Central University of Science & Technology

CUST

Financial Policy

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1. **Introduction**. The Financial Policy of Central University of Science & Technology (CUST) establishes the principles, procedures, and controls for the proper management of the university's financial resources. The objective is to ensure transparency, accountability, efficiency, and compliance with applicable laws, including the Private University Act, 2010 and regulations of the University Grants Commission (UGC).

2. **Objectives.** The objectives of this policy are to:

- Ensure proper utilization of university funds
- Maintain accurate and complete financial records
- Establish strong internal financial controls
- Ensure transparency and accountability
- Support audit and regulatory compliance
- Prevent fraud, misuse, and financial irregularities

3. **Financial Authority Structure**.

a. **Board of Trustees (BoT)**. The Board of Trustees shall:

(1) Approve annual budget.

(2) Approve audited financial statements.

(3) Approve major financial policies.

(4) Approve major capital expenditures.

b. **Vice Chancellor (VC)**. The Vice Chancellor shall:

(1) Act as the chief executive authority for financial management.

(2) Approve expenditures within delegated authority.

(3) Ensure implementation of financial policies.

c. **Treasurer**. The Treasurer shall be the chief financial officer and responsible for:

(1) Financial planning and control.

(2) Budget preparation.

(3) Monitoring income and expenditure.

(4) Maintaining financial records.

(5) Supervising accounts and finance section.

(6) Ensuring audit compliance.

(7) Monitoring and supervising the activities of finance and accounts office.

d. **Finance & Accounts Office**. Responsible for:

(1) Maintaining accounts.

(2) Processing and executing all type of payments.

(3) Maintaining vouchers and records.

(4) Bank reconciliation.

(5) Financial reporting.

(6) Budget preparation.

5. **Budget Policy**.

a. **Annual Budget**.

(1) Finance and accounts office should ask the demand of the annual budget from each department/faculty/branch/office at least two months before the start of the financial year.

(2) Annual budget should be placed before the finance committee and syndicate for approval.

(3) Annual Budget must be approved by the Board of Trustees.

b. **Budget Control**.

(1) Expenditure must be within approved budget.

(2) Any excess expenditure should be approved by competent authority.

5. **Revenue Management**. University income includes:

a. Tuition/Course Fees
b. Yearly Registration/Enrollment Fees/ID card fee
c. Admission fees
d. Transcript / Certificates Fees
e. Late Fee
f. Hand book and Academic Material Sales
g. Makeup exam fees
h. Grants/ Donations for academic program
i. Course Registration Late fees
j. Supervision fees
k. Non-Collegiate Fees
l. Laboratory Fees

m. Registration fees
n. Course Retake/Improvement Fee
o. Research grants
p. Other approved sources
q. Semester fees
r. Development fees
s. Miscellaneous fees

All income must be:

a. Properly receipted

b. Deposited in official bank accounts

c. Recorded in accounts system

No unauthorized collection is permitted.

6. **Banking Policy**

a. All funds must be kept in scheduled banks approved by BoT.

b. Bank accounts shall be operated jointly by authorized signatories as per Private University Act 2010.

c. Bank reconciliation must be done monthly.

d. Authorized signatories may include:

(1) Treasurer

(2) Vice Chancellor/authorized BoT nominee

7. **Expenditure Policy**.

a. **General Principles**. All expenditures must be authorized and necessary for the proper functioning of the institution. All expenditures should be covered under the approved budget and must be properly documented with relevant supporting papers to ensure transparency, accountability, and compliance with financial regulations.

b. **Payment Methods**. Payments shall be made through:

(1) Cheque

(2) Bank transfer

(3) Mobile banking (if approved)

(4) Cash in case of petty cash. However, cash payments should be minimized.

8. **Procurement Policy**. All purchases must follow the prescribed procurement procedures based on the value of the procurement to ensure transparency, competitiveness, and proper financial control. The procedures are as follows:

Amount	Method	Remarks
Up to BDT 25,000	Direct purchase	Purchase Committee approval required for all purchases
BDT 25,001 – 10,00,000	Minimum 3 quotations circulated through the notice board of the university	
Above BDT 10,00,000	Tender	

9. **Cash Management**.

a. **Petty Cash**.

(1) Petty cash shall be maintained for minor expenses.

(2) Petty cash limit: BDT 20,000 (adjustable). The petty cash will remain with Finance Director.

(3) Proper vouchers required for all transaction.

b. **Cash Handling**.

(1) Cash must be deposited in bank promptly.

(2) Cash must not be kept without valid reasons.

10. **Accounting System**. University shall maintain followings:

a. Cash book

b. Ledger

c. Bank book

d. Income register

e. Expense register

f. Asset register

Accounting shall follow standard accounting principles.

11. **Asset Management**. University shall maintain asset register containing:

a. Description of asset

b. Purchase date

c. Value

d. Location

e. Responsible person

Annual physical verification (stock taking) required for all assets.

12. **Internal Control**. Internal control measures include:

a. Segregation of duties

b. Approval procedures

c. Documentation requirements

d. Financial monitoring

13. **Audit**

a. **Internal Audit**. Internal audit shall be conducted periodically.

b. **External Audit**.

(1) External audit shall be conducted annually.

(2) Audit shall be done by Bangladesh bank approved Chartered Accountant firm.

(3) Audit report shall be submitted to BoT, UGC, and MOE.

14. **Financial Reporting**. Finance and accounts office shall prepare:

a. Monthly financial report

b. Quarterly financial report

c. Annual financial statements

15. **Record Keeping**. Financial records must be preserved for minimum 7 years.

16. **Conflict of Interest**. No employee or officer shall participate in financial decisions where there is personal interest.

17. **Policy Amendment**. This policy may be amended by the approval of the Board of Trustees.

18. **Effective Date**. This Financial Policy shall be effective from the date of approval by the Board of Trustees of Central University of Science & Technology (CUST).