

Budget 2022-23	
Head of Expense	Budget Amount In Lakhs (Rs.)
Salary and Visiting Faculty	2,740
Laboratory Expenses	144
Training and Development	17
R&D Expenses	43
Library Expenses	84
Fees Paid to University/ Board/ Government/AICTE/UGC	24
Administrative expenses	199
Travel & Conveyance	10
Maintenance Expenses	545
Miscellaneous	10


Principal





Vidyalankar Institute of Technology

Standard Operating Procedure Development

Module: Budgeting

Version 1 : May 2012

Version 2: May 2017

Version 3: May 2019 (Current Version)

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22B. PROCESS: BUDGETING

PRE-REQUISITES	
1.	▪ Prescribed budget format by corporate office
2.	▪ Previous year's budget (approved and utilized)

VIT SOP DEVELOPMENT– BUDGETING

22B.1: SUB PROCESS –BUDGET PREPARATION & APPROVAL

Key Objectives	<ul style="list-style-type: none"> To ensure accurate and timely preparation of budgets for immediate financial year
Key Inputs	<ul style="list-style-type: none"> Annual operating plan, budgeting guidelines

PROCESS DESCRIPTION

Key Activities	Description
1. Budgeting guidelines	1.1 The Corporate Office should lay down the guidelines and format for the budget and communicate to the Institute by first week of January to prepare the annual budget for the forthcoming year (1 st April to 31 st March)
	1.2 The major heads in the budget can include salary, consumables, CAPEX, R&D, project, student activities and other heads as prescribed by the corporate office
	1.3 The institute should complete the budgeting activity and sent the budget to corporate office for approval by 31 st Jan
	1.4 The Principal / Director should communicate all the departments / section heads to prepare the annual budget. This includes all Departments, Electrical section, Civil works section, Repair & maintenance section, Library, Stores, Examination, R&D, Accounts, Students section, Establishment section, T&P department and others
	1.5 The Principal / Director can invite all the Department Heads for a meeting and communicate any specific points required for the budget and share the prescribed budget format with them
	1.6 The budget should be prepared only in the prescribed format and entries should be made only in heads relevant for their departments
2. Preparation of budget	2.1 The Head along with the Department faculties should prepare the budget and submit it to the Principal / Director
	2.2 The budget figures should be based on the following <ol style="list-style-type: none"> Previous year's budget Previous year actual expenditure for the three quarters Estimate strength of the students in the forthcoming batch Specific plans for the forthcoming year (e.g. New lab development, new courses, financial initiatives, R&D additions etc.) Only the relevant fields should be filled by the departments leaving the remaining as blank
	2.3 Principal / Director should approve budget for each department and forward the same to the Budget In-charge / Accounts Officer for consolidation
	2.4 The Principal / Budget in-charge / Accounts officer should prepare the consolidated budget and send it to the corporate budget cell with Director's approval
3. Approval of budgets by Corporate	3.1 The corporate budget cell should review the budget and seek clarifications from Principal / Director if required in written within 2 days
	3.2 Post review, it should be presented to the Management / Finance Committee for review and recommendation
	3.3 The recommended budget from management / finance committee should be presented to the Governing Body Council for approval

VIT SOP DEVELOPMENT– BUDGETING

PROCESS DESCRIPTION	
Key Activities	Description
4 Communication of Budget	4.1 The approved budget should be communicate to the Principal / Director and Department heads / Section Heads by end of April along with the modifications
5 Interim – Modifications	5.1 In case any interim modification is required in the budget, the Department Heads can send a request to the Principal / Director
	5.2 The Principal / Director can approve the required amendment in the budget if felt necessary. Post approval the amendment should be sent to the Corporate Office for approval. The required amendment should be made to the budget in case it is approved by the Management
6 Unplanned Expenditure	6.1 In case of the unplanned expenditure, not included in the budget, the Department Heads can send a request to the Principal / Director
	6.2 The Principal / Director can approve the required unplanned expenditure if felt necessary. Post approval the amendment should be sent to the Corporate Office for approval

Key Outputs	<ul style="list-style-type: none"> Approved final budgets
KPIs	<ul style="list-style-type: none"> Zero defaults in complying with the timelines as per budgeting calendar Final budgets prepared prior to commencement of the new financial year

22B.2: SUB PROCESS – QUARTERLY BUDGET REVISION & VARIANCE ANALYSIS

Key Objectives	<ul style="list-style-type: none"> To ensure proper budget revision and variance analysis of budgets
Key Inputs	<ul style="list-style-type: none"> Annual operating plan, budgeting guidelines, previous year's expenditure, etc.

PROCESS DESCRIPTION	
Key Activities	Description
1. Variance analysis	1.1 At the end of every quarter, Principal / Budget cell should generate the report of actual expenditure vis-à-vis budgeted expenditure for review and perform a variance analysis
	1.2 Any variance beyond a certain percentage as per budget guidelines should be highlighted and send to the institute for clarifications
	1.3 The budget in-charge at the institute along with the department heads should analyze the budget variance and prepare a variance report
	1.4 The report once prepared should be sent to the Principal / Director for review and approval
2 Review and approval of variance	2.1 The budget in-charge should submit the approved variance report to the corporate budget cell
	2.2 The corporate budget cell should review the variance report and seek clarifications from Director if required in written within 2 days.
	2.3 Post review, it should be presented to the Management / Finance Committee for review and recommendation.

VIT SOP DEVELOPMENT– BUDGETING

PROCESS DESCRIPTION	
Key Activities	Description
	2.4 The recommended budget from management / finance committee should be presented to the Governing Body Council for approval
3 Budget Revisions	3.1 The revised budget (post half year variance analysis) as per the approved variance report should be prepared by the budget cell
	3.2 The corporate budget cell should communicate the revised budget to the institutes
4 Miscellaneous Reports	4.1 The budget cell should publish monthly reports and send it to the Principal / Director. The various reports are <ul style="list-style-type: none"> ○ Budget submitted Vs budget utilized ○ Budget allocation Vs budget utilized ○ Fees collection budgeted Vs actual ○ Budgeted receivables Vs Actual received
Key Outputs	<ul style="list-style-type: none"> ▪ Revised budgets
KPIs	<ul style="list-style-type: none"> ▪ Zero defaults in complying with the timelines as per budgeting calendar ▪ Revised budgets communicated to the institute within 2 working days of approval

Report usage limitations

This report is intended solely for the information and use of the management of Vidyalankar and is not intended to be and should not be used by anyone other than these specified parties. Ernst & Young therefore assumes no responsibility to any user of the report other than Vidyalankar Management. Any other persons who choose to rely on our report do so entirely at their own risk.

Limitations of procedures

As it is practically not possible to study all aspects of a process in its entirety thoroughly during the limited time period of a review, based on our methodology for conducting the exercise, we conducted a review of the process and held discussions with the process owners and other key people in the process during the planning stage of audit which helped us in identifying specific areas where control weaknesses & process gaps may exist, opportunities for process improvement and/or cost reduction/revenue enhancement. Our subsequent test work, study of issues in detail and developing action plans are directed towards the issues identified. Consequently this report may not necessarily comment on all the function / process related matters perceived as important by the management.

The issues identified and proposed action plans in this report are based on our discussions with the people engaged in the process, review of relevant documents/records and our physical observation of the activities in the process. We made specific efforts to verify the accuracy and authenticity of the information gathered only in those cases where it was felt necessary. The work carried out and the analysis thereof is based on the interviews with the personnel and the records provided by them.

The identification of the issues in the report is mainly based on the review of records, sample verification of documents / transactions and physical observation of the events. As the basis of sample selection is purely judgmental in view of the time available, the outcome of the analysis may not be exhaustive and representing all possibilities, though we have taken reasonable care to cover the major eventualities.