

## **Yuva Rural Association Finance & Accounts Policy**

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### **PURPOSE OF THE ACCOUNTS MANUAL**

Over the years, there has been a substantial and diversified growth in the activities of the Yuva Rural Association (henceforth called as YRA). Along with this growth, the accounts department has also grown. It has become imperative to define the guidelines, policies and procedures to be followed in the financial accounting of the activities of the YRA.

An attempt has been made in this manual to describe in detail and lay down guidelines for accounting the transactions of the YRA.

While we would invite suggestions for improvements in the said system, any changes in the policies, guidelines and procedures laid down in this manual could only be affected by the Finance Committee by way of amendment to this manual.

If applications of any these rules would cause serious damage to the YRA, then of course these rules may not be strictly followed. However, where it is of major importance, action should be taken in consultation with the Finance Committee.

This manual is divided into chapters as detailed in the index. At the outset, we are giving the purpose of the manual, brief description of the organization and the Accounts Department. In the subsequent chapters each of the responsibilities of the Accountant pertaining to each of the function is also given. The Last two chapters are devoted to the general policies of the Trust as regards Data Processing Function and Archiving.

Each Chapter starts with an introduction to its contents and has an annexure the formats of inputs and/or outputs related to it.

This manual shall be normally updated once in a year.

Every page is numbered and an amendment, if any, shall be issued by way of replacement of pages in the original manual. It is the duty of the Head of the cluster and the Head of the Accounts Department to keep all personnel working under them well apprised, of the contents of this manual and ensure compliance of the same.

An attempt has been made to make this manual as simple as possible without using any accounting jargon. However, should you feel any difficulty or experience any doubt in understanding the same may, you may refer to your immediate coordinator for clarification.

## **CHAPTER 1**

### **BRIEF DESCRIPTION OF THE ORGANISATION**

'YRA' is a Public Charitable Trust registered under M. P. Society Registration Act 1973 with Registration Number 10775/2002 and date of registration of Society: 23/05/2002. The organization is also registered under Foreign Contribution Regulation Act (FCRA), 083870252.

Main Objectives of the YRA are:

1. To provide opportunities for deprived sections of rural society to develop their potential.
2. To engage them in the process of their social, economic, political and moral development.
3. To focus on the problems of rural youth, women and children from lower socio-economic background in the context of their development.
4. To help, promote or participate in action programmes in selected areas for the development of the rural and urban with a view of experimenting with and developing institutional and organizational patterns, either directly or in co-operation with other institutions and organizations interested in such programmes.
5. To collaborate with and provide consultancy services to the government and other institutions in India or abroad, interested in similar objects.
6. To promote resources in the field of work with youth, women, children from lower socio-economic backgrounds and development.
7. To prepare audio visuals, publish papers and periodicals in furtherance of the objects of the association.
8. To organize workshops, seminars and meetings for exchange of experiences.
9. To establish and maintain information services and libraries.
10. To raise funds through donations, grants, loans, charity shows etc. to meet the above objects.
11. To support and network with other organizations working on similar objectives.
12. To engage in construction, production, sale and other process and activities as may be required, alone or in collaboration with other agencies, institutions and organizations in India and abroad towards enhancement and protection of people's resources and skills.
13. To enter into agreements, contracts, memorandum of understanding, partnership deeds etc. as may be considered necessary or conducive to the furtherance of the objects of the association.
14. To promote saving and credit and refinancing activities among women, youth and rural and the urban poor through self help groups.

15. To run educational institutions, orphanages, children's homes, residential schools, training centres, other institutional facilities that enable addressing the special needs of women, youth, children and section of the urban poor.
16. To acquire and maintain property and or infrastructure that will contribute to the furtherance of the objects of the trust.

## **MISSION**

YRA is committed for a social transformation through socio-economic and political empowerment of the poor and marginalized focusing on dalits, tribal, minority and women in rural areas by establishing their access over resources and human rights that will promote social harmony, ecological balance and enable them to negotiate with the State and Market.

## **VISION**

An interdependent empowered society with all human rights such as equality, peace, justice and security, without any discrimination on the basis of caste, creed, ethnicity, religion, gender and age towards sustainability.

YRA is headed by the office bearers who are also Members of the General Body.

- |                           |                  |
|---------------------------|------------------|
| 1. Ms. Seemantinee Khot   | President        |
| 2. Mr. Lalit Babar        | Vice - President |
| 3. Dr. Mrunalini Fadnavis | Secretary        |
| 4. Mr. Mohan Surve        | Joint Secretary  |
| 5. Mr. Raghunath Chavan   | Treasurer        |
| 6. Dr. Denzil Saldanha    | Member           |
| 7. Dr. Dominic D'Souza    | Member           |

*(This is the elected governing council for the period September 2012 to August 2014)*

The addresses of the Society's offices at various locations are as under

Registered Office	Yuva Rural Association 36, Green Avenue, Chuna Bhatti, Kolar Road, Bhopal – 462016, Madhya Pradesh, India
Head Office	Datir Building, Plot no-23 New Amar Nagar, Chikhali Road, Manewada Ring Road, Nagpur 440 034

Field Offices

B-14, Mahsul Colony,  
Behind Bus stand,  
Near Dainik Bhaskar Office,  
Akola – 444 505

Ankush Narnaware House,  
Near Nagaji Temple,  
Datta Mandir Road, Ramnagar,  
Wardha – 442 001

Bhandara Counseling Centre,  
Beside Police Library,  
Police Head Quarter, Bhandara- 4410904

## **CHAPTER 2**

### **CHART OF ACCOUNTS**

1. This Chapter is primarily intended to list the various account heads used by the Trust and how it would finally, after consolidation, appear in the Balance Sheet and Income and Expenditure Account.
2. The List of account heads referred to in this chapter is compiled from the accounts for the financial year 2013-14.
3. This Chapter shall consists of 3 parts :

Part 1: Covers the Account List/Directory giving out a brief description of the nomenclature and the transactions to be debited /credited to such accounts.

Part 2: Covers the schedule under which the accounts shall be consolidated along with the detailed groupings of various schedules.

Part 3: Covers the actual Balance sheet, Income and Expenditure Account and Receipt and Payment Account as per the Schedules prescribed under the Societies Registration Act and FCRA.

## CHAPTER 3

### ACCOUNTING POLICIES

This chapter brings out the guidelines on accounting of transactions effected by the YRA:

1. Organisation follows the financial year starting from the 1<sup>st</sup> April and ends on 31<sup>st</sup> March. At the end of every financial we prepares the following financial statements.

#### Financial Statements prepared by YRA

- Balance Sheet
  - Income and Expenditure Account
  - Receipt and Payment Account
  - Individual Receipt and Payment Account ⇨ For Funding organisation
  - Balance Sheet
  - Income and Expenditure Account
- Under FCRA
- Consolidated

Consolidated financial statements comprises of financial statement prepared under FCRA and Non FCRA which reflects financial statements of the YRA.

#### 2. Books of account prepared by YRA.

- Cash Book
- Bank Book
- Journal Register
- General Ledger

#### 3. Divisions of Books of Account

The Activities of the YRA divided into several divisions to effectively monitor the coverage of the Divisions.

Accounting of all the Divisions are divided into two sets of books of account

- a) Accounts under FCRA
- b) Accounts under other than FCRA

Accounts of Grants / Donations received in Foreign Currency or Funding Organizations in India having affiliation with Foreign Organizations are to be

maintained in separate sets of Books of Account as per Rules prescribed under FCRA (except United Nations).

Else are accounted as Accounts under other than FCRA into separate sets of Books of Account.

#### 4. Method of Accounting

There are two Methods of Accounting of Financial Transactions as per Indian Generally Accepted Accounting Practice (GAAP)

##### a) Accrual or Mercantile basis

Recognition of *revenues* and *costs* as they are earned or incurred (and not as money is received or paid). It includes recognition of transactions relating to *assets* and *liabilities* as they occur irrespective of the actual receipts or payments.

The method of recording transactions is

- Expenses are recorded at the time when they are incurred rather than when the bill is actually paid; and when income is earned rather than received.
- This system can deal with all types of transactions and adjustments.

End product of the Accrual basis is Income and Expenditure Account.

##### b) Cash Basis

The method of recording transactions by which *revenues* and *costs* and *assets* and *liabilities* are reflected in the accounts in the period in which actual receipts or actual payments are made.

Revenue is recognised when cash is collected. Similarly, expenditure is recognised when the payments are incurred. The end product of cash basis of accounting is a statement of receipts and payments.

The limitations of cash basis of accounting for the measurement of performance and financial position have led to the adoption of accrual basis of accounting because it reflects the period cost.

At present the YRA follows the Accrual Basis of accounting.

5. Before we start of thinking of accounting, it is necessary to know, what the Golden Rules for accounting are.

These are:

### ***Accounting Golden Rules***

- Record everything that you do. You must preserve an 'audit trail'. That means that another person must be able to follow all of your accounts just from what you have recorded, with no additional explanation.
- Be organised. Make sure that all documents are properly filed, and all procedures properly followed.
- Be consistent. If you do things one way in one month, then do them the same way in the next month (unless there is a good reason for changing them).
- Keep on top of the books. Do not let them go for more than a week without making sure that they are up to date. Fill in all the proper books as the transactions happen: do not let a backlog build up.
- Do not get stuck on one point. If one thing is being very difficult, then make a simplifying assumption that will allow you to move on. Make a note of it, and discuss it with your manager as soon as possible.

### **Guidelines on accounting of transactions effected by the YRA**

#### **1. Introduction**

Before starting the Accounts let us understand the nomenclature and accounting policy. Nomenclature given in the budget by the Funding Agency is to be kept it as it is. Before starting the accounts of the new project, account heads are to be obtained from the Chief Functionary.

#### **2. Trust Funds or Corpus (BS)**

Donation received towards the Corpus of the Trust or any admission fee collected from the new members is to be credited to the corpus of the Fund. Corpus Donations are to be backed by the letter from the Donor.

#### **3. Capital Corpus**

Assets purchased under certain projects are capitalized against the Capital Corpus on actual values.

#### **4. Other Earmarked Funds**

##### **4.1 Project Funds**

Grants received from funding organizations against particular project will be accounted in separate ledger. Any unspent funds against grants received will reflect under this fund at the yearend as "unspent"



Excess of expenditure incurred over and above the grant/funds received will be recovered from General Income of the Society by separate resolution.

Interest or any incidental income accrues out of the grant are credited to the fund account as per direction received from the funding organisation.

#### **4.2. Institutional and Program Development Fund (IPDF)**

IPDF utilize for emergencies and/or essential but non budgeted activities.

Following are the expenses can spend out of IPDF:

- 1) Expenses incurred for new project proposals and follow up.
- 2) Expenses incurred before project agreement is signed.
- 3) Expenses incurred for follow up and audit expenses of project after project closure.
- 4) Expenses incurred for HR related activities such as recruitment, PAS, training and orientation programmes, staff school and other staff welfare & skill development activities.
- 5) Expenses of Governance i.e. Governing Council meetings, General Council meetings, Strategic Planning workshops, expenses incurred for fulfilling compliances, etc.
- 6) Expenses for purchase of new computers and other required equipments.

Salaries of personnel such as admin and accounts staff, documentation, direction charges (partially budgeted in projects), HR, etc.

YRA will charge the services on set criteria (given below) on the project activities. The same will be shown as receipt in IPDF account. .

- Time charges – On monthly salary divided by 22 days (other than that of the programme staff)
- LCD charges – Rs. 1500/- per day (charges will not be applicable to Oxfam India)
- Photocopying charges – Re. 1 per page
- Printing charges – Rs. 10 per page
- Camera charges – Rs. 100 per day
- DVD player – Rs. 100 per day
- Phone expenses – Re. 1 per minute
- Internet charges – Rs. 15 per hour
- Admin support staff – Rs, 450 per day
- Stationery charges – Item-wise charging, as approved by the Director General
- Account staff – hourly charging basis
- Office Hall/Room – Rs. 500 per day

- Laptop charges – Rs. 500 per day

The administration head will prepare a Debit Note on the basis of provided services to each project activity. The same has to be accepted by the Programme/Project Head. After the approval of the Director General, the debit note will be submitted to the Accounts department.

The accounts department will make the appropriate entries in the books of accounts and file with vouchers in the voucher file.

A quarterly review of the IPDF would be undertaken by the senior management of YRA. The IPDF review and status will be presented to the Governing Council annually.

## **5. Liabilities for Expenses**

Liability is the financial obligation of an enterprise other than owners' fund. Provision has been made for any known *liability* the amount of which cannot be determined with substantial accuracy.

Recurring expenses like rent payment, rates and taxes, electricity charges, telephone charges etc. Provision shall be made on approximate basis, based on the previous bill.

Providing for expenses each month ensures that expenses do not suddenly get booked altogether in one month only which otherwise will mislead presenting Accounting Statements being sent to Funding organisation in that month. Month wise booking of expenses will ensure that matching income to expense of that month correctly reflects Income/Expenses of each month.

All the provisions are to be approved by the respective Chief Functionary in consultation with the Accounts Department.

## **6. Immovable Properties**

Immovable properties consist of Fixed Assets including Furniture and Fixture.

*Asset* held for the purpose of providing or producing goods or services and that is not held for resale in the normal course of the business.

All the incidental expenses related till the date of the capitalization of the Fixed Assets are to be capitalized.

Cost of *Land* includes premium paid on acquiring leasehold property to be amortized over the balance unexpired lease period as depreciation.

Cost of *Building* shall include the erecting the structure and the cost of approach roads.

- When acquired: Basic agreement value plus the stamp duty paid thereon, registration charges, brokerage, and any cost on development, addition and modification thereon.
- When constructed: Cost of construction including the material and labour and such other fees paid to local authorities/ architects etc., for draft of plans and their approval.

*Furniture and Fixture* shall include expenses incurred on erecting the new partitions, creating cabins, tables, chairs etc.

*Office Equipment* consists of telecommunication equipments, or equipments related with office work, which are required to be capitalised. Any expenses incurred on replacements are to be charged off as revenue expenses.

*Computer and Systems* consists of purchase of Hardware, Monitor and other computer peripherals. Any software acquired along with the Computer Hardware needs to be capitalised alongwith the Computer.

Cost of *Vehicle* consists of purchase price, Insurance, Regional Traffic Control charges etc.

*CAPITAL WORK IN PROGRESS* would indicate expenses incurred on capital purchases where the corresponding asset has not come into existence e.g. if the land is purchased but the same has not been registered /transferred in the organisation's name then it shall be reflected as capital work in progress. Advances given for capital purchases are also included as capital advances in this account.

## **7. Depreciation**

Depreciation has been provided as per written down value method as per rates stated in Income Tax Rules and is being charged off to Income and Expenditure account. Sale Proceeds of the assets are reduced from the opening written down value. Assets acquired after 180 days from the starting of the financial year on which 50 % of the applicable rate are being charged. Net Written down value of the fixed assets are being charged.

## **8. Investments**

*Expenditure* on assets held to earn *interest, income, profit* or any benefits.

Surplus funds /earmarked funds are parked for earning income or for future utilisation are to be invested as per section 11 of the Income Tax.

Cost of the investment should consist of the cost of the purchase and any other expenditure related to the investment.

Permanent diminution in the value of the investment is to be provided in the accounts.

## **9. Advances**

### **9.1 Deposits**

Deposits kept with landlord, local authorities, for Telephone etc. for availing facilities.

### **9.2 Project Advance**

Advance given to the other NGO for utilisation of Funds.

### **9.3. Receivables**

Amount receivables are dues for services rendered or in respect of contractual obligation.

### **9.4. Prepaid Expenses**

Prepaid Expenses are reflected as assets under the head Loans and Advances and apportioned to the relevant accounting year (s).

### **9.5. Advances to Staff**

Advances paid to staff or any persons for expenses subject to realization of actual bills produced.

### **9.6. Imprest Advances**

Advances to be paid to the district offices for a particular period to be settled within that financial year.

## **10. GRATUITY**

Gratuity is provided on the basis of premium paid on Group Gratuity Cum Life Insurance Policy. This Gratuity Fund is maintained with the Life Insurance Corporation of India..

## **11. PROVIDENT FUND**

Provident Fund has been deducted from the employees salary and equal amount has been contributed by Employer and is being deposited with the Regional Provident Fund Commissioner's office.

## **12. INCOME HEADS**

### **a. Interest & Dividend Income**

Interest earned (Received/Accrued) on Deposits with Banks and others are credited to Income account. Dividend earned on Mutual Funds is also credited to Income and Expenditure.

Interest and Dividend Income are credited to contractual Grant account as per the terms of the agreement entered with the Funding Agency.

**b. Community Contributions**

Contribution received from the community for the activity.

**c. Membership fees**

Fees collected from the Members as per the Articles of Association are being credited to Membership Fees account.

**d. Publications**

Amount collected towards Sale of Publication of YRA and other organisations.

**e. Consultancy Income**

Amount collected towards Consultancy services provided by any staff of YRA to other entities such as trainings undertaken, research work done etc.

**f. General Donations**

Any general donations (not for a specified task) received from individuals or institutions.

**g. Income from Information & Dissemination Centers**

Income received from TIDC and other such centers.

**h. Income from Business & Trade**

Income obtained by undertaking any kind of trading or business activities.

**i. Other Income**

Income received from sources other than the above will be considered as Other Income.

**13. EXPENSES HEADS**

**a. Audit Fees**

Audit & certification fees

**b. Establishment Expenses**

Rent and rates, conveyance, depreciation, travel and outstation expenses, professional fees, salaries, repair and maintenance, electricity, water and telephone charges, printing and stationery, postage and courier, training and skill building, governance, meetings and workshops etc.

**c. Expenditure on the Object of the TRUST**

Expenditure incurred on the object, which are defined as per the Articles of Association.

## **CHAPTER 4**

### **PURCHASE FUNCTION**

#### **OBJECTIVES**

- *SAFEGUARDING OF ASSETS*
  - a) Proper record is made of fixed assets.
  - b) Payment for consumables and services are made in accordance with the terms and conditions.
  - c) Payment is made to employees in accordance with their entitlements.
- *RELIABILITY /ACCURACY OF RECORDS*
  - a) Information produced should meet the legal and fiscal requirements.
  - b) Records kept are sufficient to meet determined needs of business.
  - c) Methods and means of recording are secured.
- *ADHERENCE TO LEGAL REQUIREMENTS*

The compliance of fiscal requirements by proper calculation and payment of taxes and duties.

#### **PROFILE OF PURCHASE ACCOUNTANT**

The Purchase accountant is expected to have a thorough knowledge of the accounting aspects with special reference to treatment of expenses as capital and revenue.

#### *RESPONSIBILITIES*

- a) Requesting and Collecting of Quotations
- b) Preparing the Comparative Statements
- c) Raising of Purchase Order after analysis, selection and approval of the vendor by the Purchase Committee
- d) Ensuring the Receipt of Items or Services
- e) Checking of Invoice along with confirmation for receipt of material/ consumables or services.
- f) Preparation of Payment voucher alongwith checking of Purchase Order if any,
- g) Preparation of list of provisions at the end of the month
- h) Forwarding to Accounts Manager

#### *EXECUTIVE -ACCOUNTS*

- a) Checking of all purchase vouchers as well as payment voucher.
- b) Scrutiny of Suppliers accounts
- c) Follow up on advances to suppliers
- d) Checking of the details of the provisions.

#### *MANAGER-ACCOUNTS*

- a) Approval of the Purchase and Payment vouchers.

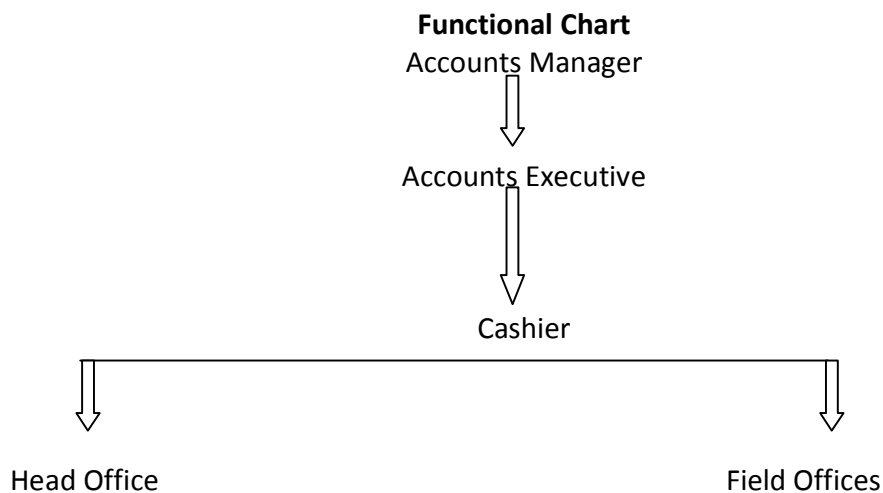
## CHAPTER 5

### CASH AND BANK FUNCTION

#### OBJECTIVES

1. *SAFE GUARDING OF ASSETS:*
  - a. Funds are safe guarded.
  - b. Income from Investments are paid and received as per the agreed terms and conditions.
  - c. Payments to employees are made in accordance with the entitlements.
2. *RELIABILITY /ACCURACY OF RECORDS*
  - a. Information produced should meet the legal and fiscal requirements.
  - b. Records kept are sufficient to meet determined needs of activity.
  - c. Methods and means are secured.
3. *ADHERENCE TO LEGAL REQUIREMENTS*

Compliance of financial requirements to clearly calculate and pay taxes and duties



1. *RESPONSIBILITIES*
  - a. Checking cash and bank payment as well as receipt vouchers.
  - b. Bank Reconciliation
  - c. Surprise cash verification
  - d. Obtaining periodic confirmation of balances from field offices and Imprest Cash.
  - e. Ensure compliance of legal requirements



- f. Making necessary follow up with banks for charges levied by the Bank.
- g. Ensure accuracy of the Cheques.
- h. Ensuring the conversion rate of foreign currency into INR for Grant received in foreign currency.
- i. Monitoring the Bank Balances

## **TYPES OF VOUCHERS TO BE USED**

### **1. Cash Receipt Voucher**

#### a. Purpose

Cash Receipt is a document indicating receipt of cash and an acknowledgement to the person making of cash payment  
Cash receipt voucher is also prepared whenever cash is withdrawn from the bank.

#### b. Format

As per Annexure - \_\_\_\_\_

#### c. Colour

For FC Transaction WHITE and Non FC Transaction YELLOW

#### d. Distribution

Cash receipt is raised in 1+1 copies and the distribution is as under:

Original Copy - to the cash Giver

Second Copy- book copy

### **2. Bank Receipt Vouchers**

#### a. Purpose

As in case of Cash Receipt vouchers, bank receipt vouchers indicate the receipt vouchers indicate the receipt of cheque or any credit advice from the Banks.

#### b. Format

As per Annexure - \_\_\_\_\_

#### c. Colour

For FC Transaction WHITE and Non FC Transaction YELLOW

#### d. Distribution

Only one copy is generated.

### **3. Cash Payment Vouchers**

*a. Purpose*

Cash Payment voucher is a document indicating payment of cash to the person named in the voucher or to his authorized representative.

A duly approved cash payment voucher is an authority for the cashier to release payments.

*b. Format*

As per Annexure - \_\_\_\_\_

*c. Color*

For FC Transaction WHITE and Non FC Transaction YELLOW

*d. Distribution*

Only one copy is generated

### **4. Bank Payment Voucher**

*a. Purpose*

Bank Payment voucher is a document indicating payment through banks by way of cheques /demand drafts to the person named in the voucher or to his authorized representative.

A duly approved bank payment voucher is an authority for the cashier to release payments.

*b. Format*

As per Annexure - \_\_\_\_\_

*c. Colour*

For FC Transaction WHITE and Non FC Transaction YELLOW

*d. Distribution*

Only one copy is generated

### **5. Journal Vouchers**

*a. Purpose*

Journal voucher is a document indicating transactions not falling under receipts/payments.

- b. *Format*  
As per Annexure - \_\_\_\_\_
- c. *Colour*  
For FC Transaction WHITE and Non FC Transaction YELLOW
- d. *Distribution*  
Only one copy is generated

#### **TYPES OF REGISTERS TO BE MAINTAINED**

1. Cash receipt register
2. Bank receipt register
3. Cash payment register
4. Bank payment register

Format of the above registers are given in Annexure\_\_\_\_\_.

#### **PROCEDURE IN DETAIL**

1. All vouchers should be supported with valid bills/documents which should be summarized.
2. All vouchers should be dated
3. Each voucher should be coded by the Project In Charge.
4. Each voucher should be checked by the Account Department
5. Each voucher should be pre-sanctioned by the immediate supervisor
6. Each voucher should be sanctioned by the sanctioning authority as authorized by the Governing Council.
7. All payment vouchers should be signed/acknowledged by the receiver of the payment.
8. All cash payment vouchers should have paid stamp, date and signature of the cashier at the time of payment.
9. All vouchers should be signed by account executive at the time of entry.

#### **COMPLIANCE OF LEGAL REQUIREMENTS**

- a. *Income Tax Act*  
In accordance with the provisions of Section 40 A (3), cash payments above Rs. 20,000 are not eligible for deduction under Business income. The BA must therefore ensure that all expenses above Rs. 20000 except payments to Government Agencies are made only by crossed account payee cheque or draft.

TDS amounts are immediately to be deposited on respective due dates to avoid the penal interest.

*b. Other Statutory Dues*

The BA must ensure that the statutory dues like PF, Profession Tax are deposited on or before the due date. He/she liaison with HR department to ensure that the YRA's interest are safeguarded.

**KEY CONTROL AREAS**

1. Surprise verification of main cash, field office and also at other imprest locations.
2. Monthly Bank Reconciliation.
3. Prompt Deposit of collection on account of Donations, Community Contributions and Income.
4. Control over advances.
5. Timely deposits of statutory dues.

**SCHEDULE OF AUTHORITY**

The following office bearers of the Governing Board are the authorized signatories for all the Bank accounts operated by YRA. They are:

President/Vice-President  
Secretary  
Treasurer  
Chief Functionary  
Head of Account and Finance Department as First Signatory

In addition to the above, the entity heads are also the authorized signatories for the bank accounts.

**Time Schedule For Reports to be Generated**

Sr. No.	Reports	TIME SCHEDULE
1	Cash Counting	Daily at the End of the Day
2	Bank Reconciliation	3 <sup>rd</sup> of every Month
3	Confirmation of Balance	Within one month after end of half year
4	Advances	3 <sup>rd</sup> of every Month

## **CHAPTER 6**

### **JOURNALS**

Journal vouchers or JVs are prepared to process accounting entries and rectification for which other means of entry into the financial system are not available.

1. Journal Vouchers are prepared separately for both FC and Non FC accounts.
2. Supporting documentation must be attached to the original journal voucher. In some cases printouts of the vouchers can be used as a substitute for manually prepared vouchers.
3. The person who prepared it and the person who approved it must duly initial the voucher. The person preparing the voucher and the person approving the same must not be the same. The accounting principle of one-up is to be followed.
4. Prior to entering the voucher in the financial system the voucher must be reviewed/checked and approved.

#### **Instructions for filling up the Journal Voucher**

All data must be entered in a neat, legible format.

- a) Date: The physical date the voucher is entered into the system.
- b) Account Code: The account code to be debited or credited.
- c) Columns: all columns in the voucher must be filled in.

#### **When should a Journal Voucher be used?**

A journal voucher should be used for the following:

- Accounting for expenses when advance has been given.
- Accounting for expenses on payable basis.
- Other entries such as Entry of time charges for personnel, allocation of admin and common expenses.
- Finalization entries such as accrual interest, depreciation etc.

## **CHAPTER 7**

### **ACCOUNTING OF RECEIPTS FROM FUNDING AGENCY AND INCOME**

#### **OBJECTIVES**

##### **A. SAFEGUARDING OF ASSETS**

###### **PROJECT FIXED ASSETS**

- a) Project Fixed assets are safeguarded.

##### **B. ACCURACY/RELIABILITY OF RECORDS**

- a) Records kept are sufficient to meet all the legal and fiscal requirements.
- b) Information produced from records meet legal and fiscal requirements in timely and accurate manner.
- c) Records kept are sufficient to meet determined needs of requirement of funding agency.
- d) Methods and means of recording are secured.

##### **C. OPERATIONAL EFFECIENCY**

- a) Utilisation of Funds as per the terms and conditions are laid down in the contract with the funding agency.
- b) Strictly compliance of the Budget.

##### **D. ADHERENCE TO POLICIES**

- a) Project complies with all the legal and fiscal requirements.

#### **SYSTEMS AND PROCEDURES DEVELOPED TO ACHIEVE THE OBJECTIVE**

##### **A. PROJECT FIXED ASSETS**

- a) Adequate Insurance Coverage
- b) Timely entry of the Purchase of Fixed Assets in the Dead stock register stating the Location of the Assets
- c) Periodical physical verification of Fixed assets along with condition of the Fixed Asset

##### **B. ACCURACY / RELIABILITY OF RECORDS**

- a) Records kept are sufficient to meet all the legal and fiscal requirements.

Awareness of the Terms and conditions of the Contract and Budget sanctioned by the Funding agency

- b) Information produced from records meet legal and fiscal requirements in timely and accurate manner.

Designing of accounting system to generate timely accurate data.

- c) Records kept are sufficient to meet determined needs of requirement of funding agency.

Understanding the requirements of the Project and Reporting schedule of the Funding Organisation.

- d) Methods and means of recording are secured.

Proper storage and back up arrangements of financial Data.

**C. OPERATIONAL EFFECIENCY**

- a) Utilisation of Funds as per the terms and conditions are laid down in the contract with the funding agency.

Promptness of Depositing of the Funds received from the Funding Agency  
Control over favorable or unfavorable Variance of Budget vs. Actual Expenditure.

- b) Strictly compliance of the Budget.

Preparing the Monthly Budget and comparing on month to month basis utilisation of Grant.

**D. ADHERENCE TO POLICIES**

Project complies with all the legal and fiscal requirements.

Compliance of FCRA Requirement.

**TYPES OF ACCOUNTING DOCUMENTS USED**

**1. Receipt**

- a) Purpose

To acknowledge the receipt of money to Funding Agency

- b) Format

As per annexure

- c) Distribution

Original: To the Funding Agency

Copy : Book Copy

**2. Bank Receipt Voucher (BRV)**

- a) Purpose

To ensure that deposit of cheques, Demand Drafts or Banks Advice for crediting the Grant to designated bank account and accounted in accounting system.

b) Format  
As per annexure

c) Distribution  
Only one copy is prepared

### **3. Journal Vouchers**

a) Purpose  
To pass the recovery of the excess utilisation of funds over and above the receipt of the grant. (i.e. accounting of the Grant Receivable)

To Book the Consultancy Income as per services rendered.

b) Format  
As per annexure

c) Distribution  
Only one copy is prepared



## CHAPTER 8

### BUDGET

#### Planning and Budgets

"If you don't know where you are going then you are sure to end up somewhere else".  
Mark Twain

Financial planning is both a strategic and operational process linked to the achievement of objectives. It involves both longer term funding strategies and shorter-term budgets and forecasts.

#### The Planning Pyramid

**Vision**

**Mission**

**Objectives**

**Strategy**

**Plans**

What is Budget?

*" A budget describes an amount of money that an organisation plans to raise and spend for a set purpose over a given period of time"*

A budget describes the estimated costs of one set of activities. So, budgets often have to be revised part way through a project. This happens when the activities that are actually carried out change from the activities originally planned.

This means that it is important that the original budget was put together in a logical, simple way. Otherwise, it is impossible to understand how the original figures were calculated (or if they were calculated at all). And this makes it impossible to adapt the budget to changing circumstances.

What all of this means is that it is extremely important for budgets to be carefully thought through and well presented essentially involving accounts staff. Someone else picking up budget should always be able to understand it all (and adapt it, when necessary) with no additional explanation beyond what is written down. A budget has several functions and is important at every stage of a project.

#### → **Planning**

Planning carefully the activity for the budget and then converting these in finance terms is essential to prepare a realistic budget. In the planning stages, it is necessary for the project co-ordinators to have an accurate idea of the true activity and therefore the cost of the project. Involvement and assistance of accounts staff is a must in this process. This will have an impact on the design of the project.

#### → **Fundraising**

This budget is a critical part of any negotiation with donors. The budget sets out in detail what do with the grant, including how the money will be spent on, when the reimbursement will come and whether we are sending Financial Statements per schedule given by the Funder.

#### → **Project implementation**

An accurate budget is needed to monitor the project, once it has been started. The most important tool for on-going monitoring is comparing the actual costs against the budgeted costs and actual there against it will not be possible for Senior Management/Entity Heads for making strategic decisions about how best to use their limited resources.

#### → **Monitoring and evaluation**

The budget is used as a tool for evaluating the success of the project when it is finished. An accurate budget is also needed as a financial control once the project is under way. The basis of financial management is comparing actual costs to budgeted costs. Without an accurate budget, this is impossible. Finally, the budget should form part of the evaluation of a project once it is finished.

### **A) BUDGET BIFURCATION**

The Budget will be distributed in the following categories:

1. Activity/Programme Budget
2. Personnel Budget
3. Travel Budget
4. Administration Budget
5. Non-recurring/Capital Budget

## **B) TYPES OF BUDGETS TO BE PREPARED**

1. Annual Budget
2. Project Budget
3. Quarterly Budget

The above budgets will be reviewed and sanctioned by the Governing Council. The actual utilization will be monitored and reviewed by the Governing Council.

### **Preparation and monitoring of Budgets**

The process of preparing a meaningful and useful budget is undertaken by asking the following questions:

- What are the objectives?
- What activities will be involved?
- What resources will be needed to perform these activities?
- What will the resources cost?
- Where will the funds come from?
- Is the result realistic?

### **Note about accounts structure**

A budget is drawn up using a specific accounts structure. An 'accounts structure' is the way in which costs are categorised. The choice of accounts structure shall be set by the Tally accounts structure – and if so, it must be used. However, some external

Donors have strict accounts structures that must also be accommodated.

#### **1.1 Budget details**

All budgets must include basic information about the project, including the name, the period covered in the project, and the currency used. If a specific code has been allocated to the project, then this should be listed here as well. If more than one currency is used (though this is not recommended as good practice) then each column of the budget, which contains costs, must be clearly labelled with the currency used.

#### **1.2 Code**

Code sheets are prepared on the basis of the approved projects and are instrumental in tracking expenditure in the project.

- The Program Co-ordinator must finalize the project codesheet with the Accounts Department at the start of every project. The codesheet is vetted and signed by the Director before coming into operation.
- It is also important to identify the project codes for all the staff and other persons hired on the project at the beginning itself. This will be the basis for release of salaries/honorarium in the project period.

The classification of staff into fixed/multiple task or project staff is also important to determine the allocation of costs towards the person's time. All Program Co-ordinators and Co-ordinators are required to submit a monthly cost sheet to the Accounts Department by the 3<sup>rd</sup> of each month (along with their monthly report) to enable allocation of costs across projects on the basis of time spent. The format for the same is available with the Accounts Department.

### **2.3 Description**

A short description for each type of cost should be written in the 'description' column. This should be as detailed as possible, and should be unique for each item. For example, for staff, it is often much clearer to write out 'Project Co ordinator 1', 'Project Co ordinator 2' and 'Project Co ordinator 3' on different lines, rather than just to have one line 'Project Coordinator'. A good rule of thumb is to go for more detail rather than less, if you are not sure how to describe a cost.

It is also important that descriptions are as precise as possible. For example, 'electricity for the office' is much more useful than 'power'.

It is often useful to put 'other' lines at the bottom of each section of the budget. This ensures that there are accounts codes for unforeseen expenditure. This means that the accounts codes do not have to be stretched when unexpected things happen – which they surely will. (Budgets are not meant to describe all project costs inflexibly: they should be a much more useful management tool than that. So, they have to be realistic, and accept that it may not be possible to pin every cost down precisely in advance.)

### **2.4 Unit**

The unit that you will use to budget for each item should be written in the 'unit' column. The choice of units is often not as straightforward as it seems. But, choosing the right units makes a big difference to the clarity and strength of a budget.

For example, some budgets try to measure all costs in terms of time (e.g. the monthly cost). This is useful for some items (like salaries, which are paid every month) but not for others (like computers, which are only bought once). The rule of thumb is that you should choose units, which correspond to how you will actually make payments for each item. This means that there will be different units for different items. You should not try

to set units (e.g. the monthly cost) for the whole budget: this will only cause confusion for some items.

Examples of common units used are:

*For long-term staff:*

- Person
- Person-year
- Person-month

*For short-term staff:*

- Person-day

*For vehicle running costs:*

Vehicle-month

*For daily allowances, subsistence and accommodation costs:*

- Person-day
- Person-night

*For equipment:*

- Item (e.g. for a whiteboard/ OHP)

It is always useful to include the time scale as well as the service that you will use in the unit. This means that you often end up using 'composite units' – e.g. a 'person-day'. For example, this would be the best unit to use for a consultant who will be working for ten days on a project. 'Person' on its own does not show for how long you want the consultant. 'Day' on its own does not show what you want to buy for each day. 'Person-day' includes both parts of this. You will pay the consultant for each day's work that he/she does. So, to budget for '10 person-days' is much more clear than budgeting for '1 consultant' or for '10 days'.

By being specific about the time period for each line on a budget, you are not tied to one unit of time for the whole budget. This is useful: for example, it is sensible to budget for long term staff in months, and for other staff in days. By using specific units on the face of the budget, you are providing a great deal more information about how the budget was really put together.

## **2.5 Quantity**

The total quantity (measured in the units given) should be written in the 'quantity' column. It is important to make sure that the quantity does match the units.

## **2.6 Unit Cost**

The cost of one unit (of the units given) should be written in the 'unit cost' column. All costs that are written in the same column must be given in the same currency. If you need to show the budget in a second currency, then put on a whole new column for that currency, label it clearly and give the exchange rate used.

## **2.7 Total Cost**

The total cost column should be filled in with the 'unit cost' multiplied by the 'quantity'. It is extremely important that all lines really do have this calculation made on them. If the numbers do not add up, then it is very hard to have any faith in the budget, or to adjust the budget.

## **2.8 Notes**

Any notes about how a figure (either the cost or quantity) should be written in the 'notes' column. This column is often not included in budgets. It always should be. Without it, it is impossible to know exactly why the quantity (or the unit cost) shown on the budget has been chosen. Every line should have a 'note' written alongside it. For example, if 5 air flights have been budgeted for, the note should explain why there are 5 flights, and not 4 or 6. Without a good record of the decisions taken in drawing up the budget, it is impossible to adjust the budget. This severely limits the use of the budget and the quality of financial management possible.

It is always useful to write more rather than less in the notes column. However, these notes do not have to be huge. They just have to be enough to explain the numbers given in the other columns of the budget. It cannot be stressed enough how important this information is.

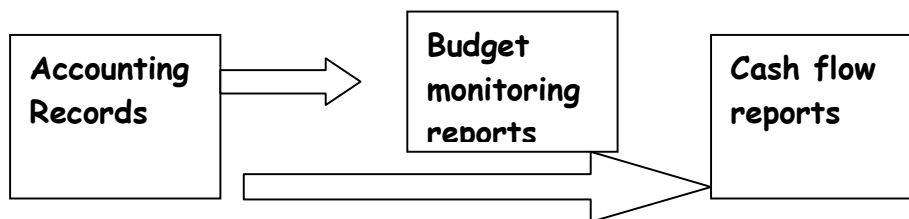
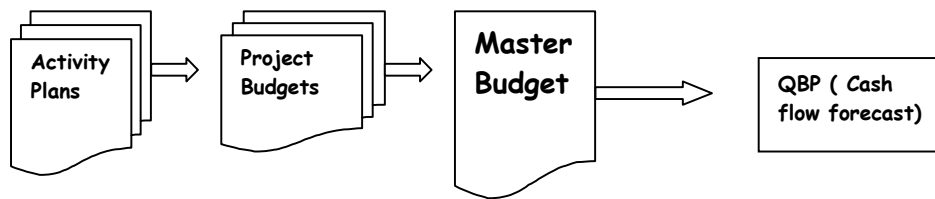
Working out a good budget takes time, and input from project managers as well as finance staff. However, it is time well invested. Making a good budget at the start of a project will save a great deal of confusion (and time) later on.

## **f) Management Reporting**

Ideally management reports have to be produced monthly or at least every quarter. The meetings of the Governing Body should be set to coincide with the Reporting cycle so that the information is timely.

There are two kinds of reports that are of use to the decision makers:

The Budget Compared to Actual  
The Cash flow Report



### Budget vs Actual Reporting

Budget vs Actual Report takes budgeted project income and expenditure for the reporting period and compares it with the actual project income and expenditure for the same period. The difference between the two figures is the *variance*.

### Variance Analysis

This involves looking at the significant variations from the budget and seeking to explain why it exists and what can be done to remedy the situation. Variance is either described as “favourable” or “adverse”.

Favourable means when actual spending is lower than the budgeted amount.  
Adverse means when actual spending is higher than the budgeted amount.

### Using the Reports

The aim when reviewing any of the reports is to assess the health of the organisation and to also ensure that the organization’s objectives are being met.

- Identify problems, look for solutions: One must look for indicators which would identify the problems:
  1. What does the bottom line say: If there is +\_ 10% variance it is reasonable.

2. What are the significant variances in the various budget lines: can a reasonable explanation be given to the variances.
3. What is the position of the budget linked items: For example if the programme costs are less but the travel costs are high then it should be looked into.
4. What is the link of the financial reports with the activity reports? Is there a relation or are they contrary to each other.

### A look at some of the solutions

<b>Problems</b>	<b>Solutions/ Actions</b>
<i>Budget items are in danger of being over spent</i>	<ul style="list-style-type: none"> <li>• Seek permission to use savings from under spent money elsewhere in the budget</li> <li>• Reduce or postpone some activities</li> <li>• Use reserves to fund the short fall</li> <li>• Request the donors of a similar project to use the money for the over spent project</li> </ul>
<i>Budgets are being under spent</i>	<ul style="list-style-type: none"> <li>• Make efforts to increase the activities of the project.</li> <li>• Request the funder to extend the project period.</li> </ul>
<i>Linked budget items show different results</i>	<ul style="list-style-type: none"> <li>• Conduct a thorough monitoring of the project. The problems can be identified before it gets out of hand.</li> </ul>

### Some important points

When funds are given for a specific project, you may not use that money to support a different activity that is showing deficit.

If it is necessary to cut back a project the same should be discussed with the funder along with the reasons . If possible submit a revised plan.



## CHAPTER 9

### DONOR REPORTING

#### I. Introduction

Any project that is funded by an external donor will have to submit financial reports to that donor. It is important to remember that the donor agencies are in turn responsible to stakeholders (trustees, government, tax payers etc) and they rely on us to provide the information they need.

Financial accountability requires that we demonstrate to the donors that their funds have been used for the purpose for which it was intended. The reference point is the original funding application, the project contracts and the guidelines and reporting formats suggested by the donors. It is important to comply with the conditions and meet reporting deadlines to establish credibility and encourage confidence, so that the grant arrives on time. All grants received are to be considered as a “Earmark Liability and NOT Income for accounting purposes.

#### Terms and conditions of the Grant

- **Progress reports:** frequency, format and style of reports, usually quarterly or six monthly to coincide with the release of grant instalments.
- **Scope and designation of funds:** what funds may, or may not be used for; whether funds can be forward from one project period to another.
- **Administrative overheads:** the specific items that are allowable or excluded, or a percentage limit on the total grant.
- **Budget line items:-** specific budget headings which correspond to the original grant application.
- **Permission to transfer funds:-** Transfer surpluses from one budget line head to another
- **Accounting Method:** Accrual or cash method
- **Bank accounts and interest:** Whether the donor requires a separate bank account to be maintained; interest on the funds- to be used for the project
- **Depreciation policy:** How to treat the fixed assets purchased with a grant
- **External audit:** whether a donor requires an external audit or a separate auditing agreement to be signed with the TOR of the auditors specifically stated.

The basic problem in producing donor reports is that the major donors and we use different accounts structures. It is rarely possible to shift between one structure and another. The different structures are fundamental: they affect how the accounts are built up in the first place. This means that it is very likely that reports created using YRA’s internal structure cannot be used to generate reports in a donor’s structure.

This issue can be resolved in a number of ways. But, they all affect the basic way in which the project's accounts are put together. So, it has to be considered at the beginning of a project. The donor may only request the first financial report six months down the road. By that time it is very likely that producing the report will require all the accounts to be recast. This will take time and money: denting the budget, timescales, and donor relations at the very least.

It cannot be emphasised enough how important it is to tackle these predictable problems at the beginning of a project: prevention is cheaper than cure. If donors are likely to be involved in a project, then donor reporting must be discussed with an accountant.

The following notes describe the problem in more detail, and suggest a number of ways to deal with it.

## **2. Donor Reporting: What is the problem?**

### **2.1 What does accounting do?**

- Accounting collects and summarises data, so that it can be easily handled. It can then be used to make management decisions, such as whether to carry on spending on one project activity, but not on another.
- The base data is made up of the cost and descriptions of each transaction (each individual item of expenditure, or of income received).
- The method used to summarise this data is to set up an accounting structure. (This is also known as a 'chart of accounts'.) It groups transactions together into broad categories, such as 'personnel' or 'programme costs'. Each category is allocated a code, in the structure. Then, every transaction is allocated to a category by using the same code, which is recorded in the books. Adding up all the transactions that share the same code can produce a summary.

### **2.2 What are the implications of this for donor reporting?**

- Unfortunately, there are a thousand different ways in which you can categorise a project's costs. For example, you could categorise costs between capital costs and running costs, or between different geographical locations, or between different types of expenditure. There is no standard way of doing this.
- It is not possible to translate accounting reports generated from one accounting structure into another structure. Some categories overlap partially or not at all: there is almost never an exact match between two accounting structures.
- Different donors have all developed different ways of categorising their costs.
- This is a fundamental accounting problem. It will affect the entire accounting system used to manage a project's finances.

### 2.3 How can this problem be tackled?

- There are a number of approaches to dealing with this problem, outlined below. However, forward planning is the key to all of them.
- The first step is to assemble the necessary information. This includes:
  - Who exactly is funding what (line by line through the budget)?
  - What are the donor's reporting requirements?
  - What is the donor's accounting structure?
- This information should be available from the contract signed with the donor, and from the project management. Once you have the information, the next step is to develop a account code sheet. This code sheet will list out the budget line heads and also the coding for same. It should as far as possible be on the same lines as the reporting formats.

## 3. Donor Reporting: Ways Forward

### 3.1 Separate different donors and project activities

- Some projects can grow to be very large, and include a number of different donors funding different activities or sometimes the same activity. It is generally difficult to produce individual donor reports if the whole project is being accounted for as one entity.
- It can be particularly difficult if there is expenditure on one NGO budget line that is being funded by more than one donor.
- It may be possible to split up the different parts of the project, and to account for them separately, as sub-projects, geographical areas of operation, or as independent projects. This may mean that the original budget has to be split up, according to sub-project (or donor) as well. This must always be done extremely carefully.
- This makes it much easier to monitor the use of different donors' funds. It may add to the initial administrative work (in setting up separate systems), but for complex projects, it will reduce the overall administrative burden (preventing confusion and easing financial management).
- Another aspect of this approach is to encourage donors to fund specific parts (or budget lines) of the project. For instance, one donor might take on the programme of a project and another take on the administration overheads. This helps to clarify the funding position, and the production of donor reports.

### 1.2 A more detailed coding system

- YRA has developed a very detailed coding system, which not only provides flexibility but also ensures that all the information is captured at the source itself. A little effort at the data entry level will result in the generation of various MIS reports from the system rather than re-doing / re working the information. But it is very important to make sure that there are sufficient resources available

to set it up solidly and to maintain it. The use of “ Cost Centres” is particularly useful.

- If the accounts are set up to categorise everything at the ‘project code’ level, then both the donor and the organization can be satisfied. The actual amount spent can be compared against the budget for each budget line. Also, the funding should be known for each budget line. So, donor reports can be produced.

### **1.3 Robust book-keeping**

- This is fundamental to any accounting system. Bookkeeping problems often make donor-reporting problems much worse.
- Codes must be properly followed.
- All transactions must be properly recorded.

### **3.4 Ensure that all relevant staff know the system**

- People not understanding the system also often create accounting confusion. Everybody involved in the accounts must know how the finance systems fit together, and who is responsible for what.
- This does not only include the finance staff. It also includes the project coordinators, and anyone who is responsible for spending money.

### **3.7 Other donor considerations**

- Maintaining a dialogue with donors can help immensely. They may be able to help to resolve some of these problems by being more flexible than expected. If they feel that they know what is going on, then they are more likely to accommodate any difficulties you come across. But, like everyone, they will always react badly to unpleasant surprises at the end of a project.
- Donors should be informed of any changes to the budget (expected expenditure). There is likely to be a level for changes to the budget, which require prior authorisation from the donor. This will be set out in the donor contract.
- Generally, financial reports should be completed in the currency of the budget and/or the currency of the bulk of the expenditure. It is important that all exchange rates used are recorded.

Some DO 's and Don'ts

Do try to meet reporting deadlines (request an extension if this is not possible)

Do produce accurate and verifiable figures

Do not conceal over spends or under spends

Do add notes to the budget comparison reports to explain the variations

Do keep the donor informed about the major problems/ organizational changes

## **CHAPTER 10**

### **LEGAL**

The organization would match the legal compliances as per the requirements of the following acts, rules and regulations thereof and other applicable acts:

1. Foreign Contribution Regulation Act
2. Income Tax Act
3. Madhya Pradesh Societies Registration Act
4. Provident Fund Act
5. Maharashtra State Professional Tax Act
6. Gratuity Act
7. Minimum Wages Act
8. Prevention of Money Laundering Act
9. Other Labour and Statutory Welfare Acts

## **CHAPTER 11**

### **RULES FOR ARCHIVING**

#### **MINIMUM REQUIREMENTS**

The Companies Preservation and Disposal of Records Rule, 1966, provides for maintenance of :-

Register of members, index thereof, copies of annual returns prepared under Sec.159 and 160, copies of all certificates and documents required to be annexed thereto under Sec. 160 and 161 for a period of 8 years from the date of filing with the Registrar of Companies. Further, Sec. 209 of the Act provides for maintenance of statutory books of accounts, together with the vouchers relevant to any entry in such books of account in good order for a period of 8 years.

The Companies Act, often imposes on the company certain rules for archiving. These should be known and followed. If the statutory requirements are less demanding than the company's Rules described below, then the company's Rules should be followed.

#### **BOOK KEEPING DOCUMENTS AND REPORTS**

1.	General Ledger	Forever
3.	All Day Books and their relative Vouchers	8 years
4.	Audited Trial Balance, Profit & Loss Account, Balance Sheet and Annual Returns	Forever
5.	Fixed Asset Register	Forever
6.	All Other Book Keeping Documents	8 years

#### **COMPUTER FILES**

Other than the hard copies maintained as stated above, two sets of computer backup in the form of magnetic storage devices shall also be maintained in respect of computerised accounts for a period of 10 years at 2 different locations:-

1. At the Accounts Office.
2. At a place other than the Accounts Office to be specified by Management.

## **OTHER DOCUMENTS**

Correspondence of legal matters :-

1.	Important matters	Forever
2.	Routine matters	8 years
3.	Other Correspondence	8 years
4.	Income-tax Returns and other Statutory Returns	Forever
5.	Minutes of Board Meeting	Forever
6.	Copies of Contract and Other Legal Agreements with funding Organisations	3 Years or as mentioned in Agreement whichever is Latter.

## **PHYSICAL HANDLING OF FILES**

All files for the current year and previous year shall normally be kept in the user department. All documents pertaining to prior period shall be properly packed and labelled and submitted alongwith an index to the Central Record Keeping Section. The files should then be kept under proper security. Access to files should be possible only on written request from an authorised personnel. The files should be kept in a safe location, so as to protect from any calamities like fire, flood, rodents, etc.



## **Programme**

Budget Sheet- Cash/ Cheque Project staff-Triplicate- sanctioned by the immediate coordinator-sanctioned project coordinator -15 Days prior to programme-Green copy with accounts –Yellow and White with Programme

Cash withdrawal-Distribution –Yellow copy with cash voucher-to be defaced by Cash paid stamp- considered as advance-advance to be settled within 7 working days- Advance settlement sheet-Voucher entered into system-voucher filed into file.

Cash timing- 10 to 5 Cash closed at 5 p.m.

Cash Counting Chart- physically verified by the Co-ordinator- Soft copy in P.C. Hard copy kept in file.-soft copy to be mailed to AM-c.c to coordinator

### **Cash Receipt**

Pre numbered – Receipt signed by –Accounts Manager or Executive Director- Cash deposited on next working day.

### **Cheque Receipt**

Receipt issued – cheque deposited into Bank account- Grant received under FC/Non FC – to be authorized by the Chief Functionary

### **Cheque Payment**

**Cheque book custody of Cashier- Bank delivers the cheque book-cheque counting-custody-no. Issued to the cheque book at the time of book removed from custody Sanctioned bill – Coordinators check- A.M. Check- Executive Director- Cheque Folder-**

**Bill Booking is done through Journal Voucher**