

BAHRIA UNIVERSITY



FINANCIAL RULES

**APPROVED BY
THE 34TH BOG MEETING
ON 29TH JANUARY 2016**



CERTIFICATE OF PROMULGATION

1. It is certified that this document titled Financial Rules contains 50 pages from page 1 to 50. The document was approved in principle by Bahria University Board of Governors in its 34th meeting held on 29 January 2016 as an agenda item-II of the meeting. Master copy of the document is held in Registrar's Secretariat.
2. Upon approval of Minutes of 34th BOG meeting by the Chairman, the Financial Rules contained in this document stand promulgated w.e.f 28 April 2016.
3. It supersedes the earlier document containing Financial Rules approved on 15 August 2011 by Board of Governors in its 22nd meeting.

SHAHID SAEED HI(M)
Rear Admiral (Retd)
Registrar
Bahria University Islamabad

BAHRIA UNIVERSITY



FINANCIAL RULES

**APPROVED BY
THE 34TH BOG MEETING
ON 29TH JANUARY 2016**

Record of Amendments

Note: Amendments are to be recorded, cross-checked and their incorporation in the document authenticated (with name, designation and signatures).

Table of Contents

<i>Record of Amendments</i>	1
<i>Table of Contents.....</i>	2
<i>Abbreviations & Acronyms</i>	5
<i>Chapter 1 - MANDATE & PREAMBLE, APPLICATION, DEFINITIONS & TERMS OF REFERENCE.....</i>	
<i> 1.1 University Funds, Audit and Accounts (BU Ord. Clause 28).....</i>	6
<i> 1.2 Application.....</i>	6
<i> 1.3 Definitions</i>	6
<i> 1.4 Finance and Planning Committee (FPC).....</i>	7
<i> 1.5 Composition of FPC.....</i>	7
<i> 1.6 Functions of FPC</i>	7
<i> 1.7 Responsibilities and Authority</i>	8
<i> 1.8 Financial Powers.....</i>	8
<i> </i>	9
<i>Chapter 2 - FUNDS.....</i>	9
<i> 2.1 Sources of Funds for BU</i>	9
<i> 2.2 Sources of Funds for CUS.....</i>	9
<i> 2.3 Fee Revenue Collection</i>	9
<i> 2.4 Investment and Borrowing</i>	9
<i> 2.5 Bahria University Fund Accounts</i>	10
<i> 2.6 Donations and Endowments.....</i>	10
<i> 2.7 Special Grants.....</i>	10
<i> 2.8 Special Reserve Fund</i>	10
<i> 2.9 Investment.....</i>	11
<i> 2.10 BU Students' Security Fund.....</i>	11
<i> 2.11 Annual Statement of Accounts</i>	11
<i> </i>	12
<i>Chapter 3 - BUDGETING.....</i>	12
<i> 3.1 Budget</i>	12
<i> 3.2 Process of Budgeting</i>	12
<i> 3.3 Budget Preparation</i>	12
<i> 3.4 Resource Allocation</i>	13
<i> 3.5 Capital/Development Expenditure Program.....</i>	13
<i> 3.6 Capital Budget Procedure</i>	13
<i> 3.7 Budgetary Control.....</i>	13
<i> </i>	15
<i>Chapter 4 - AUDIT.....</i>	15
<i> 4.1 Internal Audit.....</i>	15
<i> 4.2 External Audit</i>	15
<i> 4.3 Authority of External and Internal Auditors</i>	15
<i> 4.4 Functions and Responsibilities of Internal Audit</i>	16
<i> 4.5 Losses</i>	16
<i> 4.6 Ethical Policy.....</i>	17
<i> </i>	18
<i>Chapter 5 - ACCOUNTS.....</i>	18
<i> 5.1 Accounting Convention.....</i>	18
<i> 5.2 Accounting Treatment</i>	18
<i> 5.3 Accounting Procedure.....</i>	18
<i> 5.4 Accounting Returns.....</i>	18
<i> 5.5 General instructions.....</i>	18
<i> 5.6 Disbursement of Salary.....</i>	19
<i> 5.7 General Financial Instructions</i>	20
<i> 5.8 General Control Measures</i>	20
<i> 5.9 Expenditure.....</i>	21
<i> 5.10 Accounting Procedure for Receipt of Fees from Students</i>	21
<i> 5.11 Contingencies</i>	21

5.12 Account Books	21
5.13 Reporting	22
5.14 Release and Expenditure of Foreign Exchange	23
5.15 Contracts	23
Chapter 6 - TAXATION.....	24
6.1 Preamble	24
6.2 Deduction of Tax at Source	24
Chapter 7 - PURCHASE, PROCUREMENT, INVENTORY, ASSETS AND DISPOSALS.....	25
7.1 General.....	25
7.2 Financial Authorities.....	25
7.3 Procuring Authorities.....	25
7.4 Projects.....	25
7.5 Procurement at BUHO	25
7.6 Purchases up to Rs50,000/-	25
7.7 Purchases between Rs 50,001 to Rs 300,000	26
7.8 Purchase between Rs 300,001 to Rs5M (BUHO)	26
7.9 All Purchases beyond Rs5M (BUHO)	27
7.10 Procurements at CUs.....	27
7.11 Purchases between Rs 50,001 to Rs 300,000	27
7.12 Purchases between Rs 300,001 to Rs 5.00 Million	27
7.13 All Purchases beyond Rs5M (Campuses).....	29
7.14 Procedure/Guidelines	30
7.15 Assets	31
7.16 Inventory	31
7.17 Stocks and Stores.....	31
7.18 Disposal of Assets	31
7.19 Vehicles.....	31
7.20 Stores.....	32
Chapter 8 - TRAVELLING ALLOWANCE.....	32
8.1 Temporary Duty (Ty Duty)	32
8.2 Daily Allowance Rates.....	32
8.3 Applicability of Special and Ordinary DA Rates.....	32
8.4 TA/DA for Journey Performed	33
8.5 Rules on Daily Allowance	33
8.6 Authorization for Travel.....	34
8.7 TA/DA for Tour/Duty/Training inside/outside Pakistan	34
8.8 Bar on Delegation of Duty of Countersignature	34
8.9 Conveyance Charges.....	34
8.10 General TA/DA Rules	35
8.11 TA/DA Claims.....	35
8.12 Responsibilities of Countersigning Officer.....	36
Chapter 9 - BAHRIA UNIVERSITY CONTRIBUTORY PROVIDENT FUND.....	36
9.1 Definitions	36
9.2 Objective.....	36
9.3 Management.....	37
9.4 Membership.....	37
9.5 Rate of Contribution	37
9.6 Contribution by BU	37
9.7 Statement of Accounts.....	37
9.8 Investments	37
9.9 Earnings from the Fund	38
9.10 Withdrawal/Loan	38
9.11 Non-Refundable Withdrawals.....	38
9.12 Closing of Account	39
9.13 Modification of Fund Rules	39

Chapter 7 - PURCHASE, PROCUREMENT, INVENTORY, ASSETS AND DISPOSALS

7.1 General

7.1.1 The procurement should be aimed at getting the best quality of goods, services and works while paying as less as possible through fair and transparent competitive bidding. Procurement requires good planning, understanding of the market trend and adherence to BU and PPRA Rules. PPRA Rules nearly address all the needs of procuring agency. However, a good understanding of these rules is equally important in order to undertake procurement efficiently. In order to ensure timely and cost effective procurement, guide lines covered in ensuing paragraphs are to be complied. The word procurement/purchases in this document include:

- a. Purchases
- b. Civil Works
- c. Maintenance
- d. Renovation/Refurbishment
- e. Consultancy Services

7.2 Financial Authorities

7.2.1 Following are the Competent Financial Authorities (CFAs) of Bahria University. Their financial powers are specified from time to time & given in schedule-1 of these rules:

- a. Rector
- b. Pro-Rector
- c. Director Generals
- d. Registrar
- e. Director Campuses/Principals

7.3 Procuring Authorities

7.3.1 Following are the Procuring Authorities in BU:

- a. Director (P&D)
- b. Director Campuses/Principals

7.4 Projects

7.4.1 Expenditure of more than Rs.5.0 M in BUHO or Campuses will be termed as Project and handled by Director (P&D). Campuses will be required to forward their detailed requirements to Director (P&D) on file who will process financial approval etc. Detailed instructions on all Projects will be issued by Director (P&D) as per PPRA and BU rules. However, procurement will be done as per normal purchase procedure narrated in this chapter.

7.5 Procurement at BUHO

7.5.1 After the sanction/approval of Competent Financial Authority (CFA).