MALLA REDDY (MR)

Deemed to be University

Recognized Under Section 3 of the UGC Act, 1956
Approved by AICTE, New Delhi, Accredited by NAAC with 'A++' Grade (Cycle-III)

FINANCE POLICY

1. PREAMBLE

Malla Reddy (MR) Deemed to be University (MRDU) recognizes that sound financial governance, prudent resource management, transparency, accountability, and statutory compliance are essential for achieving academic excellence, institutional sustainability, research growth, and infrastructure development. The University is committed to maintaining a robust financial management system that supports teaching, research, innovation, student welfare, and long-term growth. This Finance Policy is framed to establish structured guidelines for efficient planning, utilization, monitoring, and control of the financial resources of the University.

2. OBJECTIVES

- To ensure prudent financial planning and effective utilization of resources.
- To establish transparency, accountability, and internal control systems.
- To support academic, research, innovation, and infrastructure priorities.
- To ensure compliance with UGC, AICTE, statutory, taxation, and audit requirements.
- To standardize budgeting, procurement, accounting, and reporting processes.
- To promote long-term financial sustainability and risk management.

3. SCOPE

This policy shall apply to all Schools, Departments, Centres, Cells, administrative offices, and functional units of MRDU. It shall govern all financial matters relating to budgeting, fee management, procurement, accounting, payroll, grants, infrastructure expenditure, student funds, and statutory compliance. The provisions of this policy shall also apply to all officials authorized to incur expenditure or manage University funds.

4. GOVERNANCE STRUCTURE

The financial governance of the University shall function through an approved institutional framework consisting of the Governing Council, Academic Council, Finance Committee, Vice-Chancellor, Pro- Vice Chancellor, Registrar, Finance Officer / Accounts Officer, Internal Audit mechanism, and Heads of Schools / Departments functioning as Budget Responsibility Centres. Each authority shall exercise financial powers as delegated and shall ensure accountability, transparency, and timely decision-making.

5. BUDGET PLANNING

An annual budget shall be prepared before the commencement of each financial year. All Schools, Departments, and administrative units shall submit their budget proposals in the prescribed format. The consolidated budget shall be reviewed by the Finance Committee and placed before the Board of Management for approval.

The budget shall broadly include:

- Revenue Expenditure
- Capital Expenditure
- Research & Development Budget
- Maintenance Budget
- Student Welfare Budget
- Strategic Growth Initiatives

6. FEE MANAGEMENT

The tuition fee and other charges payable by students shall be determined and approved by the competent authority in accordance with applicable norms. Fee notifications shall be published transparently through official communication channels. The University shall encourage digital payment systems for efficient fee collection. Scholarships, fee waivers, concessions, and refunds shall be processed as per approved policies. Outstanding dues shall be monitored periodically, and necessary follow-up action shall be taken.

7. PROCUREMENT & PURCHASE CONTROLS

All procurement activities shall be governed by the principles of transparency, fairness, competitiveness, quality assurance, and value for money. Purchases shall be made through approved procedures such as quotations, comparative statements, tendering, technical evaluation, and purchase orders depending on the value and nature of the requirement. Emergency procurement, where unavoidable, shall require special approval from the competent authority. All officials involved in procurement shall avoid conflicts of interest and maintain ethical standards.

8. ACCOUNTING & FINANCIAL REPORTING

The University shall maintain proper books of accounts and financial records in accordance with accepted accounting principles and statutory requirements. All financial transactions shall be recorded accurately and in a timely manner. Periodic financial statements shall be generated for management review. Annual financial statements shall include the Income and Expenditure Account, Balance Sheet, and Receipts and Payments Account. Financial records shall be preserved safely for the prescribed statutory period.

9. INTERNAL CONTROLS

The University shall maintain an effective internal control system to safeguard assets and ensure efficient financial operations. Controls shall include:

- Authorization of expenditure
- Segregation of duties
- Approval hierarchy
- Payment controls
- Bank reconciliation
- Inventory / Asset verification
- Revenue monitoring
- Fraud prevention measures

10. AUDIT COMPLIANCE

Internal audit shall be conducted periodically to review compliance, operational efficiency, and financial discipline. Statutory audit shall be conducted annually by appointed auditors as per applicable regulations. All audit observations shall be examined promptly, and corrective action shall be taken within the prescribed time. Audit reports shall be placed before the competent authorities for review and further directions.

10. AUDIT COMPLIANCE

- Internal audit shall be conducted periodically.
- Statutory audit shall be conducted annually.
- Audit observations shall be reviewed promptly.
- Corrective actions shall be implemented within prescribed timelines.
- Audit reports shall be placed before competent authorities.

11. DELEGATION OF FINANCIAL POWERS

Financial powers shall be delegated to ensure timely administration:

- **Board of Management** – Major approvals / policy matters
- **Vice-Chancellor** – Strategic and administrative approvals
- **Registrar** – Operational approvals
- **Finance Officer** – Routine controls, accounting, compliance
- **Deans / HoDs / Directors** – Approved departmental budget expenditure limits

A separate delegation schedule may be notified and revised from time to time.

12. GRANTS / RESEARCH FUNDS

Funds received from government agencies, industries, donors, or sponsoring bodies for research and special projects shall be maintained separately and utilized strictly as per sanctioned terms.

The following shall be ensured:

- Separate ledger / account maintenance
- Timely Utilization Certificates
- Expenditure Statements
- Compliance with sponsor conditions
- Proper management of institutional overheads

3. ASSET MANAGEMENT

The University shall maintain an updated Asset Register for all movable and immovable assets. Periodic physical verification of assets shall be carried out to ensure existence, condition, and proper utilization. Obsolete, damaged, or unserviceable assets may be disposed of only with due approval and following prescribed procedures. Insurance coverage may be obtained for critical assets wherever necessary.

14. BANKING & CASH HANDLING

All University funds shall be operated only through approved bank accounts. Cash transactions shall be minimized and digital transactions shall be encouraged. Bank reconciliations shall be completed regularly, preferably on a monthly basis. Proper safeguards shall be maintained for cheque books, payment instruments, and online banking credentials. Dual authorization systems may be implemented for sensitive transactions.

15. PAYROLL CONTROLS

Payroll shall be processed through approved systems after due verification and authorization.

The system shall ensure:

- Timely salary disbursement
- Statutory deductions (PF, ESI, TDS, PT, etc.)
- Approved increments / revisions only
- Accurate employee master records
- Confidentiality of payroll data

16. RISK MANAGEMENT

Financial risks shall be periodically identified, assessed, and mitigated. Key risks may include:

- Revenue concentration risk
- Delay in fee collections
- Fraud risk
- Cyber / payment system risk
- Cost escalation risk
- Project overruns
- Statutory non-compliance risk

Suitable preventive and corrective measures shall be implemented.

17. ETHICS & TRANSPARENCY

All financial dealings of the University shall be ethical, transparent, and accountable. Unauthorized commitments, misuse of funds, or fraudulent practices shall attract disciplinary and legal action as per applicable rules.

18. POLICY REVIEW AND CONTINUOUS IMPROVEMENT

This policy shall be reviewed once every three years or earlier if required. Amendments in regulations, audit recommendations, institutional needs, and stakeholder suggestions shall be considered during review. Revised versions shall be approved by the Board of Management and circulated to all concerned units.