnings
- viii. Deductions
 - a. Professional Tax
 - b. Income-tax
 - c. Provident Fund (PF) contribution by employee
 - d. Employee's contribution to National Pension Scheme (NPS)
 - e. Recovery for Salary Advance/ Loan
 - f. Electricity Bill
 - g. Canteen/ Cafeteria charges
 - h. Other deductions (to be specified item-wise)
 - i. Total Deductions
- ix. Net Salary Payable
- x. Check-mark to confirm that the net amount is not less than 50% the total earnings
- xi. Additional benefits provided by the Institute
 - a. Employer's contribution to PF
 - b. Employer's contribution to NPS
 - c. Actual value of perquisites over and above the taxable value
 - d. Other benefits (to be specified item-wise, such as value of leave earned and eligible for encashment)
- xii. Total cost to the Institute

4.4.1.4 The salaries so approved by the Director will be transferred to the individual employees' accounts before the closing time of National Electronic Fund Transfer (NEFT) on the last working day of the Institute and banks every month.

4.4.1.5 Simultaneously with the above, every employee will receive a salary slip containing the following details, in addition to those available in the Salary Statement approved by the Director:

- i. Leave (Casual, Sick and Earned) available at the beginning of the month, availed during the month and available at the end of the month;
- ii. Cumulative PF contribution by employee till the beginning of the month, addition during the month, and total at the end of the month;
- iii. Cumulative PF contribution by employer till the beginning of the month, addition during the month, and total at the end of the month;

- iv. Cumulative NPS contribution by employee till the beginning of the month, addition during the month, and total at the end of the month;
- v. Cumulative NPS contribution by employer till the beginning of the month, addition during the month, and total at the end of the month;
- vi. Loan/ Advance taken from the Institute, amount repaid till the end of last month, deduction during the current month and outstanding at the end of the month.

4.4.1.6 All statutory deductions made from the employees' salaries, like professional tax, income-tax and PF contribution (consisting of both employees' and employer's share) will be deposited with the relevant authorities within three working days of payment of salary to the employees.

4.4.1.7 Similarly, the contribution towards NPS, consisting of the amount deducted from the employees' salaries and the share of contribution by the Institute, will also be deposited with the relevant authorities within three working days of payment of salary to the employees.

4.4.1.8 All deductions made towards recovery of loans/ advances given to the employees will be adjusted against the respective accounts on the same day as the salaries are paid to the employees.

4.4.1.9 All other deductions made from the employees' salaries towards payment to third parties will be paid to them within three working days of payment of salary to the employees.

4.4.1.10 In the case of compensation to short-term visiting faculty, guest faculty, guest speakers, and special dignitaries invited to the Institute by way of honoraria, the payment will be made separately and not through payroll management. However, *ad hoc* and visiting faculty members whose services have been hired on a regular basis will be paid their honoraria in a way similar to that for the regular employees of the Institute.

4.4.2 **Payment in respect of non-salary Expenses**

4.4.2.1 All non-salary expenses will be normally authorised by the coordinators of various committees, or individual faculty members nominated by the Director to perform certain roles.

4.4.2.2 The basic document for authorisation of all major expenses will be a Purchase Order, Work Order, Contract, Agreement, email, or a similar document issued by the Programme/ Activity Coordinator, a copy of which will be always with the Purchase and Works Department, and another with the Coordinator. In the event the coordinator has not issued a formal document before engaging the services of an agency or purchase of certain items (as in the case of petty purchases, engagement of the services of a guest faculty, transport agency for limited period, hotel/ guest house accommodation during tour, student visits, etc.), the post-facto approval of the Director for the expense incurred or proposed to be incurred will form the basis.

- 4.4.2.3 The request for payment will normally be originated by the faculty authorised to incur the expenses in the form of an inter-office note (printed on A4 sheet) addressed to the Accounts Department, and will be generally accompanied by the following supporting documents:
- a. Minutes of the meeting wherein the decision has been taken to engage the services of an agency or procure an item or perform an activity which has financial implications, or approval of the Director authorising the expenditure;
 - b. Purchase order (PO)/ work order (WO)/ agreement/ contract/ e-mail exchange/ letter for the service engaged/ item procured; and
 - c. Delivery note, Inspection/ Acceptance Certificate, Bill/ Invoice, and any other document to support the partial/ full completion of the engagement.
- 4.4.2.4 However, in the case of services/ supplies arranged through personal/ telephonic discussions (such as with a guest speaker), or where the value of the goods/ services is small (like lunch/ snacks for a workshop attended by a few people), the supporting documents will be limited to those absolutely necessary for payment.
- 4.4.2.5 The Accounts Department will process the request, following prudent accounting practices. In particular, the following details will be verified:
- a. Details of delivery, such as item, quantity, date of supply, acceptance of the items by the coordinator (this requirement will not apply in respect of any academic engagement);
 - b. Consistency between the obligations of the service-provider/ supplier, and the actual service/ goods delivered;
 - c. Contractual obligations required to be met by the parties to the contract, and the appropriateness of the amount requested to be paid.
- 4.4.2.6 In the event of any discrepancy between the request by the coordinator/ authorising faculty and the assessed payment based on the verification of details, the accountant will have the issue resolved through personal discussion with the coordinator. As far as possible, the movement of papers and notes between offices will be kept to the barest minimum. A payment voucher based on verification and resolution of discrepancies will be prepared, and the financial approval of Director taken thereafter.
- 4.4.2.7 The Accounts Department will effect the payment within a maximum of three days of receipt of the request for payment. The cheque/ DD/ bank transfer document for the payment will be accompanied by a Payment Advice which will contain the following details:
- a. Date of Payment Advice
 - b. Name and full mailing address of the party, and other details such as phone number, e-mail id, etc.
 - c. Reference documents relating to the payment, such as
 - i. Details of PO/ WO or any other relevant document issued by DMI (number and date)

- ii. Details of acknowledgement of the PO/ WO/ the proposal of DMI by the party
- iii. Bill/Invoice No. and date
- d. Particulars of goods and services provided for, along with their prices
- e. Any tax to be deducted (in consultation with the coordinator/ authorising faculty)
- f. Any statement(s) of condition *such as* 'Payment made subject to _____'.

4.4.2.8 A copy of the Payment Advice will be given to the authorising coordinator/ faculty for reference. The transaction gets completed when the following conditions are met:

- a. Recording of transactions in the relevant ledger accounts
- b. Receipt from the party for the payment made
- c. Debit of the payment amount to the Bank account

4.4.2.9 All indirect taxes recovered from the amount payable to the parties should be remitted with the authorities within seven working days of release of payment, and the relevant bank challans/ receipts should be sent to the party forthwith.

4.5 Authority for Financial Investments

4.5.1 As stated earlier in Para 3.4.1, the management of corpus funds and other investments will rest with a Corpus and Investment Planning and Management Committee constituted by the Director. The committee will also forecast all incomes and expenses as per the operating plans of the Institute, and estimate the monthly cash requirements for operations and acquisition of physical assets. The committee will assess the surplus for investment in instruments permitted under the Societies Act and optimise the investments for maximum return to the Institute.

4.5.2 The Finance and Accounts Department will keep the committee fully informed of the pending and imminent incomes, expenses, and maturing of deposits.

4.6 Authority for Creation and Management of Physical Assets

4.6.1 The Director, in consultation with the faculty and staff as needed from time to time, will decide the major physical assets to be created for the Institute. However, all other assets required for various programmes and activities will be decided by the committees responsible for their execution.

4.6.2 No item with purchase value less than Rs. 10,000/- will be considered an asset for this purpose.

4.7 Management of Cash

4.7.1 The cash transactions of the Institute will be kept to the minimum and will be limited to petty purchases and payment for menial services. In no case shall the payment for any item of

expenditure will be in excess of Rs. 20,000/- if the payment is done in cash.

- 4.7.2 The cash balance in the safety vault will be kept at not more than Rs. 50,000/- at all points of time.
- 4.7.3 The cash balance will be verified at the end of every working day and tallied with the closing balance in the petty cash book. This will be certified by Manager (Finance and Accounts) in the petty cash book. The cash box will be locked by two locks and their keys will remain with two different authorities, both of whom have to provide the keys under their custody for opening the cash box.

4.8 Advances for Tours, Purchase and Other Expenses

- 4.8.1 As far as possible, no advance will be paid in cash to any employee for tour, travel, purchases or incurring any item of expenditure. All requests for advances have to be approved by the Director and all such advances, in excess of Rs. 20,000/- will be transferred to the employee's bank account, with an intimation to the employee of the details of transfer. However, advance of up to Rs. 20,000/- may be given in cash, if the employee so wishes, especially if s/he is undertaking tour to places with limited ATM access.
- 4.8.2 Any employee who has drawn advance from the Institute has to settle her/his advance with the Institute within three days of completion of the purpose for which the advance was drawn. In no case will an employee be allowed to draw further advance before settling the advance already pending with the Institute.
- 4.8.3 As a matter of practice, all employees will plan their activities in such a way that there is no need to keep any advance outstanding/ payable to the Institute at the end of every quarter. In other words, all advances drawn from the Institute have to be settled in full before the closure of every quarter of the year.

4.9 Appointment and Roles of Internal Auditor

- 4.9.1 The Institute will appoint a firm of professionally qualified Chartered Accountants with proven credentials as the Internal Auditor on such terms as DMI and the firm agree.
- 4.9.2 The firm of Internal Auditors will render the following services:
- a. Scrutiny of all financial transactions of the Institute and verification of their authenticity and propriety, and adherence to established prudence norms and practices;
 - b. Assist the Institute refine its systems, processes and procedures so that the management of the Finance and Accounts function is totally professionalised, and guides the non-academic administration of the Institute;

- c. Engage the Institute through periodic (weekly or fortnightly) discussions for the above purpose;
- d. Assistance in preparation of monthly, quarterly and half-yearly statements of income and expenditure;
- e. Certification of monthly and quarterly statements of income and expenditure;
- f. Assistance for statutory remittance (like PF, Professional Tax, indirect taxes, NPS contributions, etc.) to the relevant bodies well ahead of the deadlines, and in line with the requirements set forth in this manual; and
- g. Assistance in the governance of the Institute by supporting the administration for filing various returns (such as indirect taxes, income-tax, annual report, etc.) to the statutory bodies well ahead of the deadlines;

4.10 Appointment and Roles of Statutory Auditor

4.10.1 The Institute will appoint a firm of professionally qualified Chartered Accountants with proven credentials as the Statutory Auditor on such terms as DMI and the firm agree.

4.10.2 The firm of Statutory Auditors will render the following services:

- a. Certification of Half-yearly Statements of Accounts of the Institute within a fortnight of its ending;
- b. Certification of Annual Statements of Accounts of the Institute within a month of its ending; and
- c. Assistance to the Institute staff and its Internal Auditor for finalisation of half-yearly and annual statements of accounts.

4.11 Periodic Reporting on Financial Matters and Progress

4.11.1 In order to enable the Director and all faculty members to have an idea of the progress of the Institute, it is necessary that they know periodically the income, expenditure, value of physical assets created and financial investments. From this point of view, the Finance and Accounts Department of the Institute will prepare the following reports/ financial statements in consultation with the Internal Auditor for circulation to all faculty members, including Director:

- a. Monthly Income and Expenditure statements, showing the budgeted amount under various heads for the year, the progress till the end of the previous month, progress during the month reported upon, and cumulative figure till the end of the month being reported upon.
- b. Quarterly Income and Expenditure Statement, certified by the Internal Auditor, showing the budgeted amount under various heads for the year, the progress till the end of the previous quarter, progress during the quarter reported upon, and cumulative figure till the end of the quarter being reported upon, with a detailed analytical note that can be the basis for action in the following quarter(s).
- c. Audited Half-yearly Income and Expenditure Statement, showing the budgeted amount under various heads for the year, with a detailed analytical note that can be the basis for action in the following half-year.

- d. Audited Annual Income and Expenditure Statement, and Balance Sheet, showing the budgeted amount under various heads for the year, and corresponding figures for the previous year.

4.11.2 The timely completion and presentation of various reports to the recipients is important, as any delayed availability of the information contained in them cannot be of much help for formulation of revised plans or for rectification of mistakes and errors. From this consideration, the following deadlines for completion and presentation of the reports are necessary:

- a. All monthly reports will be made available within three working days of the end of the month.
- b. All quarterly reports will be made available within seven working days of the end of the quarter.
- c. Half-yearly audited reports will be made available within a fortnight of the end of the half-year.
- d. Audited Annual Income and Expenditure Statement, and Balance Sheet, will be made available within a month of the end of the year.

4.11.3 All reports will be structured as per the Budget Heads presented earlier for ease of comparison of the actual values with budget projections, and should be as detailed as possible. The details have to be presented in the schedules of the reports.

4.12 Depreciation of Assets

4.12.1 All capital items, whose cost of purchase is Rs. 10,000/- or more per unit will be classified as assets. They will be fully depreciated during the year of purchase, irrespective of the date of their purchase.

4.13 Authority for operating Bank Accounts

4.13.1 Any two persons from among the Director, Dean and Manager (Finance and Accounts) will be authorised to operate all Savings Bank, Current Accounts and Fixed Deposits Accounts of the Institute. The Director, Dean and Manager (Finance and Accounts) are authorised to open new accounts with banks and close existing ones, as and when it becomes necessary. They will also carry out the necessary online transactions for the Institute, such as money transfer, and online payments and receipts of funds.

4.14 Overall Direction and Control

4.14.1 The Director is responsible for the overall financial management of the Institute and may institute such steps and measures as s/he considers appropriate to maintain the financial independence, autonomy and accountability of the Institute, and to preserve integrity, transparency and accountability of all transactions.

4.14.2 S/he may issue such instructions as are necessary to regulate the financial transactions and make them responsive to the needs of the programmes and activities.

4.15 Breach of Integrity

4.15.1 Any person found to be indulging in any act of malpractice, fraud, cheating, forgery, or any such misdeed will face immediate dismissal from service, and the institution of procedures for recovery of the sum of money misappropriated.

5. Account Codes

- 5.1. Keeping in view the needs of flexibility, transparency and accountability, the transactions of the Institute will be recorded under the following four major groups of activities:
- Activities which span the entire Institute and are common to all programmes and activities;
 - Educational programmes leading to the award of diplomas, certificates and fellowships;
 - Competencies Enhancement Programmes (CEP)
 - Collaborative Action Research and Education Centres (CARE Centres)
- 5.2. The Account Codes for different categories of financial transactions for each of the activities are presented at Tables 1 to 7 under the following heads:
- Fixed Assets
 - Fixed Deposits and Investments
 - Current Assets
 - Reserves and Funds
 - Current Liabilities and Provisions
 - Income
 - Expenditure
- 3.3 New Codes will be added, or existing codes deleted or modified as and when required through issue of office orders by the Director on the advice of the Finance and Accounts Department in consultation with the Internal Auditor.

Table 1

1. Fixed Assets

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
1.1	Common Assets	1.2	Educational Programmes-specific Fixed Assets	1.3	Fixed Assets - CEPs	1.4	Fixed Assets – CARE Centres
Common to all programmes and activities		Diploma and Certificate (Education) Programmes		Competencies Enhancement Programmes (CEPs)		Collaborative Action Research and Education Centres (CARE Centres)	
1.1.01XX	Land						
1.1.02XX	Common Office Buildings	1.2.02XX	Classroom Building(s)	1.3.02XX	CEP Building(s)	1.4.02XX	CARE Centre Building(s)
1.1.03XX	Library						
1.1.04XX	Auditorium	1.2.04XX	Tutorial Rooms and Seminar Halls	1.3.04XX	CEP Rooms	1.4.04XX	CARE Centre Office Rooms
1.1.05XX	Residential Quarters for Faculty	1.2.05XX	Residence Halls	1.3.05XX	Participants' Residential Rooms		
1.1.06XX	Residential Quarters for Support Staff						
1.1.07XX	Institute Guest House						
1.1.08XX	Recreational and Entertainment Infrastructure for Campus Residents	1.2.08XX	Student Activity Centre and Gymnasium				
1.1.09XX	Electricity and Power Utilities	1.2.09XX	Electricity and Power Utilities	1.3.09XX	Electricity and Power Utilities	1.4.09XX	Electricity and Power Utilities

1. Fixed Assets

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
1.1	Common Assets	1.2	Educational Programmes-specific Fixed Assets	1.3	Fixed Assets - CEPs	1.4	Fixed Assets – CARE Centres
1.1.10XX	Power Backup Systems	1.2.10XX	Power Backup Systems for Classrooms, Labs. and Hostels	1.3.10XX	Power Backup Systems for CEP Centre	1.4.10XX	Power Backup Systems
1.1.11XX	Water Supply	1.2.11XX	Water Supply	1.3.11XX	Water Supply	1.4.11XX	Water Supply
1.1.12XX	Sanitation and Sewage	1.2.12XX	Sanitation and Sewage	1.3.12XX	Sanitation and Sewage	1.4.12XX	Sanitation and Sewage
Durable Assets							
1.1.13XX	Office Furniture and Fixtures	1.2.13XX	Classroom Furniture	1.3.13XX	Furniture for CEP Centre	1.4.13XX	Furniture for CARE Centre offices and other facilities
1.1.14XX	Library Furniture						
1.1.15XX	Furniture for Auditorium	1.2.15XX	Furniture for Tutorial Rooms, Seminar Halls and Labs.				
1.1.16XX	Furniture and Fixtures for Faculty Quarters	1.2.16XX	Furniture for Residence Halls	1.3.16XX	Furniture for Residential Rooms		
1.1.17XX	Furniture and Fixtures for Staff Quarters						
1.1.18XX	Furniture for Guest House						
1.1.19XX	Furnishing for Faculty and Staff Offices	1.2.19XX	Classroom Furnishing	1.3.19XX	CEP Rooms Furnishing	1.4.19XX	CARE Centre Furnishing
1.1.20XX	Furnishing for Library						

1. Fixed Assets

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
1.1	Common Assets	1.2	Educational Programmes-specific Fixed Assets	1.3	Fixed Assets - CEPs	1.4	Fixed Assets – CARE Centres
1.1.21XX	Furnishing for auditorium	1.2.21XX	Furnishing for Tutorial Rooms, Seminar Halls and Labs.				
1.1.22XX	Furnishing for Faculty Quarters	1.2.22XX	Furnishing for Residence Halls	1.3.22XX	Furnishing for Residential Rooms		
1.1.23XX	Furnishing for Staff Quarters						
1.1.24XX	Furnishing for Guest House						
1.1.25XX	Guest House Kitchen and Dining Hall Equipment	1.2.25XX	Mess and Dining Hall Equipment	1.3.25XX	Kitchen and Dining Hall Equipment		
1.1.26XX	Books for Library						
1.1.27XX	Library Equipment	1.2.27XX	Educational Aids (AV, etc.)	1.3.27XX	Training and Development Aids (AV, etc.)	1.4.27XX	AV and research equipment
1.1.28XX	Networking and Communication Facilities	1.2.28XX	Networking and Communication Facilities	1.3.28XX	Networking and Communication Facilities	1.4.28XX	Networking and Communication Facilities
1.1.29XX	Computers and allied equipment for Faculty and Staff, and Campus as a whole	1.2.29XX	Computers and allied equipment for students	1.3.29XX	Computers and allied equipment for CEP Participants	1.4.29XX	Computers and allied equipment for research and advocacy
1.1.30XX	General-purpose Software	1.2.30XX	Programme-specific Special-purpose Software	1.3.30XX	Programme-specific Special-purpose Software	1.4.30XX	Programme-specific Special-purpose Software

1. Fixed Assets

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
1.1	Common Assets	1.2	Educational Programmes-specific Fixed Assets	1.3	Fixed Assets - CEPs	1.4	Fixed Assets – CARE Centres
1.1.31XX	Hospital / First aid Centre						
1.1.32XX	Fire and Safety Equipment and Devices	1.2.32XX	Fire and Safety Equipment and Devices	1.3.32XX	Fire and Safety Equipment and Devices	1.4.32XX	Fire and Safety Equipment and Devices
1.1.33XX	Miscellaneous Equipment	1.2.33XX	Miscellaneous Equipment	1.3.33XX	Miscellaneous Equipment	1.4.33XX	Miscellaneous Equipment
Movable Assets							
1.1.35XX	Vehicles		Vehicles		Vehicles		Vehicles

Table 2

2. Fixed Deposits

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
2.1.01XX	Term Deposits	2.2.01XX	Term Deposits	2.3.01XX	Term Deposits	2.4.01XX	Term Deposits
2.1.02XX	Other long-term investments	2.1.02XX	Other long-term investments	2.3.02XX	Other long-term investments	2.4.02XX	Other long-term investments

Table 3

3. Current Assets

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
3.1	Common Current Assets	3.2	Educational Programmes-specific Current Assets	3.3	Current Assets - CEPs	3.4	Current Assets - CARE Centres
3.1.01XX	Cash at hand						
3.1.02XX	Cash in Savings Bank Accounts						
3.1.03XX	Cash in Current Accounts						
3.1.04XX	Short-term Deposits						
3.1.05XX	Salary and other Advances to Employees	3.2.05XX	Advances to Employees for programme-related activities	3.3.05XX	Advances to Employees for programme-related activities	3.4.05XX	Advances to Employees for programme-related activities
3.1.06XX	Advance to Suppliers / Contractors/ Consultants/ Service Providers	3.2.06XX	Advance to Suppliers / Contractors/ Consultants/ Service Providers in respect of programme activities	3.3.06XX	Advance to Suppliers / Contractors/ Consultants/ Service Providers in respect of programme activities	3.4.06XX	Advance to Suppliers / Contractors/ Consultants/ Service Providers in respect of programme activities
3.1.07XX	Rent Advance to Building/ Flat Lessors	3.2.07XX	Rent Advance to Building/ Flat Lessors relating to programme-specific activities	3.3.07XX	Rent Advance to Building/ Flat Lessors relating to programme-specific activities	3.4.07XX	Rent Advance to Building/ Flat Lessors relating to programme-specific activities
3.1.08XX	Security Deposits						
3.1.09XX	Travel Advance to Employees for official tours	3.2.09XX	Travel Advance to Employees for official tours related to programme-specific activities	3.3.09XX	Travel Advance to Employees for official tours related to programme-specific activities	3.4.09XX	Travel Advance to Employees for official tours related to programme-specific activities

3. Current Assets

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
3.1	Common Current Assets	3.2	Educational Programmes-specific Current Assets	3.3	Current Assets - CEPs	3.4	Current Assets - CARE Centres
3.1.10XX	Travel Advance to Employees for LTC						
3.1.11XX	Imprest Advance	3.2.11XX	Imprest Advance for programme-related work	3.3.11XX	Imprest Advance for programme-related work	3.4.11XX	Imprest Advance for programme-related work
3.1.12XX	Other Advances	3.2.12XX	Other Programme-specific Advances	3.3.12XX	Other Programme-specific Advances	3.4.12XX	Other Programme-specific Advances

Table 4

4. Reserves and Funds

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
Common to all programmes and activities		Diploma and Certificate (Education) Programmes		Competencies Enhancement Programmes (CEPs)		Collaborative Action Research and Education Centres (CARE Centres)	
4.1.01XX	General Corpus Grant from Govt. of Bihar	4.2.01XX	Scholar Support Fund from Govt. of Bihar	4.3.01XX	CEP Fund from Govt. of Bihar	4.4.01XX	CARE Centre Fund from Govt. of Bihar
4.1.02XX	General Corpus Grant from other State Govts.	4.2.01XX	Scholar Support Fund from other State Govts.	4.3.01XX	CEP Fund from other State Govts.	4.4.01XX	CARE Centre Fund from other State Govts.
4.1.03XX	General Corpus Grant from Govt. of India	4.2.01XX	Scholar Support Fund from Govt. of India	4.3.01XX	CEP Fund from Govt. of India	4.4.01XX	CARE Centre Fund from Govt. of India
4.1.04XX	General Corpus Grant from Indian agencies	4.2.01XX	Scholar Support Fund from Indian agencies	4.3.01XX	CEP Fund from Indian agencies	4.4.01XX	CARE Centre Fund from Indian agencies
4.1.05XX	General Corpus Grant from overseas agencies	4.2.01XX	Scholar Support Fund from overseas agencies	4.3.01XX	CEP Fund from overseas agencies	4.4.01XX	CARE Centre Fund from overseas agencies
		4.2.01XX	Funds for Award of Prizes and Medals				

Table 5

5. Current Liabilities and Provisions

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
Common to all programmes and activities		Diploma and Certificate (Education) Programmes		Competencies Enhancement Programmes (CEPs)		Collaborative Action Research and Education Centres (CARE Centres)	
5.1.01XX	Duties and taxes payable	5.2.01XX	Security Deposit from Students/ Participants				
5.1.02XX	Rent payable for Institute common premises	5.2.02XX	Rent payable for Residence Halls	5.3.02XX	Rent payable for CEP venues	5.4.02XX	Rent payable for CARE Centre venues
5.1.03XX	Rent payable for Institute Guest House						
5.1.04XX	Performance and other security deposits						
5.1.05XX	Retention Money/EMD for Tenders						
5.1.06XX	Statutory and other Benefits payable						
5.1.07XX	Liabilities against Supplies and Services	5.2.07XX	Liabilities against programme-specific Supplies and Services	5.3.07XX	Liabilities against programme-specific Supplies and Services	5.4.07XX	Liabilities against programme-specific Supplies and Services
5.1.08XX	Other Liabilities and Provisions	5.2.08XX	Other Liabilities and Provisions	5.3.08XX	Other Liabilities and Provisions	5.4.08XX	Other Liabilities and Provisions

Table 6

6. Income

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
Common to all programmes and activities		Diploma and Certificate (Education) Programmes		Competencies Enhancement Programmes (CEPs)		Collaborative Action Research and Education Centres (CARE Centres)	
6.1.01XX	Grants/ Contribution for operational revenue expenses	6.2.01XX	Tuition and other fees	6.3.01XX	Programme Fees	6.4.01XX	Revenue from consulting and research activities
6.1.02XX	Sale of scrap and outdated/ discarded assets						
6.1.03XX	Interest from investments						

Table 7

7. Expenses

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
Common to all programmes and activities		Diploma and Certificate (Education) Programmes		Competencies Enhancement Programmes (CEPs)		Collaborative Action Research and Education Centres (CARE Centres)	
7.1.01XX	Faculty Salary	7.2.01XX	Visiting Faculty Honoraria	7.3.01XX	Visiting Faculty Honoraria	7.4.01XX	Visiting Faculty Honoraria
7.1.02XX	Staff Salary						
7.1.03XX	Faculty Benefits						
7.1.04XX	Staff Benefits						
7.1.05XX	Rent for premises	7.2.05XX	Rent for residence hall premises	7.3.05XX	Rent for CEP premises	7.4.05XX	Rent for CARE Centre premises
7.1.06XX	Travel Expenses	7.2.06XX	Travel Expenses for fieldwork and experiential learning	7.3.06XX	Travel Expenses for fieldwork and experiential learning	7.4.06XX	Travel Expenses for research fieldwork
7.1.07XX	Outsourced Services						
7.1.08XX	Subscription to journals and databases						
7.1.09XX	Books for Library	7.2.09XX	Text-books	7.3.09XX	Text-books		
7.1.10XX	Power, Water and Utilities Bills	7.2.10XX	Power, Water and Utilities Bills for residence halls	7.3.10XX	Power, Water and Utilities Bills for CEP centres	7.4.10XX	Power, Water and Utilities Bills for CARE Centres
7.1.11XX	Maintenance Expenses	7.2.11XX	Maintenance Expenses	7.3.11XX	Maintenance Expenses	7.4.11XX	Maintenance Expenses
7.1.12XX	Network Usage Charges	7.2.12XX	Network Usage Charges	7.3.12XX	Network Usage Charges	7.4.12XX	Network Usage Charges
7.1.13XX	Website Maintenance Expenses						
7.1.14XX	Promotion and Advertisement						

7. Expenses

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
Common to all programmes and activities		Diploma and Certificate (Education) Programmes		Competencies Enhancement Programmes (CEPs)		Collaborative Action Research and Education Centres (CARE Centres)	
7.1.15XX	Printing and Stationery						
7.1.16XX	Phones and communication charges						
7.1.17XX		7.2.17XX	Admission Expenses	7.3.17XX	Advertisement and Nomination Expenses	7.4.17XX	Research Proposal Expenses
7.1.18XX		7.2.18XX	Placement Expenses				
7.1.19XX		7.2.19XX	Scholar Supports and Fee waivers	7.3.19XX	Partial and Full Fee waivers		
7.1.20XX	Faculty Development Expenses						
7.1.21XX	Staff Development Expenses						
7.1.22XX	Hospitality Expenses						
7.1.23XX	Board Meeting Expenses						
7.1.24XX	Society Meeting Expenses						
7.1.25XX	Audit Fees						
7.1.26XX	Other Professional Charges						
7.1.27XX	Major and minor institute-level academic events, conferences,	7.2.27XX	Participant-led events			7.4.27XX	Research Seminars, Workshops, Symposia, etc.

7. Expenses

Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account	Account Code	Head of Account
Common to all programmes and activities		Diploma and Certificate (Education) Programmes		Competencies Enhancement Programmes (CEPs)		Collaborative Action Research and Education Centres (CARE Centres)	
	seminars, workshops, etc.						
						7.4.28XX	Research Publications, Case Studies, Working Papers, Occasional Papers, etc.
7.1.29XX	Depreciation						
7.1.30XX	Miscellaneous Expenses	7.2.30XX	Miscellaneous Expenses	7.3.30XX	Miscellaneous Expenses	7.4.30XX	Miscellaneous Expenses

6. Management of Purchases and Contracts

6.1 General

6.1.1 The Contracts for services and purchase of goods required for the Institute will be as per the procedure laid down in the following sections.

6.2 Classification of Items to be Purchased

6.2.1 The goods to be procured for the Institute will be categorised as '**Capital**' or '**Revenue**'. **Capital items** costing Rs. 10,000/- or more per unit will be considered as '**assets**', and will be treated accordingly in the Income and Expenditure Statement and Balance Sheet of the Institute. All other items will be treated as '**stock items**', and will be automatically treated as items of expense in the Income and Expenditure Statement.

6.2.2 There will be two types of registers, viz. an "Asset Register" and a "Stock Register" as per the classification outlined above. The Asset Register will contain all details of procurement of different items falling within the category of "assets", their asset code, values, venues of use, etc. and will be updated on a continuous basis. Simultaneously, the codes of the asset items will be printed on the assets as and when they are procured, constructed, or established. The codes have to be marked in indelible ink on assets which have a high chance of pilferage or misuse. The codes may be printed on stickers that can be fixed on other assets. Similarly, the Stock Register will contain all details of procurement of different items falling within the category of "stock items", which are essentially all non-asset items, their asset code, values, venues of use, person to whom issued and purpose of use, etc. and will be updated on a continuous basis.

6.2.3 In the case of electronic databases, software and similar non-physical/ intangible items, entries will be made in the appropriate registers (with their asset codes, if they are assets).

6.2.4 As regards library items, like books, journals, magazines, newspapers, subscriptions to electronic databases, etc., the Library will maintain its own registers which will contain the accession codes, DDC nos., procurement details, etc.

6.3 Purchasing Authorities

6.3.1 The coordinators of various committees and faculty members entrusted with specific administrative responsibilities will be the authorities for the decisions on the issue of purchase orders/ work orders and award of contracts. The following table summarises the details of items to be purchased/ contracts to be awarded, and the authorities responsible for them:

Sl. No.	Item(s) related to	Coordinator Responsible for
1	Books, e-books, subscriptions to journals, databases, magazines, newspapers, educational videos, games, cases, educational software	Coordinator, Library and Information Services Committee, or A faculty member nominated by the Director to discharge the role of the committee
2	PDM Programme Expenses, comprising admissions, learning resources, experiential learning, field studies, visiting faculty honoraria, their stay and boarding, convocation	Coordinator, PDM Committee
3	CEP Expenses, comprising Advertisement, Learning Resources, Visiting/ Guest Faculty-related services, Participants' Lodging and Boarding, travel in connection with CEPs	Coordinator, CEP Committee, or Coordinator of the concerned CEP, or A faculty member nominated by the Director to discharge the role of the committee/ coordinator
4	Seminars, Workshops, Conferences, and Symposia	A faculty member nominated by the Director to discharge the role of the coordinator of the event
5	CARE Centres	Coordinator of the respective CARE Centres
6	Human Resource Related Expenses	Coordinator, Administrative Support Committee
7	Faculty Development	Director
8	Staff Development	Director
9	ICT-Enabled Services	Coordinator, ITES Committee, or A faculty member nominated by the Director to discharge the role of the committee
10	Administrative Expenses	Coordinator, Purchase and Contracts Committee
11	All other items	Director, or A committee constituted by the Director as per needs, or a faculty member nominated by the Director

6.3.2 All coordinators will have the needs for purchases and contracts identified in their respective committees and have them recorded in the minutes, which shall be treated as equivalent to a Material Purchase Request or Material/ Services Requisition.

6.3.3 All committees and coordinators will have the annual budget of the Institute as the guiding document for planning the procurement of goods and conclusion of contracts.

6.4 Purchase and Contract Procedures

6.4.1 As a normal practice, for all items needed to be procured and all services planned to be engaged (save academic services like visiting faculty, guest speakers, proprietary items, petty services and goods, and similar items), the committee/ coordinator will draw detailed specifications and issue a formal Request for Proposal (RFP) to as many parties as possible. Based on sound techno-commercial evaluation, the committees will take a view on the party on which the PO/ WO/ contract is to be awarded. The

deliberations of the committees on all issues will be recorded in the form of minutes, with the support of administration/ purchase assistants. The PO/ WO/ contract will be issued by the coordinators, on the basis of the draft to be prepared by the administration/ purchase assistants, who will track the progress on them.

6.4.2 The requirements shown in the following table will apply for purchase of goods and engagement of services for different values of purchases and contracts:

Sl. No.	Value of goods/ services per order/ contract (Rs.)	Purchase Procedure
1.	Up to Rs. 25,000	Procurement/ engagement of services can be made with at least one quotation from a reputed supplier.
2	More than Rs. 25,000, but up to Rs.500,000	Procurement/ engagement of services may be made by the respective committees based on at least three quotations from reputed parties. For this purpose, the committee will survey the market to ascertain the reasonableness of rate, quality vis-à-vis the specifications and identify the most appropriate supplier/ service-provider.
3	More than Rs. 500,000, but up to Rs.2,500,000	Procurement/ engagement of services is to be made by the respective committees by inviting restricted proposals from reputed vendors in response to RFPs sent to reputed vendors by email, and simultaneously, posted on the Institute web site. The committees should get at least three offers from reputed parties, and thereafter, carry out the evaluation. The committees will obtain prior approval of the Director before the award of PO/ WO/ contract.
4	Above Rs.2,500,000	Procurement/ engagement of services is to be made by the respective committees by inviting offers through open offer basis from reputed vendors. RFPs are invited by advertising in at least one of the National dailies having wide circulation, besides placing on the Institute website. The parties will be given fifteen days' time to respond to the RFPs. The proposals will be invited in two parts, viz. a technical part and a commercial part, and the committees will conduct the techno-commercial evaluation and seek the prior approval of the Director for award of PO/ WO/ contract.

6.5 Procurement of Goods and Engaging Services on Single-Tender Basis

6.5.1 The Procurement of goods/ engagement of services on single-tender basis may be followed in the following circumstances:

- a. Procurement of items of a proprietary nature (i.e. items which do not have easily available substitutes, or are spare parts of already existing equipment for which genuine substitute or replacements are not available) can be done on the basis of a single offer irrespective of the value of the item.
- b. Engagement of services from individual experts/ institutions in different fields

of development management, science, technology, design, arts etc., for purposes of institutional development, academic support and teaching, conduct of capacity-building programmes, applied research, etc.

- c. In case of emergency, where the required goods and services are necessarily to be procured from a particular source, the reason for such decisions is to be recorded and prior approval of the Director be obtained before effecting the purchase.

6.6 Repeat Orders

- 6.6.1 The procurement of goods / engagement of services can be made on 'repeat order' basis subject to the following conditions:
 - a. The repeat order can be made with no change in the rates, specifications as well as terms and conditions of supply.
 - b. The repeat order shall be placed within a year from the date of the offers after ensuring that there is no significant reduction in the cost of the item(s).

6.7 Urgent Purchases

- 6.7.1 To the extent possible, urgent purchases have to be avoided.
- 6.7.2 Under unavoidable circumstances, the respective committees may go for urgent procurement of goods/ engagement of services with a maximum value of Rs. 25,000/- with proper justification recorded.

6.8 Procurement of Goods/ Engagement of Services on Rate Contract

- 6.8.1 A Rate Contract is an agreement between the purchaser and the suppliers for supply of specific goods/ provision of services, or both, at specified price rates and on specific terms and conditions during the period covered by the Rate Contract. The respective committees may enter into rate contract arrangements with one or more suppliers/ service providers for a specified length of time. The details of such arrangements shall be negotiated by the committees for approval by the Director before the contracts are entered into.
- 6.8.2 The process for entering into rate contract arrangements shall be initiated by respective Committees.

6.9 Procurement of Goods under DGS&D Rate Contract

- 6.9.1 Items under Directorate General of Supplies & Disposals (DGS&D) Rate Contract may be purchased by the respective Committee by placing direct orders on the firms.

6.10 Release of Advance and Payment Norms

- 6.10.1 Only payments up to Rs. 20,000/- can be made in cash. All payments above this limit

are to be made through Cheque/ Demand Draft/ Bank Transfer only.

- 6.10.2 Advance can be released only up to a limit of 50% of the value of PO/ WO/ contract. However, if the value of the PO/WO/ contract exceeds Rs. 100,000/-, the advances have to be backed by suitable bank guarantees or irrevocable Letters of credit (LC).
- 6.10.3 The final bill settlement would be done only after the satisfactory completion of work/supply and installation of goods/delivery of services as per the terms of PO/ WO/ contract. There will be a certificate to that effect by the coordinator of the committees.
- 6.10.4 Depending on the nature of the supply/ service, the PO/ WO/ contract may stipulate a condition that at least 5-10% of value of the order would be retained as Performance Guarantee, which would be released only on satisfactory performance of the work executed.

6.11 Vendor Development and Registration

- 6.11.1 The procurement of goods and engagement of services would be made, as far as possible, only from reputed manufacturers, their authorised dealers, agents, service providers registered with DMI. For this purpose, DMI would, over a period, strive to develop a pool of vendors and service providers and get their firms registered. The registration of firms, suppliers, dealers and service providers would be done only after verification of their credentials in terms of manufacturing/ service execution capacity, quality control procedures, past history of performance, services to different organisations, financial strength, etc. For registration with DMI, the firms should have Sales Tax / Service Tax registration, Tax Payers' Identification Number (TIN) and PAN number and submit Bank account details.

6.12 Disposal of Goods

- 6.12.1 Goods of the Institute belonging to any of the following categories can be disposed of after careful scrutiny of their continued need, the possibility of extension of their useful service life, the availability of their replacement, and other facts:
- a. Capital items which have been in use for a long time, and have become so worn out that it is no longer economical to continue to use them even with good periodic maintenance and addition of new parts to prolong their useful lives;
 - b. Capital items rendered obsolescent due to technological changes and advances, and changing societal needs and practices at any point of item during their lives, even if they can continue to be used but in an inefficient or ineffective way;
 - c. Wastes in the form of scrap from the use of consumables;
 - d. Items whose shelf-life has expired and which are of no use by retention in the Institute premises or elsewhere;
 - e. Items whose continued use will damage the reputation or image of the

- Institute, or will not project the Institute in a positive way; and
- f. Any other item, which the Purchase and Contracts Committee or any other committee concludes as redundant and needing disposal in the interest of the Institute.

6.12.2 Goods to be disposed of by the Institute will be the responsibility of the Purchase and Contacts Committee which will co-opt the coordinator of the committee which had taken the decision to purchase the goods for the Institute. However, in the event the goods to be disposed of have not been procured by any committee of the Institute, the Purchase and Contracts Committee will be free to decide on its own.

6.12.3 The Purchase and Contract Committee will adopt the following procedure for the disposal of goods:

- a. Examination of the need to dispose of the goods proposed to be disposed of, and satisfying itself that it is in the interest of the Institute to dispose them of;
- b. Assessment of the fair market value of the goods as they are;
- c. Issue of enquiries for disposal, and receipt of offers for purchase of the goods;
- d. Evaluation of the offers; and
- e. Decision based on the offers from all considerations.

6.12.4 The scheme shown in the following table will be adopted as regards the procedure for inviting bids for disposal of the items:

Sl. No.	Estimated Value of goods to be disposed of (Rs.)	Procedure for disposal
1.	Up to Rs. 25,000	Disposal of goods can be made with at least one quotation from a reputed buyer/ scrap dealer.
2	More than Rs. 25,000, but up to Rs.500,000	Disposal may be made based on at least three quotations from reputed parties.
3	More than Rs. 500,000, but up to Rs.2,500,000	Disposal is to be made by inviting restricted proposals from reputed buyers/ dealers in response to requests sent by email, and simultaneously, posted on the Institute web site. The committees should get at least three offers from reputed parties, and thereafter, carry out the evaluation. The committees will obtain prior approval of the Director before the award of Sale Order.

Sl. No.	Estimated Value of goods to be disposed of (Rs.)	Procedure for disposal
4	Above Rs.2,500,000	Disposal of goods is to be made by inviting offers through open offer basis from reputed vendors. Bids are invited by advertising in at least one of the National dailies having wide circulation, besides placing on the Institute website. The parties will be given fifteen days' time to respond to the requests. The committees will conduct the evaluation and seek the prior approval of the Director for award of Sale Order.

6.12.5 All sales by the Institute will be carried on "As is Where is" basis, and have to be accompanied by appropriate documents like Sale Orders, Invoice, Gate Pass and Receipts for amount received.

6.12.6 No sale of items will be made till the sales proceeds are realised in the accounts of the Institute.

6.13 Review of Processes

6.13.1 The Director will undertake periodic review of the procurement and contract processes and may issue such modifications/changes as are necessary to make them effective and aligned to the mission of the Institute.

7. Authority and Changes

- 7.1 The Director will be the Final Authority on the interpretation of the provisions of this Manual and his decision in regard to the meaning and clarifications and doubts will be final and binding on all.
- 7.2 The Director may issue office orders from time to time based on needs for smooth implementation of the provisions of this Manual.
- 7.3 Any changes of a substantial nature in the provisions of this Manual will be effected by the Board and such amended versions will be released as further issues.