

# BUDGET POLICY

**K. K. WAGH COLLEGE OF PHARMACY  
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## **I) Brief about Budget**

Budget represents the Annual Financial Statement showing the estimates of receipts and expenditure in respect of a financial year. Financial year commences on 1<sup>st</sup> day of April of each year and ends on 31<sup>st</sup> day of March of the following year.

The Budget specifies the objects for and the limits up to which expenditure may be legally incurred during the course of a financial year. Its object is to exercise financial control over approved items of income and expenditure. In other words, it is an instrument of financial control.

The budget shall contain the following:

- a) Estimates of all Revenue/Income expected to be raised during the financial year to which the budget relates.
- b) Estimates of all Expenditure for each head-wise expenditure.

## **II) Budget Estimate**

A budget is a financial plan for a defined period of time, usually a year. It is an instrument of financial control. Budget is defined as “A comprehensive plan, expressed in financial terms by which an operating programme is effective for a period of time”. An institute considered estimates for expenditure under these broad categories:

### **1. Non- Recurring expenditure:**

Non-Recurring Budget estimates is forecast under each head of account

- Equipment Dead stock
- Furniture Dead stock
- Computer Dead stock
- Software Dead stock
- Books Dead stock

### **2. Non- Recurring expenditure:**

- Laboratory consumable
- Maintenance & spares
- Internet & Telephone
- Travel (staff & students)
- Electrical expenses
- Misc. Exp. for academic activities

### **3. Research & Development, Project Expenditure**

The requirements of the emerging research projects within the department.

### **4. Training & Placement Expenses**

## **III) Budget calendar:**

(a) Budget calendar indicating the dates by which the various steps leading to the finalization of the budget estimates of the institutes are to be completed. Budget is prepared in the January / February month of the year

The following are the stages to be followed before the budget estimates are approved by the Principal:

- i. Budget circular is sent to Head of Departments and Section/Portfolio Head requesting them to forward their budget proposals of the subsequent year by a set date.
- ii. Receiving of budget proposals from department.
- iii. If considered necessary by the Principal, budget proposals can be reviewed with the concerned department before framing recommendations for consideration of Society Office & Governing Body
- iv. Formulation of the budget estimates of the institute under the overall guidance and directions of the Principal.
- v. Submission of budget proposals and revised estimates to Society Office & Governing Body for Sanction.
- vi. Sanctioned Budget is received from the Society Office & Governing Body and communicated to all HOD's and Section/Portfolio Head.

#### **IV) Estimates for Receipts & Payments**

Receipts & Payments are accounted as under:

- **For the current year**

- 1) Actual receipts and payments up to month of December.
- 2) Receipts and Payments for January, February and March (3 months) are accounted on the basis of actual receipts and payments of Nine months (*i.e.* up to December) and total receipts and expenses are accounted for 12 months.

- **For Next year**

a) Receipts:

- Fees : No. of Students for next year x Fees per student
- Other Receipts :- 10% increase in the current year fees

b) Payments:-

- Salary: - 15% Increase in current year total Salary Expenses.
- Non Salary Expenses: 15% increase in current year expenses
- Dead stock: Lists provided by the respective departments and sanction given by Principal.
- Depreciation: Last year depreciation & dead stock purchases
- Surplus / Deficit :- Difference between Receipts & Payments

#### **V) Inevitable payments:**

No expenditure outside or in excess of the sanctioned budget allocation for the year shall be incurred without the prior sanction of the authority competent to give such sanction. Similarly, absence of budget provision or inadequacy of funds should not be given a justification for postponement of payment for the services already rendered. The adequacy of the budget provision should be taken into consideration before incurring any liability.