

Norms - the Academic Year 2021-22 onwards
(For Higher, Technical, Agriculture and Medical course)

1. Ad-Hoc Fees:

- a. At the beginning of each academic year, the FRA shall declare the maximum recommended ad-hoc fees for all courses to be applied by all the new colleges or colleges starting the new course of the said discipline in the said academic year.
- b. Since there will not be any audited financial statements for the next year also, the college will collect ad-hoc fees, as declared, from the newly admitted students.
- c. Confirmation of Ad-hoc fees: The college will take undertakings from the students that the current fees charged to them is only an ad-hoc fee, and they are subject to changes.
- d. While finalising the fees for a given year, the ad-hoc fee for two previous years either be confirmed or altered. In case, there is an alteration on either side, and the students will have to pay/receive the difference as the case may be. There shall be no retrospective hike without hearing the aggrieved.

(Example: If a college started the new course in 2019-20, Adhoc fees decided by FRA should apply to the college for the new admissions in the academic year 2019-20. The Ad-hoc fees decided by the FRA for A.Y. 2020-21 shall be applicable for new admissions in the second academic year 2020-21. The college shall submit the fees proposal based on its financial statements of 2019-20 on or before 31st October 2020 and FRA will finalise the fees for new admissions given for the year 2021-22. At the same time, fees will be finalised for the previous two years 2019-20 and 2020-21, which shall replace the ad-hoc fee.)

Provided that as per as possible, there shall not be a retrospective hike in the fees relating to batches of students admitted in the previous two academic years.

3.

2. Fees Proposal filing:

- a. The approval of the final fee will be done after submission of proposal with accounts, duly audited for the financial year, which is two years before the academic year. (Example: The financial statement of the financial year 2019-20 will be considered for finalising the fees for 2021-22)
- b. It should be noted that the subsequent documents, information and other developments will not ordinarily be considered while fixing the fees. (e.g. while deciding the fees of the academic year 2021-22, the Balance Sheet and all additional information such as sanctioned strength, approval status of teaching faculty etc. regarding the year 2019-20, only will be considered. Any development after 31/03/2020 will ordinarily be not considered.)
- c. The Fees proposal shall be filed on the portal of the FRA along with the requisite documents and information as mentioned on the portal. It is hereby specifically declared that information required and asked for on the portal forms the integral part of these norms.
- d. The last date of the fees proposal shall be such as may be prescribed by the FRA from time to time. The FRA may decide different Dates for different courses or class of courses. The last date for all proposals, however, shall not be later than 31st October falling immediately before the academic year for which fees are to be decided.
- e. Details of Expenses: Colleges will classify them all expenses in the categories provided on the portal.
- f. There shall be no processing fees.

3. Segmental and Mercantile Accounting:

- a. Where colleges are running multiple activities or courses, (whether under FRA or not), the colleges will submit the financial statements (Receipt and Payment Account, Income & Expenditure A/C Balance Sheet and Audit Report) for each activity or course except when the combined proposal is submitted for a group of courses.
- b. Financial Statements should be prepared by following principles from Accounting Standard 17 of Segmental Accounts or related Ind AS 108 as prescribed and modified from time to time by Institute of Chartered Accountants of India (ICAI).
- c. The books of account of the college will be maintained on accrual and mercantile principle of accounting. Trust's financial statements will also be submitted. Along with the fees proposal, the Colleges should also submit the budget for the academic year as approved by the Governing Council of the College.
- d. It may be noted that Receipt and Payment A/c should reflect Bank/Cash transactions only, expenses or incomes on accrual basis should not appear in Receipt & Payment A/c.

4. Combined proposal:

- a. In most of the cases where a college runs UG and PG courses or any other inter-related courses and courses in different disciplines, the expenditure burden is not easily and accurately separable. In such cases, colleges may submit the combined proposals. The entire proposal for all courses will be considered together.
- b. The colleges conducting courses of different disciplines within the same course may request for different fees for different disciplines after giving satisfactory reasons and relevant data.

Examples: BE (IT) and BE(Mechanical) fees can be different. PG fees for medical courses can be different for each discipline.

- * c. In the respect of the agriculture colleges, combined proposal has to be submitted at institutional level. Institution are running agriculture colleges either one or more should combined all expenditure and incomes in the balance-sheet at the institutional level showing all expenditure and income together. Number of students would also be combined.

5. **Aided and Non-aided course:**

Colleges which are running both aided and non-aided courses may submit the proposal to FRA for unaided courses. They will have to give the segregation of expenditure related to both types of courses. The college shall observe utmost fairness and shall be candid in furnishing necessary details.

6. **Salaries: (Human Resource Expenditure)**

- a. College/Institute should provide the details expenditure related to following sub-categories.
 - i. Teaching staff, including visiting and guest faculties.
 - ii. Administrative staff.
 - iii. Internship and stipend paid as per rules of the appropriate authorities.

Details shall, as far as possible, consist of particulars like name, designations, salaries, qualifications, experience, TDS professional tax, Provident Fund, approval reference number and date, IMC or MCI or DCI etc. registration numbers, bank name and account number, date of original joining, and all other details as sought on the portal. (If the staff is removed/ resigned and then rejoined, date of first joining needs to be given). The institutes need to submit the details along with the relevant documents such as TDS challan in Form No. 24Q), PF Returns copies, Professional Taxes Challans, approval letters etc.

- b. Payment of Salaries: Salary expenditure of entire staff actually paid through the bank by crossed A/c payee cheques or by way of electronic transfers will be considered by the FRA. Photocopies of bank statement showing corresponding debit entries shall accompany the proposal. Photocopy of Pay roll, salary register for the entire Financial Year certified by Dean/ Principal by signing on each page as a true copy will have to be submitted, on-demand.
- c. Staff Related Expenses: Employers' Provident Fund Contribution, Gratuity, expenses related to housing accommodation, vehicle repairs and maintenance etc. will be allowed provided institution has satisfactory evidence and is ready to produce on demand.
- d. Sudden rise in regular expenditure : The procedure laid down under proviso to sub section 6 of section 14 be followed.
- e. Arrears of Salaries: The payment on account of arrears of salaries in a given academic year shall be rationally spread over in the subsequent academic years to avoid burden on the students in any single batch.
- f. Disallowed Salaries:
 - i. Following Salaries may be disallowed
 1. Payments to Excess staff.
 2. Payment to unqualified staff,
 3. Payment to Unapproved staff, if unapproved staff exceeds 20%.

Explanation – Approved means approval granted by the competent authority to an individual for his appointment on the particular course. For example, a person A, is shown as Principal, it shall be treated as approved only when his appointment as Principal is approved and not in a lower post like a Professor, Associate Professor, etc. The college shall provide approval reference in the relevant column else individual teaching staff shall be treated as an unapproved.

4. Salaries paid exceeding prescribed scales,

5. Salaries paid in cash or through bearer cheque,
6. Salaries paid where rules of TDS, P.F. and P.T. not followed.

Provided that instead of disallowing the entire amount of salaries, it may disallow in part, having regard to endeavours made to seek approval.

- ii. The college shall install the biometric attendance system for all staff. The college will mention its status in this regard in the proposal.
- f. Guest, Adjunct and Visiting Lectures expenses: These will be allowed as per related appropriate authority's guidelines. E.g. In case of BE, ME, MBA etc. courses, 20% of adjunct faculty is allowed as per AICTE norms. Similarly, for Architect and Law, also certain practising experts are required to be engaged as adjunct faculties. The payment should be through the bank, and TDS shall be deducted wherever applicable. This should reflect in the bank statement in the form of corresponding debit entries. The details of all lectures, along with dates, subjects should be submitted. Excessive expenses on guest lectures and visiting faculty shall not be allowed.

7. **Non-salary Revenue expenditure.**

- a. **Advertisement Expenses:** The Institution is allowed to spend a reasonable amount on advertisement and promotion for getting admissions. Advertisement for appointment of staff and admissions of students as mandatorily required by rules will also be allowed. Ordinarily, three advertisements in two newspapers each shall be allowed. In case any common advertisement is issued for many institutions, then it will be required to be shared proportionately.

b. Interest on loan :

"Interest on Bank loan would be considered as expenditure subject to the upper limit of 2% (two per cent) of the Total Revenue Expenditure (before charging the interest) as approved by this Authority for a given academic year and a given course, per student. Such interest would be considered as admissible only on satisfactory evidence and for payment of salaries and other revenue expenditure. Interest on loans for the proposes of Capital Expenditure such as building, equipment etc. would not be considered. However, interest on TEQUIP loans (World Bank Scheme) would continue to be considered as an allowable expenditure.

C. Disallowed Expenses: The following expenses will not be allowed.

- i. Any unreasonable expenditure of any nature and any excessive expenditure like travelling, printing, electricity etc.
- ii. Rent of building by whatever name called,
- iii. Depreciation at the rates more than those prescribed by the FRA.
- iv. Legal charges
- v. Penalty and fines if any,
- vi. Building Repairs in the nature of capital expenses.
- vii. Expenditure not related to the conduct of courses.
- viii. Any Hostel, Mess Expenses
- ix. Bus Transport expenses unless provided free of cost to students/ staff
- x. Any expenses directly related to trust and its members.
- xi. Expenses related to courses or activities not covered by FRA.
- xii. Any expenditure of capital nature.
- xiii. Scholarship/financial support given to students.

- xiv. Amount of unrecovered fees from students.
- xv. Expenditure by book-entry without actual expenditure.
- xvi. Any other item which in the opinion of the FRA needs to be disallowed partly or fully.

8. Income to be reduced from the expenditure.

- a. The Colleges/ Institutions are strictly prohibited from collecting any excess fee/ charges other than those approved by the FRA and any fee levied by the University concerned. Serious view will be taken against those who violate the directives.
- b. No Extra fees from students: The colleges will not collect any fees other than fees declared by the FRA. No fees can be collected in the name of Stationery Charges, ID-Card fees, Gymkhana fees, library-fees, laboratory fees, excessive fees for breakage, excessive fine for late payment, admission fees, enrolment fees or any other fee by whatever name called. These will be considered as income of the college and as such the same will be reduced from expenses. Even if such amounts are collected from the students in the name of the trust or any other body, the same will be considered as income of the college and as such will be reduced from expenses.
- c. Disciplinary fine and late payment fee, if levied, shall be reasonable and not excessive.
- d. Other Income of College: The colleges should also state separately if any income is earned by using the college property/infrastructure during the academic year other than fees and how. Similarly, any amounts collected from students will also be disallowed. Any net income earned by the college using resources of College shall be reduced from the net income of the college. E.g. Running different non-FRA courses in the same premises either in the evening or second shift. To ascertain the complete income of the college, the FRA may refer to financial statements of the trust or other units or colleges run by the trust. If colleges receive any grant, sponsorship money, advertisements, canteen

or parking contract payments or any other such income the same shall be reduced from the total expenditure of the college.

- e. Details of collected fees: The colleges will submit the statement and working of fees collected from the students from different categories (like an institutional quota, NRI quota, etc.) giving year-wise breakup, number of students and rates of fees. If the college is found to have collected fees in excess of the fee structure approved by the FRA, the institution shall be liable to refund the excess fee to the students, apart from further course of action as per law.
- f. Statutory Fees: Fees prescribed by university for exam, sports, eligibility etc. may be collected and paid directly to the university. Only net effect will be considered in fees fixation.
- g. Ordinarily, Non-Salary Revenue Expenditure(after reducing all other income earned by the college) shall not exceed 45% of salary expenditure as has been allowed by the FRA. This percentage may vary at the discretion of the FRA having regard to the location, type of course etc.
- h. In case any extra collection (more than regular fees) is made from the students in institutional / NRI quota such extra income shall be truthfully disclosed and shall be considered as income earned.

9. Inflation of 2 years:

The final fee for the academic year for the students will be computed in the prescribed format by considering the permitted expenditure as per audited accounts and increase it by appropriate percentage to account for the increase in cost in two years. Since colleges cannot increase the fees during the course duration, FRA may also consider a certain increase in the fees to account for increasing expenditure during the course duration. These both increases will be given only for salaries and non-salary revenue expenditure.

11. Other Fixed Expenses

a. Reasonable Hospital deficit:

The hospital deficit shall be restricted to 25% of the actual deficit or Rs. 25,000/- per student, whichever is lower in U.G. course. And 25% of actual deficit or Rs. 2 lakh per student in P.G. and Super Speciality course, whichever is lower. Hospital deficit in P.G. course shall be claimed after reducing the deficit allowed in U.G. course. This shall apply to the medical faculties having hospitals attached irrespective of its age. In the case of other health science faculties, a reasonable deficit will be allowed.

Provided, that FRA, having regard to location, amount of deficit and other relevant factors and after examining the record indicating a number of patients admitted, their diagnosis, management, cost of medicines and other consumables patient wise, proof of payment supported by debit entries appearing in the bank statement; may vary the deficit to a reasonable sum.

b. Norms of Stipend for PG and Super Speciality students in Health Science Courses :

The amount spent in the discharge of liability on account of payment of stipend shall not be considered as an expenditure. The college shall be at liberty to add, show this expenditure under the head "hospital expenses".

c. Depreciation:

- i. The rates of depreciated fixed by the FRA regarding assets are as under:

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|----|--|--|
| 1. | Books | 25% |
| 2. | Computers and its software | 25% |
| 3. | Machinery Furniture and vehicles etc | 15% |
| 4. | All Livestock including Cow, Buffalo, Poultry, Bullock, Goat / Sheep (For Agriculture) | 25% to be written off over a period of 4 years. Straight-line method |

| | | |
|----|--|---|
| | Poultry, Bullock, Goat / Sheep (For Agriculture) | over a period of 4 years. Straight-line method |
| 5. | Depreciation for Poly-house, shade net, Drip, Sprinkler (For Agriculture) | 25% WDV method |

- ii. The method of depreciation shall be Written-Down-Value method.
- iii. Proof of all additions to assets shall be submitted along with the proposal, on-demand.

d. Usage Charges:

The college shall be allowed usage charges for the building at the rate given hereunder per student per year as per adjusted sanctioned intake inclusive of lateral entry sanctions. There shall not be any separate payment of rent or property taxes.

1. Medical & Dental faculties viz. MBBS, MD, MS, Super Speciality, BDS, MDS courses Rs. 9,000
2. All other Health Sciences courses Rs. 5,000
3. All courses in Higher and Technical and Agriculture Discipline Rs. 4,000
4. Additional Usages charges for Agriculture Institutes –

For running agriculture institutions, it is necessary to possess certain acres of land. Considering existing lease rent and the purpose of the land for college, the additional usages charges only for Agriculture institutions fixed at Rs. 4,500/-.

ii. Increase in Usage Charges:

| Sr. No | Location | Increase per student |
|--------|--|----------------------|
| 1. | Colleges/Institutions within 20 km periphery of Municipal Corporations of Mumbai, Thane, Pune, Nagpur, Nashik and Aurangabad | Rs. 1500 |

| | | |
|----|---|----------|
| 2. | Colleges/Institutions within 15 km periphery of Municipal Corporations other than mentioned above | Rs. 1000 |
| 3. | Colleges/Institutions within 5 km periphery of Municipal Councils | Rs. 500 |

- iii. For colleges established within last 5 years usage charges will be increased by Rs. 500 per student per academic year.
- iv. If the college/institute is running second shift then usage charges shall be half per student per year as per sanctioned intake for second shift.
- v. If the Land or Building has been provided by the government or any other public body, the usage charges may be reduced by 25%.
- vi. If college building is used for any other courses not covered by FRA the usage charges may be proportionately disallowed.

12. Denominator Factor:

- a. While considering the denominator factor, sanctioned intake and actual intake, whichever higher shall be relevant.
- b. The colleges which are running two shifts should give details, and the divisor factor would be the total number of adjusted sanctioned or actual strength, which is more.

c. Advantage in case of less admissions:

If the admissions are upto 80% of sanctioned intake, 5% increase shall be given;

If the admissions are upto 60% of sanctioned intake, 15% increase shall be given;

If the admissions are upto 40% of sanctioned intake, 20% increase shall be given;

Provided that, if the admissions are inordinately low like below 15% of the sanctioned strength, no vacancy allowance shall be admissible.

13. Development fee:

- a. Reasonable surplus, meant for development or expansion of the college/institutions is fixed on the basis of 10% of the tuition fees. This development fee could be charged only if the institution has provided all the infrastructure and other facilities as per norms. A copy of the latest AICTE/PCI/COA/UNIVERSITY etc. approval is required to be submitted along with the proposal to claim this development fee.
- b. Autonomous Colleges will be given development fees of 12% instead of 10%.
- c. Accreditation Incentive: The college/institution will be allowed additional development fees of 15% of development fees on the basis of accreditation by the NBA, NAAC or good NIRF ranking.
- d. Incentive for quality enhancement:

Ph.D Holders (given salary by cheque as per UGC Scales):

Percentage

of Total Teaching Staff

Incentive

i. 10%

2% of Development Fees

ii. 20%

5% of Development Fees

iii. 50%

10% of Development Fees

- e. Research Publications in

International Journals and Patents

filed by the college Per

faculty per year average

Incentive

i. 0. 2

2% of Development Fees

ii. 0.4

5% of Development Fees

- f. Placement of students

Incentive

i. More than 30%

2% of Development Fees

ii. More than 50%

5% of Development Fees

h. All development fees worked out as above will, however, not exceed the statutory limit of 15%.

14. Notwithstanding anything provided hereinabove, the FRA may decide any fees which in its opinion is reasonable, which in appropriate cases may result in a reduction from previous years' fee or retaining the earlier years' fee. Ordinarily, hike may be restricted to 10% considering the fees actually approved for the last year. This limit of 10% however, shall not be applicable if the substantial increase in the expenditure is due to rise in the human resources expenditure owing to revision in the pay scales, taxes etc.

15. DISCLOSURE

- a. The college/institution is required to provide the details of their infrastructure facilities/amenities on their website before effecting the admission of students.

16. REVIEW APPLICATION

- a. The decision on the fees proposal as and when taken is published on the website (www.sssamiti.org) of the FRA. Simultaneously, the decision along with the calculation sheet is communicated through email and SMS, on the mail id and mobile number provided by the college in FORM B. It shall be the responsibility of the college to provide the correct email id and mobile number and check mail and mobile message. Any excuse about non-receipt of the communication shall not be entertained.
- b. Online review application can be filed before the FRA by colleges/institutes within a period 15 days of the declaration of fees on the website of the FRA. The date of knowledge of the fee shall be counted after the five clear working days from the date of uploading of decisions.

- c. As provided in section 14(6) the colleges may also file an application with the FRA for increasing the fees for giving effect to a sudden rise in the expenses due to taxes, pay-revision etc. This application shall be filed ordinarily before 31st July of the academic year justifying the need for an increase in the fees.

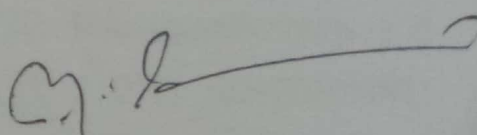
17. Promotion of Good practices:

The UGC, AICTE, Other Apex authorities, NAAC, NBA, NIRF have published various activities as "Good and desirable practices". If any college is genuinely conducting these activities, the FRA shall allow these expenditures to promote quality in education.

18. MISCELLANEOUS:

If it comes to the knowledge of the FRA through any source such as complaint from students, faculties, newspaper & TV reports etc. that the college has shown or inflated certain expenditure or earned certain income or collected certain unauthorised and undisclosed fees that has been left out while fixing the fees by FRA, or there is deficiency in infrastructure, facilities, faculties etc or there is falsification of records or manipulation of any nature, the FRA may initiate the action of reducing the fees after making necessary enquiries including visits etc and also after giving the College the opportunity of being heard.

Date : 8/10/2020
Place : Mumbai


CHAIRPERSON
FEES REGULATING AUTHORITY