SCHEME FOR INTERNAL REVENUE GENERATION FOR THE DEPARTMENT OF TECHNICAL EDUCATION HARYANA.

1. INTRODUCTION

On implementation of World Bank Project with an assistance of Rs. 163.50 crores, massive inputs in the form of State of Art Machinery & Equipment, Building Space, Faculty & other supporting staff have been created to bring about qualitative improvement in the Technical Education System. For the sustenance of the system, it is all the more necessary to provide suitable budgetary support to give further impetus to the activities.

Since Govt. is facing a resource crunch due to various developmental activities and other unavoidable expenditure, which may ultimately result in slowing down the pace of further expansion of Technical Education in the State. Moreover, a very negligible amount is allocated for Training expenditure, Machinery/Equipment, Operation & Maintenance, Office Expenses and training material as compared to staff salary in the Annual Plan/Non-Plan budget of the department as is clear from the following table:-

2.1 Budget 2001-2002 (Plan + Non Plan for 14 Govt. & 4 Aided Polys. Rs. 2428.18 lacs)

<table>
<thead>
<tr>
<th>Object wise details</th>
<th>(Rs. in Lacs)</th>
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<tbody>
<tr>
<td>Total provision</td>
<td>% Allocation</td>
</tr>
<tr>
<td>Salary (Pay, DA, MA, TA, HRA etc.)</td>
<td>2204.81</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>9.00</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>119.13</td>
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<tr>
<td>Material &amp; Supply</td>
<td>54.90</td>
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<tr>
<td>Others items like Scholarship, honorarium, operation/maintenance etc.</td>
<td>40.04</td>
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This indicates that there is need to provide sufficient budgetery support to the objects other than salary, either directly or indirectly. With the prevailing financial constraints of the State, the direct &
very low budgetary support will give the Scenerio –I where as the indirect & adequate budgetary support will give the Scenerio-II as given below:-

2. Scenerio-I

- Very Low Capacity utilization of Machinery & Equipment and other infrastructure because of
  
  * Poor Maintenance
  * Non-availability of raw material
  * Non-availability of trained manpower

  - High down time due to lack of funds

  - Low morale of students & Teachers

  - Poor quality of teachers

  - Poor placements

  - Seats remaining vacant
- Indiscipline & Chaos

- Poor public image of Polytechnics

- Media/ Society criticism

- Lack of Industry Support

- Gradual slackening of Polytechnic system like Govt. Schemes

### 2.3. Scenerio-II

- High Capacity utilization for total sustainability

- Every machine is functional

- Low extra expenses on raw material for training
- Highly skilled manpower available

- High morale of students/teachers/stake holders

- Total placement

- High demand

- Conducive atmosphere in Polytechnics

- Total support by media & society

- Total support of Industry

- Development of centres of excellence

The present day labour market as well as to pace with fast changing development in the emerging areas of Technology, adoption of Scenario-II is desirable.
For switching over to Scenario-II, the department proposes to generate revenue within its system in line with the suggestions emphasized by the World Bank. The All India Council for Technical Education has also recommended for actively The Internal Revenue Generation would not only help in sustaining the impact of the World Bank Project but also supplement in qualitative improvement & quantitative expansion of the Technician Education in the State which shall go a long way to fulfill the commitments of the Government and service to the Society.

Keeping in view the above aspects the department proposes to launch the I.R.G. Scheme with the combined efforts of the Institute, faculty and staff. State Govt. has taken a decision to implement the scheme at Govt. Polytechnic Nilokheri on experimental basis for which a budget provision of Rs. 5 lac was made in the annual plan 2002-03, 2003-04 and 2004-05.

3. OBJECTIVE OF THE I.R.G.

- Supplement the budget to sustain various activities.
- Use of infrastructure to its optimum capacity
- Capacity building of the Institutes.
- Recognition of the Institute in the Society.

4. BENEFIT TO BE ACCRUED

- A recognition to the Institute and its staff for rendering much needed services of a specialized nature in the scientific and technological fields.
• An enrichment of the experience and knowledge of the Academics’ in the professional sphere and an opportunity of maintaining contact with current problems of industries and other organizations for which they are training students and doing research work. The Academics also have a chance of applying their ideas under actual Service Conditions.

• An opportunity for students to see the relevance of their courses to their chosen profession.

• A financial return, small or large, to the Institute, the faculty and the staff in general.

5. I.R.G. SCHEMES PROPOSED UNDER WORLD BANK PROJECT

Following schemes were proposed & got approved from the Empowered Committee, headed by the Chief Secretary to Govt. Haryana, constituted to monitor & oversee the implementation of the World Bank Assisted Project:-

5.1 Production –Cum – Training Centre

• Sharing Machinery/equipment in laboratories/workshops with the industries located around the institutes.

• On the job Training to the workman of the Industry apart for normal formal Training Programme.

5.2 Training Courses in CNC, Information Technology and other disciplines.

• Arranging short-term, skill oriented courses for the persons working in the Industry/professional organizations.
• Training Modules for unemployed persons.

5.3 Repairs/maintenance of Machinery equipment /vehicle etc.

• Undertaking repairs of maintenance of Machinery & equipment of Industry, Hospital, offices, Laboratories of other departments.

• Start vehicle garages in Institutes offering Auto. Diploma Course.

• Pollution checking stations.

5.4 Documentation Centre

• Providing reprographic facilities to other Govt. Offices, Private enterprises and General Public at nominal rates with reasonable profit.

5.5 Testing & Calliberation

• Undertaking Testing & Calliberation activities for local Industry/market.

• Creating Test houses & consultancy centres.

5.6 Technical Services at Customer’s doorstep.
• Providing Technical Services to local Industries, repairs of house hold gadgets, i.e. ACs, Fridges, Mixis, Electrical Installation, Washing machines, agricultural implements.

5.7 Quality Marking Centres

• Developing Institution to quality making centres at par with centres run by Industries Departments and other Test houses like CEDT, ETDC, National Physical labs.

6. STRATEGY OF IMPLEMENTATION OF I.R.G.SCHEME

Once the scheme of I.R.G. is approved in principle, following decisions shall be taken by the Department/ Govt.:

1. Although, the scheme is self sustaining, there will not be any financial implication. Yet to start with an initial investment shall have to be made. This arrangement could be made by meeting the initial expenditure out of the student fund & afterwards recuping the same from the internally generated funds. A sub-head of IRG shall be created in the Plan Schemes.

2. In order to motivate, attract and involve the competent faculty & staff in sharing the programmes/ activities as well the financial return in certain ratio certain regulating rules shall have to be formulated & got approved from the Govt. the All India Council for Technical Education has also suggested/ recommended some guidelines for consultancy in this regard as given below:

i. Institutions should actively encourage and support the faculty in taking up consultancy (and testing) work. Teachers should actively liaise with industry to attract projects, particularly
those which have elements of industrial problem-solving, student involvement and educative value.

ii. There would not be any limit on the quantum of consultancy work a teacher can take up or the remuneration he can earn, so long as this is done with the concurrence of the Competent Authority and without prejudice to the other duties and responsibilities of the teacher or to the interest of the institution and the students. While working out the fees/charges for carrying out the consultancy project, suitable methods of estimation should be used. These would include either

a. Fixing a percentage of the total cost of the project, as in the case of Architectural projects, Structural Engineering design projects etc.

b. Estimates worked out on the basis of required man-hour input at different levels and expenditure to be incurred on purchase of materials, use of outside labour, use of outside consultants, computer charges, etc.

Suitable charges for overheads up to 15% should be added to the cost estimated as above, to cover indirect costs such as use of electricity, building space, stationery, etc. This amount should go to the revenue account of the institution.

iii. There are two major types of consultancy assignments generally undertaken by faculty, Type-I involves participation of a teacher or group of teachers who use institutional infrastructural facilities such as workshop, laboratories, computers, etc. for the work. Type-II involves participation of teacher(s) without using any institutional infrastructure. In both cases, there generally is some direct expenditure involved consisting of purchase of material, use of outside labour/expertise, etc.
iv. A suggested pattern for the sharing of the net revenue (after meeting all expenses and remitting the 15% overhead to the revenue account of the institution) from consultancy work is as given below:

Consultancy Project, Type-I

- a. 50% to the Development Fund of the Institution

- b. 50% to be shared by the team involved with the work including supporting staff

Consultancy Project, Type-II

a. 30% to the Development Fund of the Institution

b. 70% to be shared by the team involved with the work

i. The Development Fund share should be placed at the disposal of the Head of the Institution for use towards the development of the institution and its facilities, subject to normal procedures.
ii. The disbursement of all the remuneration should be the responsibility of the Head of the Institutions. To facilitate this, the requirement in some Government Institutes to have the revenue deposited in the treasury first should be done away with. Such a requirement should be only with respect to the 15% share going to the revenue account.

6.3 Engaging some part-time staff from within or from outside to help in the implementation of the I.R.G. Schemes. Obviously, the expenditure on engaging such staff shall be met within the generated revenue.

Keeping in view the guidelines for consultancy as recommended by AICTE as well as adopted in similar technical institutions, the department proposes to develop a suitable mechanism exercising all checks & balances on each & every activity by framing I.R.G./Consultancy Rules as given in Annexure-A. These rules shall be made effective only after the approval of the State Govt.

7. A local advisory committee in the name of Industrial Research Development and Consultancy Advisory Committee (IRDCAC) shall be constituted under the Chairmanship of the Principal of the Institute as under:

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<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Chairman</th>
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<tr>
<td>2.</td>
<td>One Head of the Department to be nominated by the Principal</td>
<td>Member</td>
</tr>
<tr>
<td>3.</td>
<td>One Professor from outside Industry Organisation to be nominated by the Principal</td>
<td>Member</td>
</tr>
<tr>
<td>4.</td>
<td>Workshop Superintendent</td>
<td>Member</td>
</tr>
</tbody>
</table>
5. Training and Placement Officer  

Member Secretary

The functions of the Advisory Committee:

1. Working out the Consultancy charges for the Institutional & routine consultancy work.

2. Formulating the annual action plan & budget and approval.

3. To exercise all administrative control over the smooth functioning of the Consultancy Cell.

4. Monitoring & to oversee the proper functioning of the cell.

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8. ACCOUNTING & AUDITING

To handle the financial matters, a suitable financial management & control mechanism shall be developed which will cover the following aspects:
1. Expenditure incurred under the consultancy project.

2. Income/Revenue account.

3. Disbursement of the share of consultancy charges amongst the consultants Institutions etc. as per consultancy rules.

INDUSTRIAL RESEARCH DEVELOPMENT AND CONSULTANCY RULES

INTRODUCTION

The Polytechnic /Technical Institutions in the state have been strengthened to have at their disposal a wide range of know-how, expertise and specialized facilities which a very few industrial organizations can match. They are there to satisfy the requirements of its teaching and research functions. The Institutes have therefore, much to offer to industry in the area of consultancy services in addition to produce technically trained man power in the form of engineers/supervisors. Such services are beneficial not only to the client Industry /department /organization but also to the Institute. The benefits likely to be accrued are given as under:-

i. A recognition to the Institute and its staff for rendering a much needed service of a specialized nature in the scientific and technological fields.

ii. An enrichment of the experience and knowledge of the Academics in the professional sphere and an opportunity of maintaining contact with current problems of industries and other organizations for which they are training students and doing research work. The Academics also have a chance of applying their ideas under actual Service Conditions.
iii. An opportunity for students to see the relevance of their courses to their chosen profession.

iv. A financial return, small or large, to the Institute, to the Institute the faculty and the staff in general.

RULES

1. The Principal and members of the academic staff are permitted to engage themselves in consultancy practice to such extent which will not interfere in the discharge of their duties and within such limits as the State Government may lay down from time to time. Attempts should also be made to involve the students in such work. All consultancy, whether carried out by an individual or a group of faculty consultants and irrespective of the quantum of facilities of the Institute availed, is considered as Institute consultancy. Each consultancy job will be the responsibility of the Institute and not of any individual. No Consultancy job will be undertaken by any staff member in his individual capacity. The consultancy projects are categorized as:

I. Institutional Consultancy, and

II. Routine Consultancy

   I. INSTITUTIONAL CONSULTANCY

   1. Under this consultancy arrangement, outside parties would request the Institute or a particular individuals in the Institute to undertake a specified project. In case the Institute is approached, the Principal/Head of Department of the consultancy cell will identify the faculty that shall do the work depending upon the competence and facilities available for undertaking such work. The Head of Department of Centre then assigns the job to individual/groups of individuals that are competent to undertake the work according to some pre-determined system arrived at by consensus by local committee to be called by Industrial Consultancy Committee constituted by the Principal.
2. The consultant after bilateral discussions with the Client/ Firm arrives at the terms and conditions for undertaking the Project. A detailed costing of the project is prepared by the consultant(s) under the following heads:

A. Cost of Labour

This means the estimated amount paid to technical/ministerial staff of the Department Centres involved in the Project and salaries for any specialized labour to be hired specifically for the Project.

B. Cost of Material

Estimated cost of material to be specifically procured for the project.

C. Over-heads to the Institute for use of Institute Equipment

This includes the charges for use of facilities, depreciation, utilities and handling charges etc. and would be levied for all equipment. It will also include the indirect cost such as electricity, Telephone, stationery, hiring of vehicles etc. For the purpose of estimating this cost a fixed amount of 15 percent of the total Consultancy charges will be levied. Any damage done to Equipment will be repaired out of Consultancy charges. No charges under this head will be made if institute equipment is not used.

D. TA/DA for visits

An estimated charges on the basis of rates settled with 'client Firm' If no rates are settled, the payment will be as per State Govt. Rules.

E. Contingencies.

An estimated charges for any contingent expenses expected to be included.

I. The charges listed under ‘A’, ‘B’ and ‘D’ are for actual expenditure. The Principal will authorize expenditure/payment under ‘A’, ‘D’ and ‘E’ and the HOD Incharge will sanction the operation of funds under ‘B’ according to the purchase procedure of the Institute.

II. At the completion of the Project the Principal/Head of the Department will authorize the crediting of charges under ‘C’ to the Institute. The amount realized can be used for any purpose at the discretion of the principal. The receipts from the Consultancy Cell, will be treated as Institute Revenue.
III. The money received under ‘G’ (Scientific and Technical Advice) will be distributed to (i) Consultant & (ii) Industrial Liaison Fund subject to the condition that payment to consultants in any one Project would not exceed 2/3rd of the gross receipts for that Consultancy Scheme.

Payment under this head which are upto Rs. 10,000/- per person will be authorized by the Principal. For higher amounts, the prior sanction of the State Government must be taken before disbursement.

A limit of 100 percent of the gross yearly salary is laid down with regard to the total amount to be received by a Faculty member under these Rules in any financial year for all Consultancy jobs undertaken by him.

6. The Ministerial and other supporting staff of the Institute who deal with the correspondences and accounting work of a Consultancy scheme may be paid honorarium from the money received under ‘Administrative Overhead Charges’ only if the work was done by them in addition to their own duties. The amount to be paid in individual cases will be decided by the Principal on recommendations of the Head of Department. Any excess amount collected under this head will be credited to the institute for use at the discretion of the Principal. No honorarium will be paid to the consultancy cell staff (full time) except remuneration /TA/DA when necessary and if admissible under the Government rules.

7. No ceiling limit except for financial limits mentioned under Para 6 above is laid down. The only limit is that such practice should not interfere with the regular duties of the individual consultants.

8. In case the consultant is required to visit an industry in connection with the consultancy scheme, the TA/DA charges are to be mutually settled between the consultant and the party concerned and need not be related to the relevant rules of the State Govt. applicable to a person of the status of the consultant. The consultant would be given leave of the kind due for the period of his absence from the institute in connection with the consultancy work.
9. In case the consultancy work results in a patent, the institute patent rules will apply and the share of the profits to be accrued out of such inventions should be distributed between the institute, the client firm and the consultant equally.

10. A copy of all reports submitted to the ‘Client Firm’ will be filed in the Department. Also one copy will be sent to the Industrial consultancy centre and one to the Library for their record. In case the information in the report is considered classified by the Consultant/Client Firm, a brief note to this effect may be filed with the Institute and the Industrial Consultancy Centre. The report should be made available as soon as the information contained in it is ‘De-classified.

11. The consultant/Heads of Departments or Centres will deal through Principal with the Client in all matters regarding a particular Institutional consultancy scheme.

II. ROUTINE CONSULTANCY

1. Routine Consultancy Projects are, those which involve routine laboratory testing where in on interpretation of the results is called for, nor where any technical advice is to be rendered, nor where the test results are processed further.
2. The Professor/Head of Department / in-charge of group will draw up standard rates for each such work and obtain approval of these rates from the Local Committee i.e. Industrial Consultancy Committee of the Institute. Subsequent approval for carrying out a particular job of this type (Whose rates have been approved) will be given by the Head of Department.

3. The fee received for such Routine Consultancy work will be treated as revenue. However, actual amount (Not to exceed 10 percent of the payment) received for a particular job may be paid to technical/ministerial staff from the fee received for overtime work put in by them for any routine Consultancy Project. The disbursement of the Honorarium will be done on approval of the amounts by the Principal.

4. The Professor-in-charge of group/Heads of Departments will deal through Principal with the clients in all matters concerning Routine Consultancy.

5. A copy of the report submitted to the Client should be filed in the Department./Centre.

2. INDUSTRIAL LIAISON FUND.

The share of the fees received by the institute other than for ‘Overheads’ or for ‘Administrative Overhead charges; would be placed with the Institute under a separate Head called the ‘Industrial Liaison Fund’ and would not be amalgamated with the general revenue s of the Institute.

The funds under this head will be administered by the Principal. The guiding principles for the utilization of these funds would be:-

A. 50 percent of the amount under this head will be kept for use of the Department/cell earned by that department. This may be utilized for building the facilities of that Department/Cell at the discretion of their faculty/local Industrial Consultancy committee. The amount will be utilized in the year as and when the need arises.
B 50 percent of the amount put under this head will be utilized by the Institute to promote Consultancy work, to create incentive awards for outstanding research/Consultancy/development work, and for any other purpose approved by the Local Consultancy Committee /Head of Department of the concerned Consultancy Cell.

3. SHARING PATTERN OF THE NET REVENUE

The pattern for sharing the net revenue will be based on the type of Consultancy Project. The Consultancy Project shall be divided into two types as under:-

**Type 1**- It involves participation of a teacher or group of teachers who use institutional infrastructural facilities such as Workshop, Laboratories, Computers, etc. for their work.

**Type-I**- It involves participation of a teacher or group of teachers without using any institutional infrastructure.

In both the cases, their generally is some direct expenditure involved consisting of purchase of material, use of outside labourer/ expertise, etc.

### A. Consultancy Project, Type-1

a) 50% to development fund of the Institution

b) 50% to be shared by the team involved with the work including supporting staff

### B. Consultancy Project, Type-II

a) 30% to the development fund of the institution

b) 70% to be shared by the team involved with the work

Source: [http://techeduhry.nic.in/Scheme_IRG.html](http://techeduhry.nic.in/Scheme_IRG.html) Accessed on Tuesday, March 06, 2012