

**PANJAB UNIVERSITY CHANDIGARH**

To

All the Chairpersons/  
Coordinators of All Centres/  
Heads of the Departments/Branches  
Directors of Regional Centres/  
Panjab University, Chandigarh.

No. 4724-4923/A

Dated: 4-07-2018

Dear Sir/Madam,

Please find enclosed herewith the minutes of the meeting dated 14.06.2018 with regard to the Accounts and audit of various Students' Societies/Departmental Associations for necessary compliance.

With regards,

Yours sincerely,

  
Assistant Registrar (Budget)  
4/7/18

Encl: as above

- Copy to: 1. Director Computer Centre with a request to circulate the above through the official e.mail of the addresses as above.  
2. F.D.O. for information.  
3. D.R. (Accounts) for information.  
4. Assistant Controller (Local Audit) for information and necessary action.

**PANJAB UNIVERSITY, CHANDIGARH**

Minutes of the meeting to be held on Thursday, June 14, 2018 at 3.00 p.m. in the Committee Room of the Vice Chancellor's Office, Panjab University Campus, Sector-14, Chandigarh.

**MEMBERS PRESENT**

- |                                       |          |
|---------------------------------------|----------|
| 1. Dean University Instruction        | Chairman |
| 2. Chairperson, UICET                 |          |
| 3. Chairperson, Department of Physics |          |
| 4. Chairperson, UIET                  |          |
| 5. Finance & Development Officer      |          |
| 6. A.R. (Budget)                      | Convener |

Chairperson, UILS, Chairperson, Department of Economics, Chairperson, UBS, Chairperson, UIPS could not attend the meeting.

The DUI welcomed all the members and apprised them about the agenda of the meeting. Initiating the discussion, FDO informed the members about Rule 17.3 (3) & (4) of P.U. Accounts Manual (Page-145), which prescribed various provisions relating to maintenance of accounts and audit of Student Societies/Departmental Association's Funds. It was discussed that as per the said provisions, each department is required to submit the audited reports of Students' Societies/Departmental Association's Funds to Registrar within 60 days from the date of closing of a financial year. Such rule also specifically stipulates that since the funds of Students' Societies/Departmental Associations are not part of University's accounts, therefore, wherever required (for compliance of provisions of Income Tax Act, such as, deduction of income tax from certain payments, e.g., caterers etc.), the concerned Students Society/Departmental Association's should obtained its separate PAN/TAN number from the Income Tax Department. It was discussed that despite having clearing instructions in this regard in the P.U. accounts manual, the departments are not adhering to such rules. It was informed to the members that recently office of FDO had issued instructions, followed by reminders, to submit the copies of audit reports of such funds. In response to that some of the departments had submitted the copies of the audit reports and from the perusal of such reports, it was observed that in many cases the contribution of the Students/Members of such Societies/Associations are carried over to subsequent years for utilization as per the bye laws of concerned Society/Association. Members were of the view that generally the contributions of students/members of such societies/associations should be utilized in the same academic session. However, in case Students' Societies/Departmental Associations are having surplus (i.e., excess of income over

↓      ✓      S.K. Singh



expenditure at the end of a financial year) then it has to be determined as to whether any liability arises on such surplus under the income tax act. It was further discussed that for the purpose of Income Tax Act, although no formal registration is required for such Departmental Associations/Societies, however, if the surplus in a financial year (i.e. excess of Income over expenditure) exceeds the threshold limit of income slab (up to which income is exempted; presently such limit is Rs. 2,50,000/- Lakh), then the concerned Students' Society/Departmental Association is required to file Income Tax Return as an Associations of Persons (AOP). To comply with provisions of Income Tax Act, the concerned Departmental Association/Students' Society is required to have a separate PAN Number.

Members also deliberated upon the quantum of remuneration to be paid to CAG empanelled CA Firms for audit of Accounts of various Students' Societies/Departmental Associations. After due deliberations, members recommended that a uniform rate of fee cannot be fixed as the quantum of work for each such Students' Society/Departmental Association is not the same. The members recommended an upper ceiling of Rs. 20,000/-p.a. (inclusive of GST) as remuneration to such audit firms.

Members also discussed that the slab of Rs. 2,00,000/- [as prescribed in the existing rules i.e., 17.3 (4) (e)], according to which if the income/receipt of a Student Society/Departmental Association is more than Rs. 2,00,000/- in a financial year, then the account of such Student Society/Association is required to be audited by CAG empanelled CA Firm. Otherwise, the accounts are to be audited by an Internal Audit Committee of the Dept., as defined under rule iv (d) ibid. Members recommended that audit by a CAG empanelled CA Firm should be applicable only in those cases where the excess of income over expenditure of a Society/Association in a financial year exceeds the minimum slab of income upto which the total income is exempted (which limit at present is Rs.2,50,000/-) otherwise the audit should be carried out by the internal audit committee.

Chairperson, UICET

Chairperson, Deptt. of Physics

Chairperson, UIET

Finance & Development Officer

A.R. (Budget)  
Convener

Confirmed

Dean University Instruction  
Chairman

FDO  
A.R. (Budget)