



**Finance & Accounts
University of Hyderabad**

1st April, 2021

CIRCULAR

Dear All,

A very warm welcome to the financial year 2021-22 from Team F&A.

We are happy to announce that with the kind cooperation extended by all of you we have brought a decent closure to the financial year 2020-21.

We would like to remind you that the financial year 2020-21 had been eventful with the introduction of

1. FAMOUS software

wherein the users were able to have a real time information of the bills submitted, processed etc. along with the status of grant.

2. eZ Pay Cards

which facilitated easy handling of Imprest by the academic and administrative units.

However, the financial year 2020-21 had also been challenging

1. with the Ministry of Education / UGC directing the University to book all the expenditure through RBI-TSI account and leaving no scope for adjustments at University level. Also, this system made us to comply with the dates on real time leaving no scope for committed expenditure.

We geared up to the challenge and we are one of the Universities who could strictly adhere to this new financial discipline imposed by the MoE/UGC. We appreciate all your support in this.

2. as a part of the digital payment mission of India we are constrained to keep the cash expenditure to the lowest possible level. Further, the State Bank of India started levying cash transaction charges. (To be specific, as a unit, the entire University can withdraw only Rs. 20.00 lakhs (in all its accounts put together) in a financial year). Beyond this, the bank would charge fee which cannot be shown as *bank charges or as expenditure in our books of accounts*.

We could partially counter this by introducing the eZ pay cards.

With regard the FY 2021-22, we don't see it as a less challenging as last year

- (1) There will not be any scope for temporary advances as all the expenditure needs to be routed through the RBI-TSA account. So, the F&A will not be able to sanction any temporary advance unless it is a very special case with lowest possible amount. Even in such very special cases, the advance will be given only in the name of the individual concerned through an account payee cheque and no cash withdrawal will be permitted.

Therefore, you are requested to raise direct payment bills to the maximum possible extent so that the expenditure is routed through the RBI-TSA account. Also, you are advised not to make cash payments out of your pocket and claim as a reimbursement.

- (2) Of late, even other funding bodies started asking for an undertaking from the University that the expenditure is being routed through EAT module while sanctioning the amount.

*This again means that **less advances and more direct payments**.*

- (3) Further, we expect a maintenance grant cut this year too as was the case last year (to the tune of Rs. 5.00 cr.). So, while appreciating the strict financial discipline that all of you have followed last year by adhering to the sanctioned maintenance grant, we wish to inform you that the maintenance grant allocated to all of you for the FY 2021-22 is only **indicative** (pending any budget allocation from the MoE/UGC).

In the light of expected grant cut, we might have to restrict our expenditure to 75% - 80% of the indicative amount allocated for the current financial year leaving no scope for any additional allocation whatsoever.


However, we are confident that we will collectively overcome the above challenges.

We once again request all of you to strictly adhere to the tentative budget allocation, plan your expenditure wisely, adhere to the deadlines (real time accounting), etc. in helping the University living up to the new challenges.

We once again thank you all in anticipation of kind cooperation.

Thanking you

To
All the Schools / Departments / Centres / Sections
- for information and compliance


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