

F. No. 61-19/2015-Desk (U)  
Government of India  
Ministry of Human Resource Development  
Department of Higher Education  
(Central Universities Bureau)

New Delhi, the 3<sup>rd</sup> March, 2016.

To,  
The Chairman,  
University Grants Commission,  
Bahadur Shah Zafar Marg,  
New Delhi – 110002.

**Sub: Improving financial management and strict compliance of rules/procedures in the Central Universities – regarding.**

Of late, it has been observed by this Ministry that sometimes the agenda items involving financial implications are placed directly before the Executive Council (EC) without proper scrutiny by the Finance Committee (FC). In certain cases, the decisions taken by EC without proper scrutiny of the FC conflict with the rules/regulations/instructions of the University Grant Commission (UGC)/ Ministry of Human Resource Development (MHRD)/Department of Personnel & Training (DoPT)/ Ministry of Finance (MoF), which result in serious complications and disparities among universities. As per the existing Statutes of the Central Universities, certain financial and administrative powers vest with the FC of the Central Universities. Any violation of provisions of the Act/Statutes of the University is a serious lapse which entails fixation of responsibility on the delinquent official(s) and disciplinary proceedings.

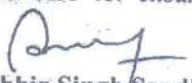
2. In order to avoid such circumstances and to further improve the financial management of the Central Universities, following points are required to be observed scrupulously:

- (i) All the provisions in the Act/ Statutes of the University should be strictly followed in letter and spirit and decisions so arrived at should be taken in a transparent manner after approval of the competent statutory bodies. The Registrar of the University, being the ex-officio Secretary of the EC, must ensure that no such agenda item, which has financial implication, is put before the EC without the explicit approval of the FC. The Registrar will be responsible for any lapse in this regard.
- (ii) The Finance Officer (FO), being the ex-officio Secretary of the FC, is responsible for ensuring proper utilisation of the funds of the university under his supervision and ensure that no unauthorised or illegal expenditure is incurred by the University. FO must also try to ensure that meetings of FC are convened at regular frequency as per the Acts/ Statutes of the Central University. The FO will be responsible for any lapse in this regard.
- (iii) All agenda items involving financial implications, before placing in the FC meetings, must be properly examined by the office.
- (iv) It should also be ensured that the financial limits fixed for recurring and non-recurring expenditure for the year are not exceeded and that all funds are utilised for the purposes for which they are granted / sanctioned. Strict compliance of the provisions of GFR, 2005 in general and Rule 21 of GFR, 2005 in particular, must be adhered to ensure financial propriety while incurring expenditure.

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- (v) In administrative matters like career advancement scheme, promotion policies, fixation of pay/grade pay, allowances, increments, upgradation/revision of pay scales/allowances etc., decision must be taken in strict conformity with the rules/ regulations/ instructions of Government of India/UGC, failing which strict disciplinary action will be taken against the responsible officials. The same should be ensured by the FO and the Registrar of the University.
- (vi) If any decision(s) taken in financial matters is found to be contrary to the advice or the rules/regulations/instructions of the UGC/Govt. of India, the amount involved in such decision(s) will be deducted from the entitlement of the university and the same may be recovered from the salary of the official(s) responsible for such decision(s).
- (vii) Finance Officer, being responsible to ensure proper utilization of funds, should not release funds on such decisions of EC/FC which are not in accordance with the extant rules/regulations/instructions, and which might have been inadvertently taken due to the reasons that relevant rules/regulations/instructions were not brought to their notice before taking such decisions, or otherwise. The FO may bring the relevant rules/regulations/instructions to the notice of EC/FC, and seek clarification from UGC or MHRD, if required..
- (viii) While formulating any Ordinance pertaining to either service matters or financial matters which are not consistent with the existing rules/regulations/instructions of UGC/Government of India, it must be referred to UGC for prior approval/consent before it is brought to the EC or the Academic Council.
- (ix) It is mandatory for all the universities to conduct internal audits of their accounts in a time bound manner.
- (x) Every important decision taken in the FC/EC should be highlighted in the minutes and communicated in the covering letter itself so as to stand out in the voluminous documents.
3. It is also emphasized that all agenda items should be prepared by the Central Universities well in advance and sent to the MHRD (CU Bureau & Finance (IFD) Bureau) and the UGC at least two weeks before the meeting so that proper scrutiny of agenda items along with the observations of the regulator as well as the Ministry are put on record. The last minute addition to agenda items as table items, therefore, should be avoided unless they are of extreme and urgent nature, which should be clearly mentioned in the agenda as well as the minutes.
4. It would be appropriate for the UGC to send their officers in all the meetings of statutory bodies, wherever UGC's representation is required under the respective statutes, so that financial or procedural propriety is maintained in the said meetings.
5. As the Hon'ble Supreme Court has time and again emphasised the need for the proper utilization of Public funds/Tax payer's money, the Vice Chancellors, being the Head of the Universities, must exercise utmost watchfulness in the financial and administrative management of the University.
6. It is requested that the above instructions may be brought to the notice of all the key functionaries of Central Universities as well as to the Members of Finance Committee and Executive Council of the Central Universities for information and necessary action and also for ensuring monitoring and compliance.

  
(Sukhbir Singh Sandhu)  
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Copy to : Vice-Chancellors of all Central Universities.