

Haryana Government
Technical Education Department
Notification

No. 40/44/2003-4TE

Dated: 22.11.2005

The Governor of Haryana is pleased to accord the sanction to the scheme of Non-plan funding to Block Grant in respect of three participating institutions namely YMCA Institute of Engineering, Faridabad, CR State College of Engineering, Murthal, Govt. Poly. Nilokheri under Technical Education Quality Improvement Programme (TEQIP) of Government of India funded by the World Bank. The details of the scheme are as under:

1. Amount of Block Grant and the Base Year.

The base year for determining annual block grant under non-plan in respect of three participating institutions from 2005-06 to 2009-2010 will be 2004-2005 Budget Estimate. The grant-in-aid sanctioned to these institutes in the year 2004-2005 will be inclusive of unspent balance adjusted/ permitted to be carried forward for utilization during 2004-2005. On the basis of experience of past years, the annual increase will be 10 % for the next 4 years. The scheme will be reviewed in 5th year and the amount of block grant will be frozen. In view of the above, the details are as under:

(Rs. in lacs)						
Sr _N o	Name of participating institutions	Block grant for 2005-2006 keeping the base year as 2004-2005	Block grant for 2006- 2007 with an annual increase of 10 %	Block grant for 2007- 2008 with an annual increase of 10 %	Block grant for 2008- 2009 with an annual increase of 10 %	Block grant for 2009- 2010 with an annual increase of 10 %
1.	YMCA Institute of Engineering, Faridabad	383.76 (including 195.40.lacs receipt)	422.136	464.350	510.785	561.863
2.	CR State College of Engineering, Murthal	421.50	463.650	510.015	561.035	617.138
3.	Govt. Polytechnic, Nilokheri	212.80	233.560	256.916	282.607	310.867

* Including 195.40 lacs receipts.

The block grant to the three institutions will be released in 4 equal quarterly installments after signing the MOU between the State Govt. and the Institution which will contain the terms and conditions of the grant. The first 3 installments will be released by Administrative Department at their own level and 4th installment will be released after the approval of Finance Department after providing utilization certificate. The expenditure will be met out from the sanctioned budget as per guideline of MHRD Govt. of India New Delhi.

2. Creation of four funds at institution/ polytechnic level

The following four funds will be created in institution/ polytechnic level :

1. Corpus/ Endowment Fund
2. Depreciation Fund/ Equipment Replacement Fund
3. Equipment and Facilities Maintenance Fund.
4. Pension Fund

3. Creation, Operation and Utilization of Endowment Fund

The government would provide matching grant equivalent to the annual savings from the regular non plan grant and other receipts including internal revenue and earnings from consultancy, entrance examination and other continuing education programs but excluding receipts earmarked for the designated purposes in accordance with the terms and condition of such donations with due approval of the Finance Committee and Board of Governors. The matching grant would be available till the endowment fund has reached the level of Rs. 30 crores for each institute namely YMCA Institute of Engineering, Faridabad and CR State College of Engineering, Murthal and Rs. 15 crores for Govt. Polytechnic, Nilokheri. Matching grant equivalent to total savings transferred to endowment fund in a financial year shall be sanctioned to the institute in the following financial years. The details of annual savings from the regular non plan grant and other receipts in respect of three participating institutions keeping the base year 2004-2005 Budget Estimate and the matching grant to be provided by the government for the year 2005-2006 will be as under:

(Rs. in lacs)			
Sr_No	Name of participating institutions	Annual savings from regular non plan budgets and other receipts on base year 2004-2005 Budget Estimate	Matching grant to be provided by the State Government in the year 2005-2006
1	YMCA Institute of Engineering,	22.00	22.00

	Faridabad		
2	CR State College of Engineering, Murthal	33.00 + receipts as per actual	33.00 + receipts as per actual
3	Govt. Polytechnic, Nilokheri	6.00 + receipts as per actual	6.00 + receipts as per actual

The guidelines for creation, operation and utilization of endowment fund will be as under:

(i) Creation

Each institute will maintain an Endowment Fund of designated funds, gifts in the form of assets, and contributions/ donations/ grants by individuals, institutions and organizations in India and abroad, such as-

1. Industry, Associations, Foundations and Trusts;
2. Alumni, faculty, staff, students and well wishers of the institute;
3. Government of India and State Governments, as outright, or matching grants;
4. Savings from the annual grants and receipts of the institute; and
5. Unclaimed securities, royalties, gifts, etc.
6. Any other kind of donation, contribution etc.

(ii) Operation

A separate bank account, in the name “Endowment fund” will be opened, in case it is not already opened, in a nationalized bank. Approval of competent authority may be taken. For remittances from abroad, a foreign currency bank account may also be opened with the approval of Reserve Bank of India. All contributions to the Endowment Fund will be deposited in these accounts. The funds will be invested as per guidelines issued by the Government of India, from time to time. The funds as assets, so created, will be classified appropriately, and managed by a Managing Committee appointed by the Board of the Governors of the Institute.

(iii) Utilization

The Endowment fund will be kept separate from the normal grants received by the institute from the Government and other organizations. The savings and undesignated funds will be treated as a corpus and the interest accruing and other income from assets will be used normally for development, if necessary for operational expenditure of the institute. The status of the Endowment Funds including deposits, interest and assets will be appropriately reflected in the Annual Budget (Plan and Non Plan) of the institute. Proposals for the utilization of the interest accruals on

the Endowment Fund, and income from assets, will form a separate part of the Annual Budget of the institute.

4. Creation, Operation and Utilization of Depreciation/ Equipment Replacement Fund

Each institute will maintain a depreciation fund or equipment replacement fund and a separate bank account in the name of Depreciation fund will be opened in a nationalized bank. Approval of competent authority may be taken. Keeping in view the provision of budget for Machinery and Equipment to these three participating institutions during the last years, a provision of 8 % of the total non plan budget for the respective institute for that particular year will be transferred to this fund. Keeping in view the base year of 2004-2005 Budget Estimate, the depreciation fund or equipment replacement fund for the three participating institutions for the year 2005-2006 will be as under:

(Rs. in lacs)		
Sr_No	Name of the institution	Depreciation Fund or Equipment Replacement Fund for the year 2005-2006 (8% of total non plan budget of 2004-2005 BE)
1	YMCA Institute of Engineering, Faridabad	30.70
2	CR State College of Engineering, Murthal	33.72
3	Govt. Polytechnic, Nilokheri	17.02

For each subsequent years of 2006-2007 and so on, the amount to be transferred by each participating institution to this fund will be 8 % of total block grant of that particular year. The norms for operation of this fund will have to be decided by the Board of Governors. All the three institutes will be required to reflect the income and expenditure in this fund appropriately in their annual audited statement of accounts as well as annual report to be submitted to competent authority.

5. Equipment and Facility Maintenance Fund

Each institute will maintain a Equipment And Facilities Maintenance Fund and a separate bank account in the name of "Maintenance Fund" will be opened in a nationalized bank. Approval of competent authority may be taken. Keeping in view the provision of budget for Maintenance to these three participating institutions during

the last years, a provision of 2 % of the total non plan budget for the respective institute for that particular year will be transferred to this fund. Keeping in view the base year of 2004-2005 Budget Estimate, the Maintenance Fund for the three participating institutions for the year 2005-2006 will be as under:

(Rs. in lacs)		
Sr_No	Name of the institution	Depreciation Fund or Equipment Replacement Fund for the year 2005-2006 (2% of total non plan budget of 2004-2005 BE)
1	YMCA Institute of Engineering, Faridabad	7.76
2	CR State College of Engineering, Murthal	8.43
3	Govt. Polytechnic, Nilokheri	4.26

For each subsequent years of 2006-2007 and so on, the amount to be transferred by each participating institution to this fund will be 2 % of total block grant of that particular year. The norms for operation of this fund will have to be decided by the Board of Governors. All the three institutes will be required to reflect the income and expenditure in this fund appropriately in their annual audited statement of accounts as well as annual report to be submitted to competent authority.

6. Pension Fund

The creation of pension fund required a policy decision on the part of the State Govt. and hence a separate proposal will be submitted on this aspect at a later stage.

7. Provision of Special Grant.

Special grants will be provided as “force majeure” in the event of revision of scales of pay and other unforeseen events subject to condition that request for special grant will be examine in detail by the Finance Department. The force majeure clause will, however, not be invoked for any increase in rate of Dearness Allowance/ Dearness Relief payable to the employees/ pensioners of the institute.

8. Status of Internal Revenue/ Income Generation.

These institutes will be allowed to retain the internal revenue/ income generated by them and their entitlement for annual grant-in-aid during the block grant period will not be adjusted against any increase in income.

9. Exemption from Income Tax.

The matter regarding exemption from income tax on the interest accruals and other income by these 3 institutions should be taken with the concern authority.

10. Institutions will have autonomy to

1. Allocate/ reallocate the block grant to expenditure categories as they deem best serves to institution.
2. Retain revenue generated at the institute level without reduction in Govt. funding and will be able to use generated revenue for institutional development and maintenance
3. Enhance revenue generation by various means within the broad mandate of the institute.
4. Determine terms of employment (duration, wage, benefits etc.) of faculty and staff. However, prevailing All India Council for Technical Education, pay commission norms will have to be kept in view while deciding terms of employment.
5. Take fiscal decisions for better financial management of the institution.

The above are subject to condition that service condition of the employees will remain same. Approval of competent authority will have to be obtained in all financial matters.

11. Following conditions will apply to the institutes

1. Number of regular employees of institute will not be increased. However, they will have autonomy to redistribute faculty and staff positions in different cadre and redesign job profile based on their requirements institutions however can employ additional faculty and staff on contract to meet requirements with the block grant available to them.
2. Minimum All India Council for Technical Education/ UGC/ Govt. pay scales must be adhered.
3. Emoluments/ pay scale of Head of the institution can not be changed without prior government approval.

4. Audited annual accounts of the institute must be submitted by December of each year for institute to be eligible to receive next years grants.
5. Performance audit of the institute will be carried out by the Govt. every year. If an institution fails to perform its objectives, block grant scheme can be withdrawn or modified based on recommendations of performed audit.

The above are subject to the conditions that:

- (i) Revision of pay scales and Creation of new posts will be referred to State Govt. on the basis of approved pay scales for examination and sanction.
- (ii) Change of any type in posts, designation will be intimated to the State Govt. from time to time.

This issues with the concurrence of Finance Department conveyed vide their U.O. No. 60/10/05-FDII/32-36 dated 21.11.2005

Dated, Chandigarh the 21.11.2005

Ajit M Sharan
Commissioner & Secretary to Govt. Haryana,
Technical Education Department

No. 40/44/2003-4TE

Dated: 22.11.2005

A copy of the above is forwarded to the following for information and necessary action:

- (i) Director Technical Education, Haryana with reference to JD (SPFU) note dated 8.9.2005.
- (ii) Director-Principal, YMCA Institute of Engineering, Faridabad
- (iii) Director-Principal, CR State College of Engineering, Murthal
- (iv) Principal, Govt. Polytechnic, Nilokheri
- (v) Joint Director, State Project Facilitation Unit, Haryana Chandigarh
- (vi) Chief Project Advisor, National Project Implementation Unit, Noida.

Superintendent Technical Education
for Commissioner & Secretary to Govt. Haryana
Technical Education Department

No. 40/44/2003-4TE

Dated : 22.11.2005

A copy of the above in duplicate is forwarded to the Controller, Printing and Stationary, Haryana, Chandigarh with the request that the above notification may be got published in the Haryana Government Gazette (Extra Ordinary) immediately.

Superintendent Technical Education
for Commissioner & Secretary to Govt. Haryana
Technical Education Department

A copy is forwarded to the Financial Commissioner & Principal Secretary to Govt. Haryana, Finance Department with reference to his UO NO. 60/10/05-3FDII/32-36 dated 21.11.2005 for information.

Superintendent Technical Education
for Commissioner & Secretary to Govt. Haryana
Technical Education Department

To

Financial Commissioner & Principal Secretary to Govt. Haryana,
Finance Department

UO NO. 40/44/2003-4TE

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