



A Study on Fund Management Practices of Grant In-Aid Universities of West Bengal

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Abstract

The aim of this study is to evaluate the Fund Management Practices of Grant in Aid Universities of West Bengal. Grant aid universities are the ones that provide scholarships to the needed students for their tuition and as a result, the expenses of college students are decreased. The grant aids that are provided to the students do not need to be paid back as the government in the case of west Bengal provides this. The government funds around 33 Universities in west Bengal. In this case, the people who are in managerial positions do the fund management of those organizations. Universities such as Jadavpur University, University of Calcutta, and many more belongs to this list of grant-in-aid universities of West Bengal. In the case of technological and medical colleges, the government sponsors many pieces of equipment, as they are expensive and necessary for skill development. There are special committees within the universities themselves created by the government itself for managing their fund. However, it has been seen that several times the aid provided to the students does not reach them properly. Thus, the fund management system of these universities needs to be developed and monitored on a regular basis, which can help these colleges to help students even more effectively. In order to conduct this study secondary data is going to be collected and then they are going to be analyzed with the help of the qualitative data analysis method.

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I. INTRODUCTION

Finance is considered the most important aspect when it comes to operating an institution without any obstacles. It is necessary to manage the finances properly so that the physical facilities of the institution are amply supplied. A grant-in-aid structure helps in this process effectively. A grant-in-aid usually refers to the funneling of money processed by the central government about a specific project. The legislature and the government generally decide this granting of such money when they feel like the recipient is in need of funding, free of the state's authority¹. The two kinds of principles adopted for the sanctioning of grant-in-aid money are the "proportionate grant system" and the "deficit formula". The proportionate grant system allows a certain proportion of the total expenditure processed to be allotted to the universities. The deficit grant allotted to the university in question has to be calculated by subtracting the total resources of the institution from the total approved expenditure.

II. LITERATURE REVIEW

Concept of Grant-aid Universities

There are two kinds of frameworks regarding the universities of a state. They can be either granted or non-granted. **Grant-aid** universities usually refer to the universities whose infrastructures and the government financially supports courses. The British government in 1859 first established the grant-in-aid system in India².

¹ Rahaman, J., & Batcha, S. (2022). Scientometric Analysis and Collaboration Trends of Published Literature by State Universities from West Bengal. *Journal of Social Sciences and Management Studies*, 1(2), 18-28. Retrieved from: <https://www.jescae.com/index.php/jssms/article/download/64/40>

² Eaton, C., Kulkarni, S., Birgeneau, R., Brady, H., & Hout, M. (2019). The organizational ecology of college affordability: Research activity, state grant aid policies, and student debt at US public universities. *Socius*, 5, 2378023119862409. <https://journals.sagepub.com/doi/pdf/10.1177/2378023119862409>

At first, the grant-in-aid system was just provided to a few English-medium schools and a few universities. Later the advent of the Christian missionaries and their influence in building independent, schools and universities, expanded this system. The institutions were now more vocal in seeking financial aid from the government.

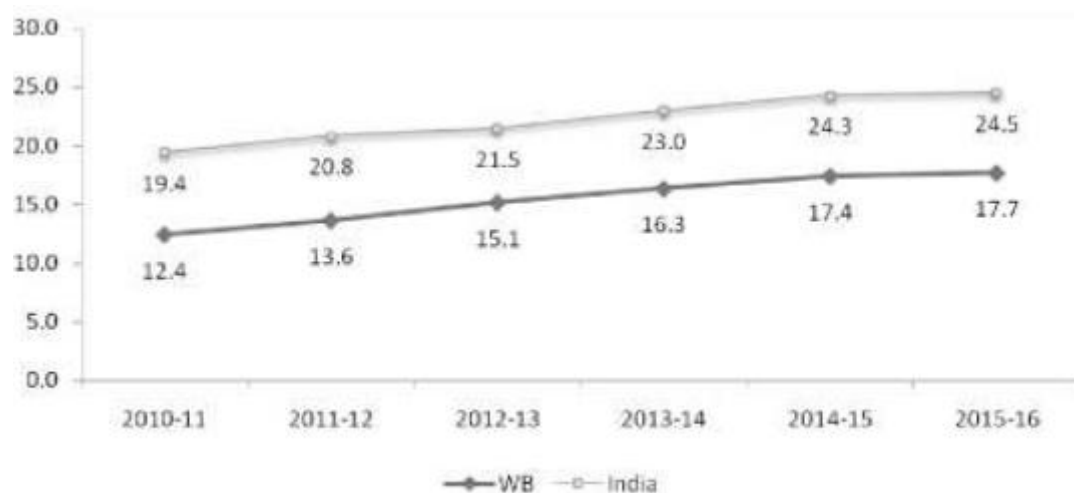


Figure 1: Gross Enrolment Ratio (GER) in West Bengal and India

(Source: researchgate, 2022)

Evaluation of the funding system of grant aid universities

This article has been written after reviewing some of the research related to the present study to properly illuminate the grant-in-aid structure of the universities of West Bengal. Bashir (2003) conducted thorough research on the grant-in-aid system in Indian education. It has been recorded in the research that out of the 13072 institutions in India 42% is aided privately. It has also been noted that almost 37% of the enrolment of students happens in these private-aided institutions.³ Thus, many universities have authorized self-financing courses in their curriculum. Between the times of 2000-01, West Bengal saw a high uprising in the share of grant-in-aid in the total **Public Education Expenditure** to 81.7%. 44.6% of this expenditure was allotted to universities and colleges.

Sangita Chakraborty (2020) in her research on the Indian framework of Technical, scientific and Medical Education, with respect to West Bengal have also contributed some fruitful information. The **University Grant Commission**, which was created in 1956 helped institutions to upgrade to postgraduate teaching levels⁴. The development of the **Indian Institute of Technology** at Kharagpur in 1951 was one of the first initiatives of the Indian government's grant-in-aids system. The government of West Bengal provided the institution with 1200 acres of the plot completely free of cost. The Indian Government became completely aware of the need of expanding the horizon of technical education in the country by 1951.⁵

The study of the respective literature on the particular topic has illuminated some light on the structure of the grant-in-aid system in India and how it started. West Bengal always played a very important role in leading the country when it came to privately funded education systems. Grant-in-aid Universities flourished in Calcutta following this structure. Some of these universities include **Jadavpur University and the University of Calcutta**.

³ rusa, (2022), *Gross-Enrolment-Ratio-GER-in-West-Bengal-and-India*, <http://rusa.nic.in/west-bengal/overview/#>

⁴ Pyne, P., & Gope, L. (2022). Reflection of Pandemic Crisis over Trajectory of Educational Leadership: Challenges of Higher Education Institutions in West Bengal. *American Journal of Educational Research*, 10(6), 413-419. Retrieved from: <http://article.scieducationalresearch.com/pdf/education-10-6-7.pdf>

⁵ Abhiyan, R. U. S. Perceptions Of College Teachers On Rashtriya Uchchatar Shiksha Abhiyan. *Chart*, 40000, 50000. https://www.researchgate.net/profile/Lokanath-Mishra-2/publication/344270848_Perceptions_Of_College_Teachers_On_Rashtriya_Uchchatar_Shiksha_Abhiyan/Link/s/608ec8da299bf1ad8d728635/Perceptions-Of-College-Teachers-On-Rashtriya-Uchchatar-Shiksha-Abhiyan.Pdf

Justification of the research

It has been proved through the various studies conducted on grant-in-aid universities that the universities following this structure have not only flourished financially but also have appeared with significant educational results. The facilities of these grant-in-aid universities especially in the technological and medical fields are always found to be better than other universities. It is thus easier for the faculties to conduct the process of education. Students also can learn up to their fulfillment, as there are no expenses spared in terms of laboratories, equipment, and libraries.

AIMS/ OBJECTIVES OF THE STUDY

Aim

The main aim of this research work is to critically analyze Fund Management Practices of Grant In-Aid Universities of West Bengal. It is also the aim of this study to shed light on how the financial transactions between the state government and the universities work.

Objectives

The objectives of the present study can be pointed on like this:

- To analyze the budgeting grant-in-aided universities of West Bengal.
- To analyze the problems that comes with the budgeting and funding along with the infrastructural development of the universities.
- To point out the sources of finance of West Bengal's grant-in-aided universities.
- To figure out the management of the universities that is granted money by the government.

RESEARCH QUESTIONS

These are some research questions:

- What is the process of budget preparation for the grant-in-aid universities of West Bengal?
- What problems can arise during the budgeting in grant-in-aid universities?
- How is grant-in-aid universities managed?
- What are the major sources of finance for the grant-in-aid universities of West Bengal?

III. METHODOLOGY OF THE STUDY

The methodology of the study has been mainly based on the positivist research philosophy, which sheds a light on the data collected regarding the funneling of money. The approach of the study is also based strictly on the deductive approach. The descriptive design of the whole grant-in-aid process is also one of the main methods that have been followed throughout the study. The other methods included are secondary data analysis regarding the universities and quantitative analysis. The grant-in-aid structures of almost eight universities have been included in this study.

The data secured is divided into a few sections according to their objectives and infrastructural needs. The budget of the West Bengal Government is also included in this study regarding the distribution of money according to the various needs of the universities.⁶ The West Bengal Health Scheme Portal has also played a significant role in conducting this study. The medical facilities provided to a particular university owing to the grant-in-aid are also an important part of the study. The finance department works hand-in-hand with the Medical cell of the government, which influences the grant-in-aid system heavily. The study has been conducted in a way that focuses on the benefits of grant-in-aid universities and the disadvantages that come with it.

Study conducted/ Collection of Information/ Data

In order to conduct this study secondary data has been collected from various sources that include journal articles as well as college websites. In addition to that, data are also collected from government websites that are based on various schemes and policies that can help in enhancing the infrastructure of grand aid universities of west Bengal. It has been made sure that the data are authentic and it has been made sure that recent data are collected.

Analysis of Collected data

West Bengal State enlisted in the "*Rashtriya Uchchatar Shiksha Abhiyan or RUSA*" in 2013, on November 22 to reform the sectors of higher education. The "**Project Approval Board (PAB)**" held three

⁶ Eaton, C., Kulkarni, S., Birgeneau, R., Brady, H., & Hout, M. (2019). The organizational ecology of college affordability: Research activity, state grant aid policies, and student debt at US public universities. *Socius*, 5, 2378023119862409. <https://journals.sagepub.com/doi/pdf/10.1177/2378023119862409>

meetings and accept the proposals of Rs. 339 crores. In this proposal, the share of the central was Rs. 203.40 crores and the share of the state was Rs. 135.60 crores.

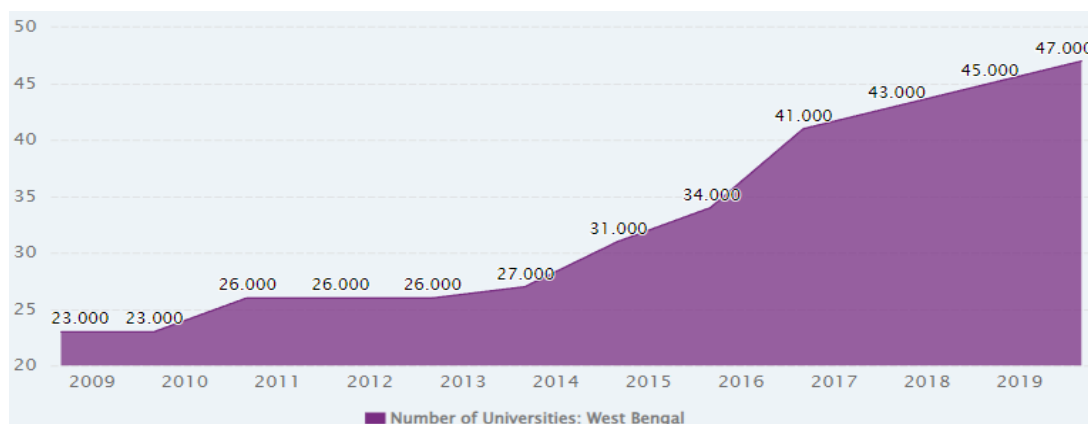


Figure 2: Number of Universities in West Bengal

(Source: ceicdata, 2022)

Infrastructure grants to Universities

Two RUSA are conducted to date and that is “RUSA 1.0” and “RUSA 2.0”. In the first RUSA, they granted infrastructure to eight Universities in West Bengal. The central government had granted Rs. 96 crores to these eight Universities and each of them was granted Rs. 12 crores. RUSA, in 2.0 again granted Rs. 60 crores for another three Universities' infrastructure. Here, central will provide a total of Rs. 36 crores to those universities of West Bengal.⁷

Enhancing quality and excellence

Any University of West Bengal did not get any kind of funds for the improvement of their Excellency and quality in the RUSA 1.0. One University of West Bengal got the opportunity in the RUSA 2.0. The PAB approved Rs. 100 crores for the elevation of the excellence and quality of that University and central's share was Rs. 60 crores.⁸

Findings revealed from your Study

A fund must be created in every university with the credited tuition fees and grand-in aid money. The universities must maintain a proper accounts record and this is internally audited by a certified “State Government-empanelled Chartered”.⁹ He or she has to submit these accounts before the “State Government” annually, within 6 months of the following financial year. The Government may cause the fund's periodic audit and each college's accounts in such a way. In case any college is unable to fulfill the provisions then the “State Government” can take some action as it may lawful and deem necessary. They can suspend the authority of the university for a specific time and can appoint an administrator for discharging the function of the university for that time as the “State Government” determines it.

⁷ ceicdata.com (2022), *number-of-universities-west-bengal*, <https://www.ceicdata.com/en/india/number-of-universities/number-of-universities-west-bengal>

⁸ Eaton, C., Kulkarni, S., Birgeneau, R., Brady, H., & Hout, M. (2019). The organizational ecology of college affordability: Research activity, state grant aid policies, and student debt at US public universities. *Socius*, 5, 2378023119862409. <https://journals.sagepub.com/doi/pdf/10.1177/2378023119862409>

⁹ Hlatywayo, G. K., & Mangongera, C. (2020). *The Challenges for Social Movements in Post-Mugabe Zimbabwe*. United States Institute of Peace.. https://www.usip.org/sites/default/files/2020-02/sr_459-the_challenges_for_social_movements_in_post_mugabe_zimbabwe.pdf

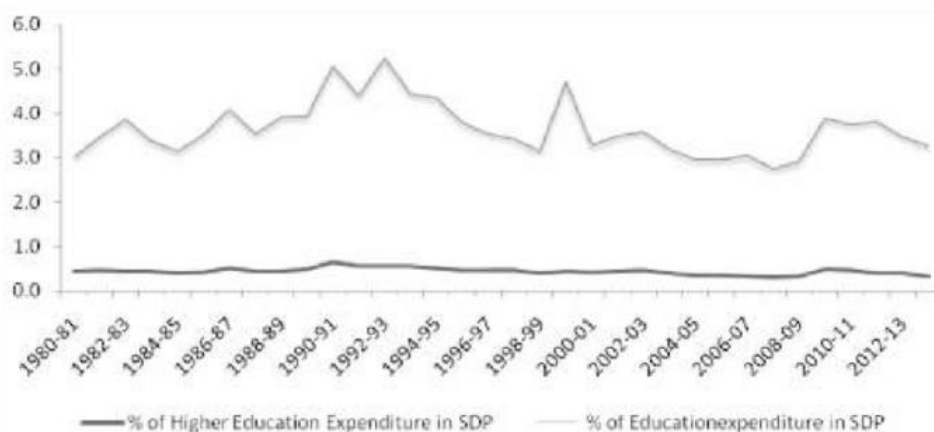


Figure 3: Percentage of Education Budget & Higher Education Budget in GDP in West Bengal
(Source: researchgate, 2022)¹⁰

Most of the universities are facing financial problems without the help of the Government. The trustees of the university develop the university budget. The facilities of the university are becoming outdated with time and therefore many universities have taken bank loans to improve their facility. Renovation is also necessary from time to time to avoid any kind of disaster. The equipment of the laboratories is expensive and in case one of the equipment becomes faulty then the student has to wait for that for several months to get the new one. Sometimes they have to skip the use of that equipment and this hampers their studies. The current era is the era of the internet, without the internet life is like being stuck in a container.¹¹ Many books are expensive but cheap as e-books and to get access to the books the university has to take a subscription. The universities have to provide internet access to the students for the accession of these books. Along with the study, physical activities and art are also important. It helps the students to maintain their mental health. The maintenance of the sports equipment is high and it is very difficult to maintain. Many universities reduce their budgets for sports for this reason. Many students are very talented in arts such as acting, drawing, singing, dancing and many more. The university should provide guidance and a platform to those students.

The main issues of the grand in-aid by RUSA are that most of the universities uploaded relevant and high-quality images in the proof of their new or developed facility. The state does not submit a revised SHEP, which is not the portion of the original SHEP.

IV. CONCLUSION

The study is conducted based on the grant-in-aid system of India in terms of universities. The focus is applied to the universities of West Bengal that are granted money publicly by the decision of the government and the legislature. Thorough surveys of the money-funneling process between the government and the universities are presented in the article with suitable data and examples. Granted universities usually refer to the universities whose infrastructures and courses are financially supported by the government. The grant-in-aid system in India was first established by the British government in 1859. The article is also influenced by certain productive research that has shed a light on the grant-in-aid system. The University Grant Commission, which was created in 1956 helped institutions to upgrade to postgraduate teaching levels. The development of the Indian Institute of Technology at Kharagpur in 1951 was one of the first initiatives of the Indian government's grant-in-aids system. The universities must maintain a proper accounts record and this is internally audited by a certified "State Government-empanelled Chartered". The main issues of the grand in-aid by RUSA are that most of the universities uploaded relevant and high-quality images in the proof of their new or developed facility. The state does not submit a revised SHEP, which is not the portion of the original SHEP.

¹⁰ researchgate.net (2022), *Gross-Enrolment-Ratio-GER-in-West-Bengal-and-India*, https://www.researchgate.net/figure/Gross-Enrolment-Ratio-GER-in-West-Bengal-and-India_fig7_319872668

¹¹ Rahaman, J., & Batcha, S. (2022). Scientometric Analysis and Collaboration Trends of Published Literature by State Universities from West Bengal. *Journal of Social Sciences and Management Studies*, 1(2), 18-28. <https://www.jescae.com/index.php/jssms/article/download/64/40>

V. SUGGESTIONS

- In order to shape the grant-in-aid structure for the funneling of money from the government to the universities it is necessary to find out if there is any kind of corruption inbred in the system.
- There is also the need for an additional committee in every university regarding the handling of the grant-in-aid money provided by the government so that it can be put to proper use.
- It is also suggested that the grant-in-aid money should be put to proper use for the students of the universities to be better in their respective fields.
- It is also necessary that the budget set by the government should be analyzed thoroughly at the beginning so that there are no gaps or leaks within the plan that can affect the rate of infrastructural development of the universities.¹²
- The medical facilities of the West Bengal government regarding the grant-in-aid are impressive but the other fields like sports management and other facilities should be given proper heed.
- There should be also additional funds for the women students of the universities and students who are in grave need of money. There is always news about students who leave their studies due to the lack of money or family support. These students should be provided with pepper aid by an efficient committee.
- It is also suggested that some student committees are also built in the universities, as they are the ones who should be aware of how their money is being handled. A representative of the student committee can also be a part of the main committee where he or she can provide viewpoints on how to improve the infrastructure of the courses. This way the money granted can be shaped according to the needs of the students.
- Lastly, more universities should come under this grant-in-aid structure of the government. For this, it is required that more money the government is allotted for the educational field, as it is very important for universities to develop properly to shape the future of the current generation.

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