

ANNEXURE-1

PROCEEDINGS OF THE SUB-COMMITTEE OF THE FEE STRUCTURE COMMITTEE FOR FINALISATION OF FEE FOR DAV PUBLIC SCHOOLS, ODISHA UNDER THE CHAIRMANSHIP OF SRI RAJIB SEKHAR SAHOO, CHARTERED ACCOUNTANT.

The Committee undertook the analysis of the fee structure of the following DAV Public Schools, Odisha.

DAV Public Schools, Bhubaneswar

1. DAV Public School, Chandrasekharpur
2. DAV Public School, Unit-VIII
3. DAV Public School, Pokhariput
4. DAV Public School, Kalinga Nagar

DAV Public Schools, Cuttack

1. DAV Public School, CDA
2. DAV Public School, Gandarpur
3. DAV Public School, Raja Bagicha
4. DAV Public School, Tulasipur

Other DAV Public Schools

1. DAV Public School, Rourkela
2. DAV Public School, Nimapada.

PROCESS FOLLOWED

1. Meetings involving Parents, School Management (including Principal) and DAV Management were held.
2. Visit to four chosen sample schools (two in Cuttack and two in Bhubaneswar) were undertaken by the committee.

3. Interaction with teachers, students, infrastructure verification and verification of relevant records were carried out.
4. Documents in support of the claims made by Schools towards expenditure were asked for by the committee and produced by the respective schools.
5. Parents submitted documents against the schools were taken and grievances heard and where written documents were submitted were accepted.
6. Parents from Cuttack and Bhubaneswar interacted with school Principals and accountants of the school and verified documents and sought clarification on various documents relating to cost to schools. Some documents were also shared with parents.

PRINCIPLES FOLLOWED FOR FIXATION OF FEE

- (a) All cost as per generally accepted accounting principle.
- (b) Guidance note issued by I.C.A.I prescribed for education and charitable institutions.
- © Principles followed as per applicable tax laws.

RECOMMENDED GUIDELINES AS GIVEN BELOW

- (i) All expenses to be duly supported by the documentary evidence.
- (ii) Related documents like competitive quotations /purchase orders etc. should be part of the supporting.
- (iii) All commercial prudence to be exercised while awarding contract etc to ensure value for money.
- (iv) Transactions with related parties should be avoided
- (v) Transaction of suspicious nature should be avoided and transparency should be followed.
- (vi) Transactions which are remotely connected for imparting of education like, purchase of books, uniforms for sale to students should be transparent and any benefit accruing out of such transaction should come to school like sale of books, note books, dress etc.

- (vii) All expenses incurred should have a direct / indirect connection with education.
- (viii) Expenses should not be incurred for the benefit of office bearers unless it is incurred exclusively for the benefit of the school.
- (ix) Other income of school from sale of books, sale of uniform etc. should be reduced from total cost to arrive at net cost.
- (x) Recruitment process to be transparent and after following the procedure of recruitment.
- (xi) School should display the fee charged clearly and visibly on school website to avoid any confusion.
- (xii) Capital expenditure to expand should factor the expanded student capacity.
- (xiii) Transfer of funds from one school to other may be permitted to meet shortfall/ requirement of another school under DAV Management but on returnable basis within a reasonable period not exceeding five years.
- (xiv) Development of basic infrastructure and safety in all forms should not be compromised for insufficient funds.
- (xv) Schools will be required to improve, expand and renovate and spend money on capital expenditure.
- (xvi) Such heavy dose of capital expenditure should not be a direct burden on students in the year of expenditure. Rather it should be spread over a number of years based on use of asset through depreciation.
- (xvii) Depreciation should be charged by which 95% of value of assets amortized over useful life of the assets. Depreciation be applied at rates of prescribed as per Income Tax Act.
- (xviii) To meet the capital expenditure schools may resort to utilization of accumulated surplus and where it is not adequate, may borrow money from Banks/ Institutions on medium term/ long term basis.

- (xix) Total cost of capital expenditure should not be a burden on students in that year.
- (xx) Schools are not permitted to collect any form of capitation fee.
- (xxi) The total fee to be collected from all the students should be to meet the actual expenses of school plus a reasonable surplus.
- (xxii) Fee should not be collected to meet the expenditure of exceptional nature rather such expenses should be apportioned over a period of years.
- (xxiii) Fee increase from one year to the other should not exceed 10-15% in a year subject to the formula of cost plus a reasonable surplus.
- (xxiv) School may explore revenue from alternate sources through support from creation of alumnae. (ex-student association and involving such ex-students to help school to develop)
- (xxv) The school may provide certain other facilities like bus, excursions, and certain activities which may be optional and as per the choice of the students. Reasonable fee should be collected from such students to meet the cost and incidental charges. The school should exercise transparency in such cases. Only those students who opt for it and avails the facilities should pay.

Statement for calculation of fee for the schools for 2012-13.

NAME OF THE SCHOOL	TOTAL expenditure (Rs. In lakh)	Reduced by (Rs. In lakh)		Net expenditure (Rs. In lakh)	No. of students	Cost per child per month (Rs.)	Add Reasonable surplus (Rs.)	Average fee per child per month recommended (Rs.)
		other income	Spl.Developm ent fee					
DAV, Chandra sekharpur, Bhubaneswar	831	70	50	711	3629	1632	163	1795
DAV, UNIT-VIII, Bhubaneswar	723	37	42	644	3501	1532	153	1685
DAV, Pokhariput, Bhubaneswar	487	35	25	427	2386	1491	149	1640
DAV, Kalinganagar, Bhubaneswar	266	7	11	248	1395	1481	143	1630

DAV, Bidanasi CDA-VI, Cuttack	657	26	35	596	4437	1121	112	1230
DAV, Gandarpur, Cuttack	316	20	21	275	2538	902	90	990
DAV, Raja Bagicha, Cuttack	239	8	15	216	2017	892	--	870*
DAV, Tulasipur, Cuttack	170	11.6	16	142.4	1418	836	--	870*
**DAV, ROURKELA	291	3	--	288	2600	923	--	870*
**DAV, NIMAPADA	81.5	3	--	78.5	750	870	--	870*

*Restricted to fee proposed i.e. Rs.870/- only by the schools.

** No increase of fee for 2012-13 as proposed by the School. Increase will be effective from the year 2013-14.

DAV, Nimapada is paying the salary based on 5th Pay Salary and the fee for 2012-13 calculated is without 6th Pay. The Committee recommends 20% increase on 2012-13 fee of Rs.870/- i.e. 1050/- to accommodate increased impact of salary for 2013-14.

CLARIFICATION ON THE FEE CALCULATED

- The fee collected for 2012-13 is the average fee to be collected. Such fee may be spread as per 5 slab recommended fee. However, it is to be ensured the average fee shall be kept at the level mentioned.
- The fee fixed for these schools may be increased by 10% for 2013-14 except for DAV Tulasipur and DAV Raja Bagicha by 12.5% as these two schools have cost more than the fee proposed to be collected in 2012-13. Such increase is restricted in view of stiff hike in fee for 2012-13 over 2011-12. However, the school may cap the increase of fee to 15% from 2014-15 to meet its increased cost.
- Schools to restrict Development fee / Special Development fee to Rs.15000/-. No other fee should be collected in the name of Development / Special Development fee. This can be collected only at the time of admission to school. Admission to Class-XI promoted from Class-X of same school should not collect 'Special Development Fee'. However, students taking admission 1st time in Class-XI should pay the same. Special Development Fee collected from other students (promoted from Class-X) for 2012-13 should be refunded.

- (d) Fee calculated is the average fee for schools per student.
- (e) No other fee be collected by schools on account of tuition, activity etc. However, schools may charge for smart classes, late fine, any new special services that may be extended for the benefit of students.
- (f) Such average fee includes tuition fee, activity fee, all charges on account of lab, computer etc. No additional Development fee can be collected except special Development fee as mentioned which can be one time only.

PARENTAL INVOLVEMENT

School may be advised to organize regular parent teacher meeting to have proper interaction and communication. This may be held two times a year. Parent representatives from each class may interact more frequently to resolve the issue that may arise including issue relating to the students.

TRANSPARENCY

The audited accounts every year may be placed on the website accounting for all the income –expenditure asset liabilities of the school. A time may be specified for their parent to seek certain information relating to accounts. However, due care is to be taken to ensure that there is no undue harassments by parents in asking unnecessary and unrelated questions. The school is also advised to place their annual budget and actual vs. budgeted expenditure every 6 months. The school will also host details of teachers, their qualification etc on the school website.

INVOLVEMENT WITH THE CENTRAL MANAGEMENT

Transaction between the school and central management should be transparent and relating to actual expenditure incurred for service rendered by the central management and as per the agreement if any. No Bank account in the name of Central Management be opened in school.

Multiple payment to Central Management be paid as per agreement and based on need. Schools of Cuttack pay Rs.50/- per child over and above administrative charges paid by schools which are not paid by Bhubaneswar schools. Committee is not in favour of such multiple payment.

CONCESSION

Any concession extended to the children of the staff members as per the service rules of the DAV Management should be borne out of the reasonable surplus and should not be a burden to other students.

BUS CHARGES

All Bhubaneswar schools to reduce Bus Charges suitably in view of surplus made. While the Bus fare is increased from Rs.8000/- for 2012-13 to Rs.9000/- for 2013-14. The Committee recommend not to increase the fare and keep it at the same level for next two years. Loss arising out of running buses by Cuttack schools be suitably adjusted. The Committee also recommends installing

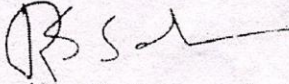
- (i) Tracking system (GPS)
- (ii) Fire extinguisher
- (iii) First Aid Box
- (iv) Mobile to both driver and conductor
- (v) Mobile alert to registered parents mobile number
- (vi) Increase number of buses.

In case of any shortfall, decision should be taken after discussion in the Managing Committee Meeting with the Parents' Representatives.

There may be a five slab of fee structures

- (a) Up to Class-U.K.G.
- (b) From Std.-I to V
- (c) From Std. VI to Std. VIII
- (d) Std. IX & Std. X
- (e) Class -XI & Class- XII

1. There should not be a wide gap between the fee of one slab with the next slab
2. Committee is not in favour of the package fee introduced and rather suitable adjustment be made to fall into normal slab recommended.


 (Rajib Sekhar Sahoo)
 CHAIRMAN,
 SUB-COMMITTEE.