FINANCE AND RESOURCE MANAGEMENT POLICY

2026 Edition

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Sathyabama Institute of Science and Technology

(Deemed to be University)

Rajiv Gandhi Salai, Chennai – 600119, Tamil Nadu, India

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Particulars	**Details**
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DOCUMENT CLASSIFICATION : This document constitutes an official policy of the Deemed to be University. The provisions of this policy shall be implemented and interpreted in accordance with the applicable statutory and regulatory requirements, and in conjunction with other relevant policies, regulations, ordinances, and guidelines of the Institution.

FINANCE AND RESOURCE MANAGEMENT POLICY

1. PREAMBLE

Sathyabama Institute of Science and Technology recognizes that sound financial governance is fundamental to the effective functioning and long-term sustainability of the Institution. Financial resources support every aspect of institutional development, including academic programmes, research, innovation, student welfare, infrastructure, community engagement and strategic initiatives. Their management therefore requires transparency, accountability, prudence and compliance with applicable statutory provisions.

This Policy establishes the principles and procedures governing financial planning, budgeting, resource allocation, procurement, accounting, auditing, asset management and resource mobilization. It seeks to ensure that institutional funds and assets are utilized responsibly, economic decisions are taken in the best interest of the Institution, and all financial activities are carried out with integrity, efficiency and appropriate internal controls.

The Policy shall be implemented in accordance with the applicable provisions of the UGC Regulations for Deemed to be Universities, statutory requirements, institutional regulations and decisions of the competent authorities.

2. OBJECTIVES

The Finance and Resource Management Policy aims to achieve the following objectives:

1. establish a structured framework for financial planning and administration across the Institution;
2. promote transparency, accountability and integrity in all financial transactions;
3. ensure prudent utilization of financial and physical resources;
4. strengthen budgeting, expenditure monitoring and internal financial controls;
5. facilitate timely and compliant procurement of goods, works and services;
6. safeguard institutional assets through systematic recording, maintenance and verification;
7. encourage sustainable resource mobilization through research grants, consultancy, industry collaboration, alumni engagement and philanthropic support;
8. ensure compliance with statutory, regulatory and audit requirements; and
9. support the Institution's strategic priorities in teaching, research, innovation and infrastructure development.

3. SCOPE

This Policy applies to all academic, administrative and support units of Sathyabama Institute of Science and Technology that are involved in the planning, utilization, management or monitoring of institutional financial resources.

The provisions of this Policy shall be applicable to the Executive Council, Finance Committee, Schools, Departments, Research Centres, Centres of Excellence, administrative offices, Finance and Accounts Division, Procurement and Stores Division, faculty members, staff members, principal investigators of sponsored projects and any other individual entrusted with the management or utilization of institutional funds or assets.

The Policy also governs all sources of institutional income, expenditure, grants, donations, endowments, sponsored funds, consultancy receipts and assets owned or administered by the Institution.

4. GUIDING PRINCIPLES

Financial governance within the Institution shall be guided by the following principles:

4.1 Accountability

Every financial transaction shall be supported by appropriate authorization and documentation. Individuals entrusted with financial responsibilities shall remain accountable for the proper utilization of institutional resources.

4.2 Transparency

Financial decisions shall be taken through established procedures that promote openness, fairness and proper documentation. Relevant financial information shall be maintained accurately and made available to competent authorities whenever required.

4.3 Financial Prudence

Institutional funds shall be utilized with due care to ensure economy, efficiency and value for money. Expenditure shall be aligned with approved budgets and institutional priorities.

4.4 Regulatory Compliance

All financial activities shall comply with applicable statutory provisions, UGC Regulations, taxation laws, accounting standards, audit requirements and institutional rules.

4.5 Integrity and Ethical Conduct

Financial administration shall be carried out with honesty, impartiality and professionalism. Decisions involving procurement, contracts and financial commitments shall be free from conflicts of interest and personal gain.

4.6 Sustainability

Financial planning shall consider both current operational requirements and long-term institutional growth. Resource allocation shall support sustainable academic, research and infrastructure development.

4.7 Continuous Improvement

Financial systems and procedures shall be reviewed periodically to improve efficiency, strengthen internal controls and adopt best practices in institutional financial management.

5.1 Budget Planning

The annual budget serves as the primary financial planning instrument of the Institution and provides the basis for the effective allocation and utilization of institutional resources. The budgeting process shall be aligned with the Institution's Strategic Plan, Annual Action Plan, academic priorities, research initiatives, infrastructure development, student support services, and statutory obligations.

Budget preparation shall be undertaken well in advance of the commencement of each financial year to facilitate systematic financial planning and efficient resource allocation.

5.2 Preparation of Budget

Every School, Department, Centre, and Administrative Division shall submit its annual financial requirements to the Finance and Accounts Division within the timeline prescribed by the Institution.

While preparing the budget, due consideration shall be given to:

- Academic programmes and curriculum requirements;
- Research projects and sponsored activities;
- Laboratory development and equipment procurement;
- Infrastructure expansion and maintenance;
- Library and digital learning resources;
- Information and Communication Technology (ICT) requirements;
- Faculty and staff development programmes;
- Student welfare and extracurricular activities; and
- Any other institutional priorities approved by the Competent Authority.

The Finance and Accounts Division shall examine the proposals, assess financial feasibility, and prepare the consolidated Annual Budget for consideration by the Finance Committee

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5.3 Budget Approval

The consolidated Annual Budget shall be reviewed by the Finance Committee with reference to institutional priorities, projected income, anticipated expenditure, and financial sustainability.

Upon the recommendation of the Finance Committee, the Annual Budget shall be placed before the Executive Council for approval.

No expenditure shall ordinarily be incurred unless provision has been made under the approved budget or specific approval has been obtained from the Competent Authority.

5.4 Budget Monitoring

The Finance and Accounts Division shall periodically monitor budget utilization throughout the financial year. Variations between the approved budget and actual expenditure shall be reviewed and reported to the competent authorities wherever necessary.

Departments shall ensure that expenditure remains within the sanctioned allocation and that available resources are utilized efficiently.

Where additional funds become necessary due to unforeseen institutional requirements, supplementary budget proposals may be submitted for consideration through the prescribed approval process.

6.1 Financial Administration

The Finance and Accounts Division shall be responsible for maintaining complete and accurate financial records of the Institution in accordance with applicable accounting standards, statutory requirements, and institutional regulations.

All receipts, payments, grants, deposits, investments, and institutional funds shall be properly accounted for through the approved financial management system.

Periodic financial statements and management reports shall be prepared and submitted to the Competent Authorities for review and decision-making.

6.2 Internal Financial Controls

The Institution shall maintain an effective internal financial control system to safeguard institutional assets and ensure responsible utilization of financial resources.

The control framework shall include:

- Appropriate approval hierarchy;
- Segregation of financial responsibilities;
- Budgetary control;
- Verification of bills and supporting documents;
- Periodic reconciliation of accounts;
- Compliance with statutory provisions; and
- Internal monitoring and financial review.

6.3 Delegation of Financial Powers

To facilitate efficient administration while ensuring financial accountability, the Institution shall operate through a system of delegated financial powers.

The financial limits specified below have been recommended by the Finance Committee and approved by the Executive Council**.** These limits may be revised from time to time based on institutional requirements and statutory provisions.

Authority	Financial Powers	Maximum Financial Limit (Per Approval)
Chancellor & President	Exercise the highest financial authority of the Institution and approve strategic, capital and policy-level expenditure, including expenditure beyond the delegated powers of all other authorities.	**No Financial Limit**
Vice-Chancellor	Approve major procurement, infrastructure development, research facilities, capital equipment, emergency expenditure and institutional development projects.	Up to **₹50,00,000**
Pro-Vice-Chancellor	Approve procurement, laboratory equipment, maintenance works, ICT infrastructure, research initiatives and operational expenditure within delegated authority.	Up to **₹20,00,000**
Registrar	Approve administrative procurement, maintenance works, service contracts, Annual Maintenance	Up to **₹5,00,000**

	Contracts (AMC), operational expenditure and establishment-related expenses.	
Finance Officer	Accord financial concurrence, verify budget availability, monitor expenditure, ensure statutory compliance and approve financial transactions within delegated authority.	Up to **₹2,00,000**
Dean / Director	Approve academic, research, laboratory, consultancy, training, conference and departmental expenditure within the approved budget.	Up to **₹1,00,000**
Head of the Department	Approve routine laboratory consumables, minor repairs, student activities and departmental operational requirements within the approved budget.	Up to **₹50,000**

General Conditions

The delegation of financial powers shall be subject to the following conditions:

- Financial sanction shall not be construed as administrative or technical approval where such approvals are separately required.
- Every expenditure shall be supported by budget availability and relevant financial concurrence, wherever applicable.
- Delegated powers shall be exercised only within the approved budget and in accordance with the Institution 's procurement procedures.
- Expenditure exceeding the prescribed limits shall be referred to the next higher competent authority.
- The Executive Council may revise the delegation of financial powers from time to time based on the recommendations of the Finance Committee.

7. PROCUREMENT AND PURCHASE

7.1 Procurement Framework

The Institution shall establish a transparent and accountable procurement system to ensure that all purchases of goods, works and services are carried out in a fair, competitive and cost effective manner. Procurement activities shall be aligned with the approved budget and shall support the academic, research, administrative and infrastructure requirements of the Institution while ensuring optimum utilization of institutional resources.

7.2 Procurement Process

Every procurement proposal shall originate from the concerned School, Department or Administrative Division through an approved requisition. The proposal shall clearly specify the requirement, estimated cost, technical specifications and budget availability.

Depending on the nature and value of the procurement, purchases may be processed through quotations, comparative statements, tendering or other approved procurement methods. Technical evaluation shall be carried out wherever necessary before financial evaluation and approval.

Procurement proposals shall be processed only after obtaining the approvals prescribed under the Delegation of Financial Powers and the applicable procurement procedures of the Institution.

7.3 Vendor Selection and Purchase Administration

The Institution shall maintain a transparent system for vendor identification and selection. Preference shall be given to suppliers who demonstrate quality, reliability, competitive pricing, timely delivery and satisfactory after-sales service.

The Procurement Section may maintain an approved vendor database and periodically review vendor performance based on quality of supplies, compliance with delivery schedules and service support. Wherever applicable, declarations relating to conflict of interest shall be obtained before awarding purchase orders.

7.4 Receipt, Inspection and Payment

All goods and services received shall be inspected by the concerned user department to verify conformity with the approved specifications, quantity and quality requirements. Payments shall be processed only after satisfactory verification of delivery, submission of supporting documents and certification by the competent authority.

7.5 Digital Procurement

The Institution shall progressively adopt digital procurement practices, including electronic purchase records, vendor databases and online approval workflows, to enhance transparency, efficiency, record management and audit ability.

8. AUDIT POLICY

8.1 Audit Framework

The Institution shall maintain an effective internal and external audit mechanism to ensure financial discipline, regulatory compliance and continuous improvement in financial governance. The audit process shall serve as an independent means of evaluating the adequacy of internal controls, financial reporting systems and statutory compliance.

8.2 Internal Audit

Internal audits shall be conducted periodically under the supervision of the competent authority to examine financial transactions, verify compliance with institutional policies and assess the effectiveness of financial controls.

The audit shall also identify procedural deficiencies, operational risks and areas requiring improvement. The observations and recommendations of the Internal Audit shall be communicated to the concerned departments for appropriate corrective action.

8.3 Statutory Audit

The annual accounts of the Institution shall be audited by Statutory Auditors appointed in accordance with the applicable statutory provisions. The statutory audit shall examine the financial statements, accounting records and supporting documents to ensure that the financial position of the Institution is presented fairly and complies with the applicable laws, regulations and accounting standards.

8.4 Compliance with Audit Observations

All audit observations shall be reviewed by the concerned authorities and appropriate corrective and preventive measures shall be initiated within the stipulated time. Compliance reports shall be submitted to the competent authority for review and further action wherever necessary.

9. ASSET MANAGEMENT

9.1 Asset Administration

The Institution shall establish a systematic mechanism for the acquisition, identification, utilization, maintenance, safeguarding and disposal of all movable and immovable assets. Effective asset management shall ensure optimum utilization of institutional resources throughout their useful life.

9.2 Asset Register

The Finance and Accounts Division, in coordination with the concerned departments, shall maintain comprehensive Asset Register containing details such as asset identification number, description, location, custodian, acquisition cost, date of purchase, maintenance history and other relevant particulars.

Every capital asset acquired by the Institution shall be properly recorded immediately after procurement.

9.3 Maintenance and Verification

The user departments shall ensure proper custody and maintenance of assets entrusted to them. Preventive maintenance shall be undertaken wherever necessary to maximize the operational life of institutional assets.

Physical verification of assets shall be conducted periodically to confirm their existence, condition and location. Any discrepancies observed during verification shall be reported immediately for necessary action.

9.4 Disposal of Assets

Assets that have become obsolete, damaged or economically unserviceable shall be disposed of only after following the procedures approved by the Institution. Disposal shall be undertaken in a transparent manner after obtaining the recommendations of the appropriate committee and approval of the competent authority.

10. RESOURCE MOBILIZATION

10.1 Resource Development

The Institution recognizes that sustainable institutional growth requires continuous mobilization of financial resources beyond regular fee income. Efforts shall therefore be made to strengthen financial sustainability by promoting research funding, consultancy, industry collaboration, alumni participation and philanthropic support.

10.2 Sources of Resource Mobilization

The Institution may mobilize financial resources from various legitimate sources including student fees, research grants, sponsored projects, consultancy assignments, industry partnerships, Corporate Social Responsibility (CSR) initiatives, alumni contributions, donations, endowments, continuing education programmes, intellectual property commercialization and other funding opportunities permitted under applicable regulations.

10.3 Institutional Initiatives

The Institution shall encourage faculty members and academic departments to actively pursue externally funded research projects, consultancy assignments and collaborative programmes with government agencies, industries and international organizations.

Special emphasis shall also be placed on strengthening alumni engagement, innovation and entrepreneurship initiatives, technology transfer and other activities that contribute to long term financial sustainability.

11. ENDOWMENT AND FUND UTILIZATION

11.1 Management of Endowments

The Institution shall administer endowments, donations, grants and other special funds with due regard to transparency, accountability and donor intent. Proper financial records shall be maintained for every endowment or special fund received by the Institution.

11.2 Utilization of Funds

Funds received through endowments and donations shall be utilized strictly for the purposes for which they are sanctioned. Such funds may support scholarships, student welfare, research activities, faculty development, infrastructure development, endowed chairs, community engagement initiatives and other institutional priorities approved by the competent authority.

11.3 Monitoring

The utilization of endowment and special funds shall be reviewed periodically to ensure compliance with donor conditions, achievement of intended objectives and proper financial accountability.

12. FINANCIAL RISK MANAGEMENT

The Institution shall establish appropriate mechanisms to identify, assess and mitigate financial risks that may affect institutional operations and long-term sustainability.

Financial risks may arise from fluctuations in revenue, research funding, operational expenditure, investments, regulatory changes, fraud or other unforeseen circumstances. Appropriate internal controls, periodic financial reviews, risk mitigation strategies and contingency measures shall be implemented to minimize such risks and ensure financial stability.

13. REPORTING AND DISCLOSURE

The Finance and Accounts Division shall prepare periodic financial reports to facilitate informed decision-making by the competent authorities. These reports may include annual financial statements, budget utilization reports, audit reports, statutory filings, compliance reports and other financial performance indicators.

Financial information shall be presented accurately, maintained in accordance with applicable statutory requirements and made available to the appropriate authorities whenever required.

14. MONITORING AND REVIEW

The implementation of this Policy shall be reviewed periodically by the Finance Committee through examination of budget performance, audit findings, financial compliance, utilization of institutional resources and asset management practices.
Wherever deficiencies or areas for improvement are identified, appropriate corrective and preventive measures shall be initiated to strengthen financial governance and enhance institutional effectiveness. The outcomes of such reviews shall be reported to the Executive Council for guidance and further action, wherever necessary.

15. APPROVAL AUTHORITY

The Executive Council shall be the competent authority for the approval, interpretation, amendment, review, and implementation of this Finance and Resource Management Policy.

Issued by
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