

Unit – III

FINANCIAL MANAGEMENT

BUDGETING



**DEFINITION, PURPOSE, FUNCTIONS &
FINANCIAL ESTIMATION**

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Introduction & Definition



- Budget word by :-
“Leather purse” of Latin Language.
- According to Wilson & Tauber :-
“A budget is an estimation of probable income and expenditure for the ensuing year.”
- According to Oxford English dictionary :-
“Budget is an annual estimation of income & expenditure of library.”

Purpose



1. Planning :-
Planning of function , Services.
2. Co-Ordination :-
Important purpose of budget.
Without budget how can be co -
ordination b/w Various division
/ Section.
3. Control :-
Equal distribution of finance.
Control planning & co –
ordination function.
4. Smoothly function of library activities.
5. Provide new services

Function of Budget



1. Help to achieve the goals and objectives of the library.
2. Promote to start new IT based service.
3. Enhance staff skill and training development.
4. Effective Management.
5. Measurement the programmes of a library and their effectiveness.

Budgeting method / Financial Estimation



I. Per capita method :-

- | | | | |
|----|--------------------------------|----|---|
| 1. | library committee | :- | 15 per students
200 per teacher |
| 2. | Kothari commission (1964-66) | :- | 25 per student
300 per teacher |
| 3. | Ranganathan | :- | 20 per student
300 per teacher
50 scholar |
| | For school | :- | 10 per student |

Cont...



II. Proportional method :-

- Fixed percentage to achieve goals.
- Education commission (Kothari commission) :- 6.5% - 10% of total budget.
- Ranganathan :- 10% .
6% for public library.
- But in India only less or equal 3% only & collage only 4-5%.

Cont...



III. Method of Detail :-

- No. of items to be spend should be decide.
- Best method by " library advisory committee "
- Library committee by " UGC " recommended " Staff formula " for the same purpose.
- Salary of staff , income , expenditure on all item should be clear.

Any Question ?

Thank You