4

31

STANDARD OPERATING PROCEDURE (SOP)
Accounting and Financial Management of P.G. Hostels
Utkal University, Vani Vihar, Bhubaneswar

1. Title

Standard Operating Procedure (SOP) for Financial Management, Accounting, Budgeting, Expenditure, Internal Control and Audit of P.G. Hostels of Utkal University

2. Purpose

This SOP aims to

- establish uniform accounting procedures for all P.G. Hostels.
- ensure transparency and accountability.
- prescribe financial powers.
- establish internal control.
- ensure proper utilization of hostel funds.
- facilitate audit.
- maintain standardized books of accounts.
- ensure compliance with University Rules.

3. Scope

This SOP shall apply to

- Boys' Hostels
- Girls' Hostels
- International Hostel (if any)
- Research Scholars' Hostel (if applicable)
- Any other hostel functioning under the P.G. Council.

4. Administrative Structure

Vice Chancellor

Overall administrative authority.

↓

30

Registrar (It may be sent to COF for concurrence in case It involves finance)

Administrative approval

↓

Chairman, P.G. Council

↓

Warden

Overall supervision of all hostels

↓

Superintendent

Financial and administrative head of individual hostel

↓

Hostel Office

Accounts Assistant / Clerk (where available)

5. Financial Objectives

The financial system shall ensure

- transparency
- accountability
- economy
- efficiency
- financial discipline
- timely reporting
- proper record maintenance
- audit compliance

6. Sources of Hostel Funds

Hostel funds shall consist of

- Hostel Admission Fees

- Hostel Development Fees
- Hostel Caution Deposit (if applicable)
- Room Rent
- Maintenance Charges
- Interest earned on bank account
- Donations/Sponsorships (with university approval)
- Other receipts approved by the University.

❖ **No fee other than those approved by the University shall be collected.**

7. Bank Account

Each hostel shall maintain **one designated bank account** in the name of the hostel, operated as authorized by the University.

The account shall be used exclusively for official hostel transactions.

All collections shall be deposited promptly into the hostel account.

8. Collection of Hostel Fees

At the time of admission

Students shall deposit

- Hostel Fee
- Development Fee
- Other approved charges

The Superintendent shall

- issue a computerized or serially numbered receipt;
- record the receipt in the Cash Book and Fee Collection Register; and
- deposit the collections into the bank within the prescribed time.

No collection shall remain unaccounted.

9. Books of Accounts

Each hostel shall maintain:

- Cash Book

- Bank Book
- Fee Collection Register
- Receipt Book
- Payment Voucher Register
- Stock Register
- Furniture Register
- Electrical Equipment Register
- Dead Stock Register
- Asset Register
- Advance Register
- Contingent Register
- Budget Register
- Cheque Issue Register (where applicable)
- Fixed Deposit Register (if any)
- Audit Objection Register
- Hostel Development Fund Register

All books shall be page-numbered and authenticated.

10. Budget Preparation

Every Superintendent shall prepare an **Annual Hostel Budget** before the commencement of the financial year.

The budget shall include:

Estimated Receipts

- Hostel Fees
- Development Fees
- Interest
- Other Income

Estimated Expenditure

- Building Maintenance
- Electrical Repairs
- Plumbing
- Furniture
- Housekeeping
- Sanitation
- Garden Maintenance
- Drinking Water
- Security
- Office Expenses
- Stationery
- Minor Civil Works
- Emergency Repairs
- Student Welfare Activities
- Contingency

11. Approval of Budget

The Annual Budget shall require approval of

- Warden
- Chairman, P.G. Council

before expenditure is incurred.

No expenditure outside the approved budget shall ordinarily be incurred without prior approval of the competent authority.

12. Financial Powers

Superintendent

May sanction expenditure up to

Rs.50,000 for a single work or procurement, subject to:

- availability of budget;

26

- observance of procurement procedures; and
- proper documentation.

13. **Expenditure Beyond Rs. 50,000**

Whenever any single expenditure exceeds **Rs. 50,000**, prior concurrence and approval of the Competent Authority shall be obtained before incurring the expenditure.

The proposal shall contain:

- Justification of expenditure;
- Estimated cost;
- Availability of budget;
- Quotations/tender documents, wherever applicable;
- Recommendation of the Superintendent and Warden.

Expenditure exceeding Rs.50,000

Requires:

- approval of the Warden
- Chairperson, P. G. Council
- concurrence of the CoF (where required under university rules); and
- approval of the competent University authority.(Registrar & Vice Chancellor)

14. Procurement Procedure

For purchases up to prescribed limits:

- Obtain quotations where required.
- Compare rates.
- Select the most suitable offer considering quality and cost.
- Prepare a comparative statement.
- Obtain sanction.
- Issue purchase order.
- Receive materials.
- Verify quantity and quality.

- Record in the Stock Register.
- Process payment through voucher.

For higher-value purchases, follow the University's procurement and tender procedures.

15. Payment Procedure

Before payment:

The Superintendent shall ensure:

✓ Budget available

✓ Administrative approval

✓ Financial sanction

✓ Goods received

✓ Stock entry completed

✓ Bill verified

✓ Voucher prepared

✓ GST details verified (where applicable)

✓ Supplier acknowledgement obtained

16. Payment Mode

Payments should preferably be made through

- Bank Transfer
- NEFT
- RTGS
- Account Payee Cheque

Cash payments shall be discouraged except for petty expenses within approved limits.

17. Maintenance of Hostel Assets

All assets shall be entered into the Asset Register.

Annual physical verification shall be conducted.

24

Damaged items shall be reported.

Condemnation shall follow University procedures.

18. Development Fund Utilization

Development Fees shall be utilized only for:

- Infrastructure
- Furniture
- Electrical improvements
- Water supply
- Internet
- Safety equipment
- Student amenities
- Renovation
- Beautification

Development funds shall not be used for routine recurring expenses unless specifically permitted.

19. Monthly Accounts

Each Superintendent shall prepare:

- Receipt & Payment Statement
- Bank Reconciliation Statement
- Income & Expenditure Statement (where applicable)
- Budget Utilization Statement
- Outstanding Liabilities Statement

These shall be submitted monthly to the Warden, with copies to the Finance Branch if prescribed.

20. Annual Accounts

At the close of each financial year, the Superintendent shall prepare:

- Annual Receipt & Payment Account
- Income & Expenditure Account

- Balance Sheet (if applicable)
- Schedule of Assets
- Schedule of Liabilities
- Bank Reconciliation
- Budget Utilization Report
- Statement of Hostel Development Fund

These shall be certified by the Superintendent and approved by the Warden before submission to the University.

21. Internal Control Measures

To strengthen financial discipline:

- Segregation of collection, recording, and authorization functions where staffing permits.
- Mandatory supporting documents for all transactions.
- Periodic bank reconciliation.
- Surprise cash verification.
- Numbered vouchers and receipts.
- Regular stock verification.
- Annual physical verification of assets.
- Preservation of records for the period prescribed by the University.

22. Audit

Hostel accounts shall be subject to:

- Internal Audit by the University.
- Statutory Audit.
- Audit by the Local Fund Audit
- Special Audit if ordered by the University.

The Superintendent shall furnish all records to the audit team and ensure timely compliance with audit observations.

23. Financial Reporting

The Superintendent shall submit periodic financial reports to the Warden and the Chairman, P.G. Council, and provide statements to the Finance Branch as required for monitoring and consolidation.

24. Responsibilities

Superintendent

- Collection of fees
- Maintenance of accounts
- Budget preparation
- Procurement
- Expenditure control
- Asset management
- Financial reporting
- Audit compliance

Warden

- Supervisory oversight
- Budget approval
- Monitoring utilization
- Inspection
- Ensuring compliance with the SOP

Chairman, P.G. Council

- Approval of annual budgets
- Oversight of hostel financial administration
- Review of financial performance

Finance Branch of the University

- Financial concurrence where applicable
- Guidance on accounting standards and procedures
- Monitoring and consolidation of financial information

- Facilitation of audit and compliance

25. Digital Accounting (Future Roadmap)

The University should progressively implement a digital accounting system for hostels, enabling:

- Online fee collection
- Integrated hostel accounting
- E-receipts
- Digital vouchers
- E-budgeting
- Online approvals
- Real-time expenditure tracking
- Asset management
- Dashboard reporting
- Automated bank reconciliation
- Audit trail
- Centralized financial monitoring

26. Compliance

All hostel authorities shall comply with:

- Utkal University Act, Statutes and Regulations.
- University Financial Rules.
- Odisha General Financial Rules (OGFR) where applicable.
- Government accounting instructions adopted by the University.