

Maharashtra State Board of Art Education

Fees Fixation Committee

Norms for unaided institutions running Diploma/certificate courses in Art Education affiliated to Maharashtra State Board of Art Education for the academic Year 2024-25

References:

- 1 Maharashtra Act No. XXVIII of 2015, Maharashtra Unaided Private Professional Educational Institutions (Regulation of Admissions and Fees) Act of 2015
- 2 Maharashtra Act No. XII Maharashtra State Board of Art Education Act 2023

Preamble:

Government of Maharashtra has published Maharashtra Act No. XII of 2024 on 19 January, 2024 for establishment of Maharashtra State Board of Art Education for Regulating matters pertaining to Diploma level Art Education in the State of Maharashtra. In this Act Clause no. 20(1) provision of Fee Fixation Committee is made. Under the provision it is necessary to fix the fees for courses offered by unaided Art Educational Institutes. The Government of Maharashtra Higher & Technical Education has constituted fee fixation committee vide order dated 13/04/2024. Considering the provisions in the Maharashtra State Board of Art Education Act and Government order for fee fixation committee. In view of this norms for fixation of fees for the courses offered by unaided Art Educational Institutes are prepared.

1. Fixation of fees for 2024-25:

- a) The norms for fixation of fees shall be applicable to fixation of fees for the A.Y. 2024-25
- b) For fixation of fees for 2024-25 the institute shall submit the proposal accordingly, as per the Norms given below.

- c) Those institutes who wish to revise their fees (Fix their fees) for 2024-25 shall apply on the portal.

2. Ad-hoc Fee:

- a) At the beginning of each academic year, the Fees Fixation Committee shall declare the maximum recommended ad-hoc fees for all the new institute(s) starting new courses in the said academic year.
- b) As there will not be any audited financial statements for the earlier financial year(s), the institute(s) will collect ad-hoc fees, as declared by the Fees Fixation Committee for the respective academic year, from the newly admitted students.
- c) Confirmation of Ad-hoc fees: The Institute(s) will take undertakings from the students that the current fees charged to them are only ad-hoc fees, and they are subject to changes.
- d) While finalizing the fees for a given year, the ad-hoc fee for two previous years will either be confirmed or altered. In case there is an alteration on either side, the students will have to pay/receive the difference as the case may be.

3. Submission of Proposal for approval of Fees to Fees Fixation Committee (FFC):

- a) It is obligatory for the Management of the Unaided Private Diploma Professional Educational Institution(s) to submit the proposal for approval of fees on or before 26/08/2024.

- i) In the event of non-submission of the proposal for upward revision of fees to the Fees Fixation Committee within the time limit specified, the fees structure as approved by the Committee and applicable during the previous academic year shall continue to apply.
 - ii) The option of No Upward Revision can be availed by only those Institutions and courses for which the fees were determined by the Fees Fixation Committee for the immediate preceding academic year and the Institution would like to apply the same fee structure approved for the previous academic year for the immediate next academic year.
 - iii) The option u/s 14(I)(b) of ref no I- Act of 2015 to continue and apply the fee structure of the previous academic year shall not be available for the next two or more consecutive academic years.
- b) Failure to submit the proposal in a manner prescribed u/s 14(1)(a) of Ref No I - Act of 2015 within the time prescribed by the Committee shall be liable for penal consequences as provided u/s 20 of Ref No 1 -Act of 2015 and the Principal and the Management running the Institute shall be responsible for such action.
- c) It is necessary for the Management running the Institute to take care and ensure that the information provided in the proposal is true and correct and is based upon genuine documents and evidence.
- d) If it is found that the information provided in the proposal was incorrect or the documents were fabricated or the fake books of accounts, documents, or any evidence was created for the submission of the proposal to the Fees Fixation Committee, whether or not such act is done for profit or gain, the Management running the Institution shall be liable

for commission of offenses punishable u/s 20(2) of Ref No I - Act of 2015 as well as the offenses under Indian Penal Code and other laws.

- e) If on receipt of complaint /grievance from the Stakeholder(s) or otherwise, it is found that the Institution has charged the fees in excess of the fees approved by the Fee Fixation Committee, such Institution shall be liable to return such fee to concerned students besides the penalty as provided u/s 20(1)(a) and (b) of the Ref No I- Act of 2015.
- f) On repetition of contravention and/or irregularity by any Institution, the name of such Institution shall be recommended by the Fees Fixation Committee for the withdrawal of affiliation or approval to the concerned Competent Authority.
- g) Fees for the academic year 2024-25 shall be finalized on the basis of the proposal submitted along with audited financial statements for the financial year 2022-2023, the proposed budget for the financial year 2023-24, and the relevant record and evidence as prescribed by the Fee Fixation Committee with the proposal.
- h) It should be noted that the subsequent documents, information, and other developments shall not ordinarily be considered while fixing the fees. While deciding the fees for the academic year 2024-25, the Balance Sheet and additional information such as sanctioned strength, approval status of teaching faculty, etc.; regarding the financial year 2022-2023 will be considered.
- i) The proposal for fees shall be submitted on the portal of the Fees Fixation Committee by uploading the requisite documents and information in the manner and format as prescribed by the Fees Fixation Committee.
- j) While submitting the proposal, the concerned official of the Institution shall ensure that the expenses claimed are shown under corresponding

and appropriate heads as provided in the proposal form. The expenses claimed in the proposal form must match with the Audited Income and Expenditure Account.

- k) If any expenditure which is permissible and lawful expenditure made for imparting education/teaching to students but for which no specific head is provided for the same in the proposal form, then all such expenses must be claimed under the head of "Other Expenses". The item-wise list of such other expenses with the details of the nature of expenditure and the amount shall be uploaded with the proposal. Supporting evidence in the nature of genuine bills, etc.; shall also be submitted. Such expenses must match with the Audited Income and Expenditure Account.
- l) The proposal must be submitted along with the required processing fee before submission of the proposal and details of it should be mentioned at the beginning of the portal.
- m) The institute representative should be present at MSBAE office Mumbai alongwith the hardcopy of the proposal with proper Index and pagination with legible copies of the documents arranged in the manner provided in the checklist for inspection.
- n) All the objections raised by the office, in the respect of hardcopy of the proposal, must be removed, rectified, or complied with within 7 days from the date such objections are notified and brought to the notice of the concerned officials of the Institute.
- o) All queries, clarification, explanations, additional information, and documents called by the Committee must be complied with and furnished by the Institute within the time prescribed in such letter of requisition. Failure to which it will be treated that the Institute has no

explanation to offer and the Committee shall proceed to decide the proposal by drawing appropriate inference.

4. Segmental and Mercantile Accounting:

- a) The Trust running the Institute must follow the Mercantile method of Accounting while maintaining the books of account of the institute(s).
- b) While submitting the proposal, the TRUST must make a segmental bifurcation of income and expenditures institution-wise, and common overheads must be allocated amongst each Fees Fixation Committee course separately for which the proposal is being submitted.
- c) Where institute(s) are running multiple activities or courses (whether under FFC/ FRA or not), the institute(s) shall submit the Audited financial statements of previous financial years (i.e. Receipt and Payment Account, Income & Expenditure A/C, Balance Sheet along with detailed Annexures/Schedules and Audit Report) for each of such activity and/or course.
- d) Financial Statements should be prepared by following the principles of Accounting Standard 17 on Segmental Accounting or related Ind AS 108 as prescribed and modified from time to time by the Institute of Chartered Accountants of India (ICAI) and relevant Cost Accounting Standards (CAS) issued by The Institute of Cost Accountants of India (ICMAI).
- e) The Institute(s) must submit the budget for the academic year (for which the proposal of fees is being submitted) as approved by the Governing Board/Council of the Institute(s)/ Institution(s).

5. Salaries: (Human Resource Expenditure):

- a) Details of expenditure related to the following sub-categories.
- i) Teaching staff, including Contract, visiting, and guest faculties (wherever permitted by respective central councils of the concerned course),
 - ii) Administrative staff
 - iii) Stipend for Interns and/ or trainees paid as per rules of the appropriate authorities.

Details shall consist of the following particulars:

Name, designations, stipend/ salaries, qualifications, experience, TDS, professional tax, Provident Fund, approval reference number and date AICE/DOA etc.. registration numbers, bank name, account number, Aadhaar card No., PAN card No., date of original joining, and all other details as sought on the portal. (If the staff is removed/ resigned and then re-joined, the date of first joining and re-joining needs to be given). The institutes shall submit the details along with the relevant supporting documents such as TDS Challans, Form No.24Q, Form No. 26Q, Form No. 16 and Form No. 16A downloaded from the Income Tax website/Traces, PF Returns copies and challans, Profession Tax Challans, approval letters of appointments by appropriate authorities, etc.

- b) Payment of Salaries:

Salary expenditure of the entire staff actually paid through the bank by crossed A/c payee cheque or by way of electronic transfers shall only be considered by the Fees Fixation Committee. Photocopies of bank statements showing corresponding credit and debit entries shall accompany the proposal. A copy of the payroll or salary register for the

entire Financial Year certified by the Dean/ Principal by signing on each page as a true copy shall be submitted.

c) Provision for Salary/Salary Payable:

The institute/Institute(s) shall furnish the details of actual payment made towards provision for salary in the subsequent financial year till the date of filing the Fees Fixation Committee proposal in Form No. A2 along with supporting evidence of the payment highlights the entries in the Bank Statements with the list of names of the employees and the amount paid

d) Staff-Related Expenses:

Employers' Provident Fund Contribution, Gratuity, expenses related to housing accommodation, etc. will be allowed provided the institution has furnished supporting evidence along with the proposal.

e) Sudden rise in regular expenditure:

The procedure laid down under provision 14(6) of Ref. no 1- Act of 2015 be followed.

f) Arrears of Salaries:

The Institute must provide the details of arrears of salary claimed on a year-wise basis and the reason for non-payment of salary during the corresponding year. The Committee will decide the admissibility of the claim made on account of arrears of salary and payment thereof.

g) Disallowed Salaries:

i) Following Salaries may be disallowed:

- (1) Payment to Excess staff,
- (2) Payment to unqualified staff,
- (3) Payment to unapproved staff.

(4) Salaries paid exceeding the prescribed scales (The scales prescribed shall be in accordance with the relevant Government rules/ notifications/ resolutions in that regard.)

(5) Salaries paid in cash or through bearer cheque,

(6) The difference in salary if any, between the salary of individual staff claimed under the proposal and the salary of such person shown in Form No. 16 downloaded from the Income Tax website i.e. Traces,

(7) Salaries paid where rules of TDS, P.F., and P.T. are 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 institute(s) shall install a biometric attendance system for all staff. The institute(s) will mention its status in this regard in the proposal.

h) Guest, Adjunct, and Visiting Lecture expenses:

These will be allowed as per related Appropriate Authority's guidelines.

The payment shall be through the bank, and TDS shall be deducted wherever applicable. This shall be reflected in the bank statement in the form of corresponding debit entries. The details of all lectures, along with dates, and subjects shall be submitted. Excessive expenses on guest lectures and visiting faculty shall not be allowed.

6. Non-salary Revenue expenditure:

a) Advertisement Expenses:

The Institution is allowed to spend a reasonable amount on advertisement and promotion to improve admissions. Advertisements for the 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. Similarly, reasonable expenditure incurred by way of advertisement in Social/ Electronic Media will be allowed. In case any common advertisement is issued for many courses, then it will be required to be shared proportionately for different courses.

b) Interest on Working Capital Loan:

"Interest Paid on Working Capital Loan borrowed from Nationalized or Scheduled Bank and/ or NBFC may be considered as admissible expenditure subject to the upper limit of 2% (two percent) of the Total Revenue Expenditure (excluding the interest) as approved by the Fees Fixation Committee or actual interest whichever less subject to production of a certificate from the Bank certifying the loan amount sanctioned, disbursed and interest charged & paid during such financial year. The expenditure incurred towards interest would be considered admissible on the production of evidence to show that such a working capital loan was utilized to meet the payment of exigencies like payment of salary and other expenditures for working capital requirements for want of receipts of fees from the students or government department.

Interest on loans for the purpose of Capital Expenditure such as building, furniture, equipment, etc. shall not be considered admissible expenditure.

c) Disallowed Expenses:

i) The following expenses will not be allowed.

(I) The expenditures which are excessive, unreasonable, unrealistic, exaggerated, and fancy in nature,

- (2) The Rent of the building claimed under whatever nomenclature,
 - (3) The amount of depreciation claimed to exceed the depreciation to be charged as per FFC norms,
 - (4) The expenditure claimed towards Legal expenses
 - (5) Penalty and fines,
 - (6) Any repairs and maintenance expenses in the nature of capital expenditure
 - (7) Expenditure not related to the conduct of the course or courses,
 - (8) Hostel and Mess Expenses,
 - (9) Bus Transport expenses except the expenses made towards free transportation facilities provided to the students.
 - (10) Expenses directly related to the trust and its members,
 - (11) Expenses related to courses or activities not covered by FFC,
 - (12) Any expenditure of capital in nature,
 - (13) Scholarship/financial support given to students,
 - (14) Amount of unrecovered fees from students,
 - (15) Expenditure by book-entry without actual expenditure,
 - (16) Any other item that in the opinion of the FFC needs to be disallowed partly or fully.
- ii) The general guidelines issued by the Appropriate Authority in respect of salary and non-salary expenditure may be considered while considering the reasonableness of expenditure while determining the fees of Courses affiliated to Competent Authority.

7. Income to be reduced from the expenditure:

- a) The Institute(s) is/ are strictly prohibited from collecting any excess fees/ charges other than those approved by the FFC and any fees levied by the MSBAE (Board). Serious action will be taken against those who violate these directives or suppress the facts.
- b) No Extra fees from students: The institute(s) will not collect any fees other than fees declared by the FFC. No fees/ charges can be collected in the

name of Stationery Charges, ID-Card fee, Gymkhana fee, library fee, laboratory fee, excessive fee for breakage, excessive fine for late payment, admission fee, enrolment fee, or any other fee/ charges by whatever name called. These will be considered as income of the institute(s) 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 institute(s) and as such will reduce from expenses.

- c) Disciplinary fine and late payment fees, if levied, shall be reasonable and not excessive and it shall be considered as 'income' to the institute(s) while deciding the tuition fees.
- d) Other Income of Institute(s): The institute(s)s shall also state separately if any income is earned by using the institute(s) property/infrastructure or any other source/s during the academic year other than fees. Any net income earned by the institute(s) using resources of the Institute(s) shall be reduced from the expenses. Example: Running different Non MSBAE courses in the same premises either in the evening or second shift. Similarly, any amounts collected from students will also be reduced from the expenses. To ascertain the total income of the institute(s), Fees Fixation Committee (FFC) may refer to the financial statements of the trust or other units or institute(s) run by the trust. If an institute(s) receives any grant, sponsorship money, advertisements, canteen or parking contract receipts, or any other income collected by a third party, the same shall be reduced from the total expenditure of the institute(s). The institute(s) should provide the details of a grant received (Government/ Private/ Industry) along with its nature like a recurring or non-recurring or specific grant.

- e) Details of collected fees: The institute(s) shall submit the statement and working of fees collected from the students from different categories giving year-wise breakup, number of students, and rates of fees. If the institute(s) is found to have collected fees in excess of the fees structure approved by the Fees Fixation Committee (FFC), the institution shall be liable to refund the excess fees to the students, apart from further course of action as per law.
- f) Statutory Fees: Fees prescribed by the MSBAE (Board) for Exams, sports, eligibility, etc. may be collected and paid directly to the MSBAE (Board). Only the net effect will be considered in the fees fixation.
- g) Ordinarily, Non-Salary Revenue Expenditure (after reducing all other income earned by the institute(s)) shall not exceed 45% of salary expenditure as has been allowed by the Fees Fixation Committee (FFC). This percentage may vary at the discretion of the Fees Fixation Committee (FFC) 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 the Institutional such extra income shall be truthfully disclosed and shall be considered as income earned Fees Fixation Committee (FFC) reserves its right to initiate penal or legal actions provided u/s 20 of Ref I - Act of 2015 in case false, insufficient, wrong, incomplete, or misleading information is provided by the institution.

8. Inflation Adjustment:

While computing the fees for the academic year, the inflation adjustment in aggregate 10% over salary and non-salary expenditure made during the previous audited financial year shall be considered.

9. Other Fixed Expenses:

a) Depreciation:

(1) The Institute shall be entitled to claim the depreciation at the rates mentioned below on the items specified only:

| | | |
|----|-------------------------------------|-----------------------|
| 1. | Books including e-books | 25% on the WDV Method |
| 2. | Computers and software | 25% on the WDV Method |
| 3. | Machinery, Furniture, Vehicles etc. | 15% on the WDV Method |

(2) Details of all asset additions along with proofs shall be submitted along with the proposal.

b) Usage Charges:

a) The institute(s) shall be entitled to claim usage charges for the building at the rate hereunder per student per year as per sanctioned intake.

| Course Duration | Amount per student Rs. |
|-----------------|------------------------|
| 1 Year | 1000/- |
| 2 Year | 2000/- |
| 3 Year | 3000/- |
| 4 Year | 4000/- |

c) Additional Usage Charges:

Based on the Location of the Institute, the Institutes running various courses shall be entitled to additional usage charges specified as under:

MSBAE Affiliated Diploma Courses:

| Sr.No. | Location | Per Student |
|---------------|---|--------------------|
| 1 | Within the local limits of the Municipal Corporation of Greater Mumbai (MCGM) | Rs. 1500/- |
| 2 | Within local limits of Municipal Corporations of Thane, Navi-Mumbai, Kalyan-Dombivali, Mira-Bhayander, Vasai-Virar Pune, Pimpri-Chinchwad, Nagpur, Nashik, and Aurangabad | Rs.1000/- |
| 3 | Within local limits of Municipal Corporations other than mentioned above | Rs.700/- |
| 4 | Within the local limits of the Municipal Council | Rs.500/- |
| 5 | Other than the above (E.g. Gram panchayat) | Nil |

- i. New institute(s) established during the academic year 2020-2021 to 2023-2024 will be entitled to additional usage charges at the rate of Rs. 1000/- per student.
 - ii. If the Land or Building has been provided by the government or any other public body, the usage charges and additional usage charges be reduced by 25%.
 - iii. If the institute(s) building is used for any other courses not covered by FFC the usage charges shall be proportionately disallowed.
- d) Equalization factor:
- e) In view of section 14(6) of the Act of 2015, the Institute running the courses shall be entitled to Equalization Factor at the rate mentioned below during the academic year 2024-25.

| Course duration in year | Equalization factor |
|-------------------------|---------------------|
| 2 | 1.50% |
| 4 | 3.03% |

The benefit of the equalization factor at the rate mentioned above based upon the duration of the course shall be applicable for the academic year 2024-2025 and the same shall be calculated on salary and non-salary expenditure excluding depreciation, usage charges and interest on loan.

10. Denominator Factor:

While considering the denominator factor, sanctioned intake and actual intake, whichever is higher shall be relevant.

11. Consideration in case of fewer admissions:

- a) If the admissions are up to 70% of sanctioned intake, a 5% increase shall be given;
- b) If the admissions are up to 40% of the sanctioned intake, no vacancy allowance shall be admissible.

12. Development fee:

- a) Reasonable surplus, meant for the development or expansion of the institute(s)/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/DOA/GOVT etc. approval is required to be submitted along with the proposal to claim this development fee. The development fee will not be allowed by the Fees Fixation Committee (FFC) if it is found that only nominal expenditure on development is incurred based on the audited Balance Sheet with respect to the accumulated surplus for the earlier financial years.
- b) Autonomous Institute(s) will be given development fee of 12% instead of 10%.

- c) Faculty with approval of DTE /DOA / MSBAE more than 60% will be considered for incentive of 5% of development fee.
- d) Placement of students

| Placement of students | Incentive |
|-----------------------|-----------------------|
| More than 30% | 2% of Development Fee |
| More than 50% | 5% of Development Fee |

Provided that in no case the development fee plus incentive for the development fee shall not exceed the limit of 15% of the Tuition Fee.

13. Hike & Reduction in fees:

Notwithstanding anything provided hereinabove, the Fees Fixation Committee (FFC) may decide any fees which in its opinion are reasonable, which in appropriate cases may result in a reduction from previous years' fees or retaining the earlier years' fees. Ordinarily, the 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 a rise in the human resources expenditure owing to revision in the pay scales, taxes, etc.

14. Disclosure:

- 1) The institute(s)/ institution is required to provide the details of their infrastructure facilities/ amenities, current fee structure with bifurcation about hostel fees, mess fees, library deposit and fees, MSBAE (Board) fees, etc.; on their website before effecting the admission of students.

- 2) The institute(s) is/are required to display on its notice board and on its website the course wise fees as approved by Fees Fixation Committee (FFC) in Marathi and English.

15. Review Application:

- a) The decision on the fee proposal as and when taken is published on the website of MSBAE (Fees Fixation Committee (FFC)). Simultaneously, the decision along with the calculation sheet is communicated through email and SMS, on the e-mail ID and mobile number provided by the institute(s) in FORM B. It shall be the responsibility of the institute(s) to provide the correct email ID and mobile number and check mail and mobile messages. Any excuse for non-receipt of the communication shall not be entertained.
- b) Online review applications can be filed before the FFC by institute(s) within a period of 15 days of the declaration of fees on the website of the FFC. The date of knowledge of the fees shall be counted after the five clear working days from the date of uploading of decisions.
- c) The Institute may apply u/s 14(6) of the Act of 2015 for the revision of fees finalized if any grounds exist as provided under the said provision.

16. Miscellaneous:

If it comes to the knowledge of the Fees Fixation Committee (FFC) through any source such as complaints from students, faculties, newspaper & TV reports, etc. that the institute(s) has shown or inflated certain expenditures earned certain income, or collected certain unauthorized and undisclosed fees that have been left out while fixing the fees by Fees Fixation Committee (FFC) or there is a deficiency in infrastructure facilities, faculties, etc. or there is the falsification of records or manipulation of any nature, the Fees Fixation Committee (FFC) may initiate the action of

reducing the fees after making necessary inquiries including visits, etc. and also after giving the Institute(s) the opportunity of being heard.