

Chetana's financial management policy is basically a manual that covers the accounting policies, systems and procedures of the organization. It is developed not only for governing the financial transactions of the organization so that its staff can follow the set systematic procedures but also to fulfill local statutory requirements and demonstrate the strong management practices adopted by the organization.

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Introduction

1.1 Scope of the Financial Management Policy

The Organization's Financial Management Policy describes the accounting policies, systems and procedures to be used by the organization. The Policy will cover the input, processing, output, control and distribution of financial data. It has been developed to set out the accounting policies and procedures that will:

- a) Ensure that the organization's books of accounts are prepared to conform to sound accounting principles and practices.
- b) Enable the management to obtain accurate and timely financial reports on monthly basis, thereby promoting sound financial management.
- c) Ensure correct and accountable use of funds and other resources. The approach used is in line with generally accepted accounting principles and organizations best practice reporting requirements.

The main purpose of the Policy is:

- a) To assist in the maintenance of controls.
- b) To provide a training and monitoring resource.
- c) To be used as a reference document by the staff, management, auditors and other stakeholders.

The procedures have the following objectives:-

- a) To enhance completeness and accuracy of the data posted from source documents (say invoices, payments receipts, journal and cashbook) to the computerized system.
- b) To provide accurate and reliable reports to enable management to perform effective control over the operations of the organization.
- c) To detail the operation and administration procedures for input, processing, output and distribution of data to ensure security of data and documents.

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The Policy has been made for use as follows:

- a) As a means of reference to management, supervisors, new and existing accountants staff, auditors, and as the basis of training staff, and ensuring that appropriate controls are in place.
- b) As a clearly defined list of the tasks to be carried out by each individual
- c) As a timetable for processing transactions and producing reports
- d) As a guide to evaluators and any monitoring consultant who may wish to review the institution's progress."

Process:

Before embarking upon the process of presenting the financial management policy, it was felt important to outline the roles and responsibilities of the staff involved in developing and updating the policy, the Board Members have appointed a financial committee to develop a draft financial management policy which is further discussed, improved and authorized by all the members of the Board. The organization director and the finance officer are primarily responsible for ensuring that the policy is fully implemented within the organization. They can also give recommendations to the board members for any modifications in it.

Financial Management Policy

"1.2 Updating the NGO Financial Management Policy

The update of the manual will be the responsibility of the finance committee consisting of concerned authorities from finance & accounts as well as project head and approved by the chief functionaries of organization. The committee must ensure that:

- a) The manual is kept up-to-date
- b) The manual continues to set out the procedure that must be followed in the operation of the system and procedures
- c) Sufficient copies of manuals are available
- d) Amendments to the manual are properly authorized and communicated to concerned parties immediately. It is envisaged that, it may be necessary to

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amend the manual every year to accommodate any changes. The finance committee must ensure that there is a list of all the persons to whom the manual has been issued so as to ensure that the amendments issued are completed promptly.

Each amendment to the procedures manual must be given a unique code and dated, the finance manager is responsible for ensuring that each procedure issued has been properly amended.

1.3 Responsibilities of User Staff

All personnel with a role in the management of organization's financial operations are expected to uphold the policies in this manual. It is the intention of organization that this accounting manual serves as our commitment to proper, accurate financial management and reporting.”

“2. Accounting Policies & Procedures

2.1 Basis of Accounting

a) The organization shall prepare its accounts on the basis of historical basis of accounting but assets shall be re-valued from their historic cost to reflect current values as necessary

b) The organization shall apply accrual based accounting method. Revenue and grants/donations shall be recorded in the accounting period it is received and expenses recognized when incurred. Loan and Grant revenue is recognized when received. Other revenues are recognized in accordance with the accruals concept.

c) Grants and donations if any shall be recorded separately from operational activities. They will be shown “below” the operating line on the Income Statement, together with non-operating income and expenses and taxes. When transferred to the Balance Sheet, they will not be included in the Retained Earnings from operations, but in Contributed Capital (or Donated Equity).

d) In-kind contributions must be recognized through journal adjustments that are supported by appropriate and objective documentation (e.g. agreements, formal letters or memos, Memorandum of Understanding).

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2.2 Maintaining Accounting Trail

Every transaction would need to be traced back and forth since the account=books are maintained in a set pattern.

The trail is as follows:

Expense—Cash memo—voucher—cash book—ledger—trail
balance—income and expenditure statement, balance sheet

Hand in hand with an accounting trail, we can trace what we can call as a programmatic trail.

Program plan—Activity to be performed—Authorization from the program head for the expense related to the activity—Perform the activity—Maintain the relevant program records

The accounting trail is important as it helps to check/countercheck expenditure incurred/ activities done and thus helps in maintaining a transparent system.”

Cash payments :

“3. Cash Handling

3.1 Cash Account and Transactions

Cash transactions are to be resorted only for petty expenses and when /where banking facilities are not available. As per Income Tax Rules, no claim exceeding Rs.2000/- should be settled through cash payments. These should invariably be by account payee checks only. As a matter of procedure and control, the attempt should be to minimize the number of cash transactions.

3.2 Daily Cash Balance

The denomination of the closing balance of the cash should be entered below this and signed by the Accountant. This register has to be maintained from the beginning of the financial year. A fresh register has to be started at the beginning of every financial year. Maximum and minimum cash limits have been fixed as: maximum 25000/- and minimum 2000/-.

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3.3 Withdrawal of Cash from Bank

- a) The Cash Withdrawal Form/Money Indent to be filled up and signed by the staff handling cash.
- b) The cash balance available and the estimated expenses would need to be computed.
- c) The authorized persons must verify the requirement before signing the cheque for withdrawal of cash.
- d) The signature of the person presenting the check and receiving the cash should be attested on the back side of the cheque by one of the authorized signatories.
- e) A Cash Receipt (Contra) voucher to be prepared and accounted for by the accountant on the same day.
- f) The Cash Account (Manual) to be updated for receipt of the Cash.

3.4 Cash Payments

- a) Cash payments will be made only after preparing the Payment voucher.
- b) All vouchers will be pre-printed with machine made serial numbers
- c) The Voucher will be approved by the competent authority before payment.(as per the requirement of individual projects)
- d) The Payee must sign the voucher for having received the payment.
- e) In case the competent person is not present, the voucher must be verified/approved by any other person standing-in for the person per before release of the payment.
- f) As per Income Tax Rules, no cash payment of more than 20,000/- is permitted.
- g) All cash payments above 5000/- should be receipted with a revenue stamp as per the provisions of the stamp act

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h) The number of cash payments has to be reduced by converting settlements through check payments.

3.4 Cash Verification

a) The competent authority should physically verify the cash balance occasionally and compulsorily at the end of the month.

b) The Cash Account record should be signed by the person handling the cash and the person in charge of finance as and when the physical verification of cash is carried out.

c) Any discrepancy noticed during the physical verification should be recorded and reported in writing to the person concerned immediately.

3.5 Controls to be exercised

a) Third parties will not be allowed access to the accountant or the safe. Cash should be paid to them in the front office.

b) Cash will be handled by only one designated person who is responsible for it.

c) A fixed period of time will be fixed for cash disbursements. Only emergency payments will be released during other times.

d) Maximum and minimum cash limits to be strictly observed.

e) Accounting of cash receipts/payments to be done on a daily basis.

3.6 Petty Cash

a) Petty cash shall be maintained on an imprest basis. At any given time, the cash and receipts in the cash box shall total the imprest level. The level shall be maintained at 2000/-.

b) Only the accountant will handle petty cash. Actual cash will be spot-checked and verified by the supervisor/finance manager at least once per week. The staff person in charge of the fund will reimburse for any discrepancies.

c) All requests for petty cash must be signed by an authorized supervisor/finance manager on a pre-numbered voucher.

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d) A check to replenish the fund shall be issued when the fund is low, and at the end of every month.

e) The cash and vouchers shall be kept in locked box or safe.”

Procedures followed for Salaries and Advances in Chetana– Financial Management Policy

“4. Salaries and Advances

4.1 Salaries

The following is the procedure on salaries:-

a) All permanent employees shall be issued with appointment letters signed by the organization head and employee-signifying acceptance of the terms and conditions set forth thereto. The appointment letter shall contain the initial salary, responsibilities, duties and the general terms and conditions.

b) Subsequent changes in salary, responsibilities, duties, terms or conditions of employment shall be communicated to the employee in writing.

c) A personal file shall be opened for every employee. Copies of job application letters, Appointment letters and any other correspondence between employer and the employee shall be kept in this file.

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d) Salaries shall be paid monthly in arrears. A salaries schedule showing the gross pay, advances, deductions and net pay shall be prepared by the Accountant, checked and verified by the Finance manager/HR manager and approved by the organization head prior to the preparation of payment vouchers and the check.

e) A personal data card shall be opened for each member of staff. Salaries shall be paid by check through the respective bank accounts.

f) Employees shall be issued with a pay slip every month, which will show the computation of his/her net salary.

g) Signing the payment vouchers for the net pay, and the monthly transfer sheets where applicable shall evidence authorization of salary payments.

4.2 Salary Advances to Staff

Staff advances shall be given upon request in accordance with regulations stipulated in the personnel policies and procedures manual (by complete, signed and authorized Staff Advance Authorization form, SAAF). An Advances ledger account should be opened and reconciled at every end month. However, all advances should be approved subject to the availability of funds.

4.3 Pending Advances

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A statement of funds lying with outsiders and staff should be recorded at the end of every month-end. It is necessary to review it on a monthly basis to identify whether any deposits/advances are lying unadjusted or overdue for settlement. While it is possible that the actual date of payments and the purpose of which the deposit/advance was given gets obliterated by passage of time, this report will regularly give details of such funds lying elsewhere.

4.4 Travel Expenses

Travel expenses incurred by staff or any other authorized person shall be reimbursed according to the regulations set out in the Human Resource Policies and Procedures Manual.

4.5 Travel Advances to Staff

Travel advances shall be granted in accordance with the above mentioned regulations. A separate staff debtor account shall be opened for each advance granted. Any advances not accounted for within two weeks shall be recovered from the salary of the employee concerned without prior reference to the employee.”

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“5. Operating Bank Accounts

5.1 Bank Account

Bank account for the project funds shall be opened only in a nationally recognized bank or any other bank authorized by the central bank of the country. Necessary authorization to open any bank account or alter its manner of operation would need to be got in writing from the necessary authority. A separate bank account will be opened for all the project.

5.2 Authorized Signatories

- a) Every check/instrument will be signed by at least two signatories

- b) A staff that has access to bank account and cash account is not entitled to be an authorized signatory.

5.3 Authority to Sign

The authority to sign would lie with selected executive members of society. The bank is authorized to undertake any written instructions, signed by two of the signatories, for transacting any financial business from time to time.

5.4 Closing of Bank Accounts

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Any bank account not required to be operated must be closed immediately. The Finance/Accounts person has to take the matter with the Competent Authority and procure in writing the obtaining necessary resolution. When it is decided to close a bank account, the following actions should be completed:

- a) Transfer balance in the account (leaving the minimum amount required) to the other bank account.
- b) Surrender all the check leaves to the bank under a receipt.
- c) After receipt of the resolution, deliver it to the bank under receipt and transfer the balance to another account.
- d) Confirm closure of the bank account and transfer of balance to the competent.

Manage Bank Transactions – Chetana Financial Management Policy

“6. Bank Transaction

6.1 Bank Receipts

- a) All receipts will be acknowledged by issuing an official receipt. The date of receipt, its accounting and the date of deposit of the check/draft to the bank account should be the same. The relaxation can be only in view of banking hours or bank holidays.

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- b) The bank deposit slip should be attached with the Receipt Voucher.
- c) No receipt should be issued on the last day of the month if the instrument cannot be deposited with the bank on the same day.

6.2 Bank Payments

- a) Payment Voucher has to be prepared before preparing any check.
- b) Check will not be prepared, for whatever reason, if sufficient balance is not available with bank.
- c) All Vouchers have to be verified and approved before payment is released.
- d) Payment has to be made only against original bills and claims. Any type of copy of bill or claim should not be entertained.
- e) All supporting documents should be attached with the Payment Voucher and filed according to serial number.
- f) Cheque should be written legibly and doubly ensure that the amount in words and figures are the same.
- g) All cheque have to be crossed. A Rubber Stamp stating "A/c Payee Only"
- h) Post-dated cheque are not to be issued.

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i) All cheque are stamped “for the *Name of the Organization*”

6.3 Controls to be exercised

a) All letters/instructions to the bank should be signed by the authorized signatories only.

b) Checks in advance or in blank should never be signed.

c) Un-cashed cheque should be cancelled within a reasonable period.

d) Specimen signatures should not be left unsupervised.

e) Cheque books should always be kept under lock and key. Only authorized persons should be allowed to handle them.

f) A receipt after payment by check should be insisted.

g) Bank reconciliation statement has to be done on a monthly basis.

6.4 Bank Reconciliation Statement

This has to be done every month to ensure the balances as per the bankbook and the passbook tally. Following the reconciliation it should be made sure that entries are passed (if any) for bank charges, interest received etc. in the books immediately.”

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Validation of bills, invoices, receipts & vouchers

“7. Invoice Validation

7.1 Essentials of a Voucher

a) Project name – in order to identify that the voucher belongs to a particular project, the project name needs to be stamped / marked on the voucher.

b) Voucher number – the voucher should be numbered and these voucher numbers should be pre-printed. The voucher book should be officially issued to the person responsible for preparation of vouchers. Any vouchers wrongly written should be marked ‘CANCELLED’ across the face of the voucher and left in the book itself. Hence, either the vouchers would have been used and taken into the cash book or be left as cancelled or accounted for as balance remaining. This is a good practice in accounting and can be introduced over a period of time.

c) Date and the serial number of the voucher used.

d) Classification – The cost centers and line items are clearly specified in the proposal. On the basis of the nature of expenses, it is verified that the expense is correctly classified into the various line items as appearing in the proposal.

e) Narration – there should be a detailed narration in support of the classification showing the description of the transactions.

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- f) Amount – it is verified that the amount on the voucher is equal to the amount reflected by the supporting documents, or matches any adjustments effected (e.g.: advance payments adjusted)
- g) Supporting documents – these are in the form of original bills, which are\ the real proof of transactions based on which payment is affected. The classification of the expense is based on the nature of expense reflected by these documents and the amount on the voucher should be the amount reflected by these documents.
- h) Signature of the person preparing the voucher
- i) Signature of the person authorizing payment (To verify with the delegation of powers of each member authorized within the organization to approve payments)
- j) Signature of the person receiving payment
- k) Defacing of vouchers and supporting documents by a `PAID` stamp, subsequent to payment to avoid duplication of payments, and providing reference numbers of vouchers and check number if relevant.”

Cash Book

“8. Maintaining Cash Book

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A cashbook is a primary book of entry that is prepared after a voucher for a particular transaction. The cash book records all transactions in which cash /bank receipts are involved.

- a) A double column cashbook that can act as a bankbook or a single column cashbook (in case a bank book is maintained separately) has to be maintained.
- b) No cutting or alterations should be made in the cashbook. Correction fluid should also not be used. Any mistake should be corrected by passing a rectification entry.
- c) Cashbooks have to be written regularly (as and when a transaction takes place). All cash balances should be inked up regularly.
- d) The Cashbook has to be tallied checked and signed by the competent authority or any other appropriate authority every month.
- e) Cashbooks should always remain at the office.”

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CASH BOOK

CREDIT					CREDIT				
DATE	PARTICULARS	LF	CASH	BANK	DATE	PARTICULARS	LF	CASH	BANK

Procurement, Stock and Inventory Management

“12. Procurement, Stock & Inventory

12.1 Purchasing

The purchasing function involves:

- a) Identification of needs, for goods and services,
- b) Identification of costs to cover the needs for those goods and services,
- c) Identifying the suppliers, procuring estimates (at least three)
- d) Negotiating favorable trading terms with them,
- e) Placing an order.
- f) Receiving the goods and/or services and paying for them

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g) Preparation of accounting and archiving expenditures.

12.2 Identifying the Supplier

The purchasing function involves:

a) Credibility of the supplier in terms of being able to supply the requirements and in time

b) Cost effectiveness of the goods supplied

c) Quality of goods supplied

d) Supplier should meet all necessary formalities in connection with its status as per the rules and regulations of the Government.

e) Supplier must be able to supply all the good in the requisition/or of the specification prescribed in the purchase order

f) Must be local, reliable and known

g) Must be able to supply large quantities if necessary

h) Past performance

i) Availability of supplier

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j) Reputation of supplier”

Objectives and Procedures for Purchases in organization

“12.3 Control Objectives

The control objectives here will be to ensure that:

- a) All purchases are duly authorized and approved before the goods and services are ordered.
- b) All goods received or services rendered are according to specification and in quantities requested for.
- c) Liability for all purchases is accurately reflected in the books of account and that suppliers are paid only in accordance with the agreed term
- d) Goods ordered are actually received into stores as may be appropriate and relevant accounting records updated accordingly.

12.4 General Procedures

- a) The existing purchase policy of the organization must be followed.
- b) For all purchases of capital good, and goods purchased in bulk like stationary and other supplies, three quotations should be obtained. Then the final supplier is decided upon. However justification should be given in case the

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lowest of quote is not selected. Quotations should be attached with the relevant vouchers while submitting the same checking.

12.5 Purchasing Capital Assets

a) Any non consumable item of equipment, needed to start program operations and major capital expenditures as outline in the plans and budgets are called fixed assets.

b) In the case of capital asset purchases and consumables in bulk, it is always healthy to issue purchase orders clearly spelling out the terms and conditions of purchase.

c) As mentioned above, all non consumable items of expenditure should be purchased with three quotations. It is important here to understand that attractive asserts like camera, tape recorder etc also from part of fixed assets, even through their value might not be very high. Office equipment and IT equipment will also from part of the fixed assets.

d) All incidental charges which are incurred to get the asset to the place where it is situated and to get the asset into operating condition must be added to the cost of the asset.

e) An inventory of the capital assets should be maintained and updated from time to time.

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f) It is suggested that the fixed assets register is approved and signed by the competent authority after it is updated every six months or annually.

g) All assets must be given an identification number and such number must be painted on the asset. This number should also be mentioned in the fixed assets register.

h) Physical verification of assets should be undertaken (preferably by an office bearer or someone of adequate authority) at least once a year. All additions, deletions, modification etc should be recorded

i) Contracts Register (for all contracts issued with payment details and other particulars)

Maintaining of Stock Register

The following format for stock maintenance will be adopted

STOCK BOOK REGISTER

Date	Particulars	Date			Date			Date		
		Receipt	Issue	Balance	Receipt	Issue	Balance	Receipt	Issue	Balance

Financial Planning and Budgeting

Organization receives specific grants to implement activities but it may not be necessary that the entire allocated grant will be spent for a certain activity. Thus financial planning and budgeting is required.

“13. Financial Planning & Budgeting

13.1 Budgets & Approvals

It is necessary that for every activity taken up by [us](#) to be interpreted in financial terms and get the approval of the concerned competent authority. Such interpretation takes the form of budgets detailing each and every components of the activity so that a clear evaluation of the total activity and the components thereof can be made by before approval. Such budgets normally become necessary, for the following activities:

- a) Meetings & [conferences](#)
- b) Special events
- c) Remuneration of Staff & Consultants
- d) Capacity Building & other Training Programs
- e) Office Running Expenses

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f) Promotional events

g) Travel

However, most of the times the expenses incurred on these activities are part of our programs budget and specific grants are allocated for such expenses, and would require only a simple sanction. It is therefore necessary that the budget for such activities is prepared at the time of preparation of the plan itself.

The process to be followed is

- a) Budget for each activity to be prepared giving break up of sub-activities and related costs.
- b) The budget has to be verified and certified by the finance/accounts manager to ensure that the costs are realistic as compared to the activities, and the budget captures all the required costs for such activities only.
- c) The necessary approval of the budget for incorporation into the Plan.

Wherever there are procurement of supplies and services for such activities, the formalities with regard to multiple quotations, evaluations, etc. have to be followed.”

Budget Management and Planning the Financials

“13.2 Budget Management

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- a) A Budget is an estimate of the amount of money to be received and to be spent for a specified purpose in a given time.
- b) Budgets set a framework for reporting and analysis.
- c) Budgeting never stands completely alone, but rather flows out of the managerial process of setting objectives and strategies and of building plans. It is especially and intimately related to financial planning.
- d) While accounting, separate sub-codes to be created for every activity under the main grant code, so that the utilization of the budget can be monitored activity-wise.

13.3 While Planning the Financials

- a) The whole team needs to be involved in budgeting process.
- b) Objectives of the program along with activity plans must be completed before starting the budgeting process.
- c) Changes in strategies for the forthcoming year based on the past experience have to be unanimously decided by the team and the budget should be accordingly formulated.
- d) List out the resources required to achieve these activities and cost them.

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- e) All line items in the budget must flow from planned activities.
- f) Budget should be as detailed as possible with justifications and break up of costs matched against each activity.
- g) When budgeting for subsequent years/phase, cost increases due to inflation, exchange rates etc would need to be kept in mind.
- h) All expenses have to be reviewed against the budget on a monthly basis.
- i) The project management shall verify the quarterly reports against the budget, analyze causes for variance and take appropriate action.”

Internal Control Measures and Management Information Report

Further to developing different reports as part of the financial management, below are details on internal control measures and management information report:

“14.3 Internal Control Measures

In addition to setting up adequate internal control measures, Management shall from time to time perform these checks to safeguard assets:

14.4 Management Information Report

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The Finance/Accounts Officer prepares and consolidates the Reports and submit it to the Relevant Persons as the case may be, with a copy to the Finance Manager before 10th of every month.

This report is under 6 heads and is explained below:

Bank & Cash Balances: This will reflect the utilization of funds received and also will furnish broad indication of how much has been spent on Grants and on office/admin expenses. The opening and closing balances should be in agreement with the Bank Book.

Analysis of Expenses against Budget: This is the variance report on Management of Expenses budget and reflects whether the trend of expenses have to be reviewed in order to avoid any negative variation and take corrective action as necessary. Every positive and negative variance has to be commented upon citing reasons for variance and corrective action proposed.

Grant Utilization Status: It is necessary to review on a monthly basis the utilization status of grant budget in order to ensure that the actual spending is as per the planned budget and the phasing of utilization .

Statutory Compliance: The implications of non- compliance of statutory provisions are very serious and it is therefore necessary that the management is kept informed about the compliance or otherwise of these provisions, this report

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becomes useful for managers to monitor adherence to the requirements and due dates.

Fixed/Consumable Assets: The Assets Register needs to be maintained as per the format authorization of the same need to be done on a regular basis.”

Maintain Fixed Assets Register

“15. Fixed Assets Register

It is the responsibility of the Finance/Accounts manager to maintain a complete and accurate fixed asset register. The fixed assets register will be maintained on an excel spreadsheet or a book and should have the following details:

- a) Identification or serial number
- b) Acquisition date
- c) Description of asset
- d) Location
- e) Class of asset
- f) Cost of acquisition
- g) Accumulated depreciation

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h) Net book value

The Finance/Accounts manager should ensure that all the assets are tagged with identification codes. All the classes should commence with the prefixes itemized below followed by a unique 3 or 4 numerical numbers for each specific item. E.g. an office desk at the reception will fall under the furniture and fitting class and will be identified by the code XYZ/FA/OD/) 001 where:-

FA – Fixed Asset

FF – Furniture & Fittings

OD – Office Desk

001 – Unique for Desk at the reception

15. 1 Processing Depreciation

- a) At the end of every month, the Accountant should prepare a depreciation schedule for each of the items using depreciation rates described in sub-section
- b) The Finance manager should review the schedules and sign them as evidence of the review. On the strength of the duly reviewed depreciation general journal, the accountant shall update the fixed assets register

15. 2 Accounting for Fixed Assets Addition

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- a) Recording and payment for the acquisition of fixed assets shall be as per payment procedures.
- b) On delivery, the asset shall be classified, tagged and recorded in the fixed assets inventory register.

15.3 Accounting for Disposal of Assets

- a) The board of organization must approve disposal of fixed assets. No assets should be disposed of without the written authorization of the board.
- b) On the strength written authorization by the board, the management should invite public bids for the purchase of the asset.
- c) On receipt of minimum of three bids, the board should sit and adjudicate over the bids. On conclusion of the sale to the winning bidder and on the strength of the board disposal authorization and adjudicated bids, the finance manager and accountant shall prepare a journal to record the disposal and the bidder's indebtedness. The journal will include an adjustment for the revaluation if any.
- d) If the disposal is a cash sale, the Accountant should issue a general receipt.
- e) At the board discretion, an auction may be conducted. Cash proceeds from the auction should be treated as above.”

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BANK RECONCILIATION STATEMENT

Reconciliation of Account No. _____	as
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Balance as per our bankbook

Add: Checks issued but not presented
Check No./Date/Amount

Add: Interest not accounted for

Less: Checks deposited but not credited
Check No./Date/Amount

Less: Bank charges not accounted for

Balance as per bankbook

Explanation:

Bank reconciliation statement is prepared to ensure that the balance shown by our bankbook and the bank pass book (bank statement) tallies. It is done in the following way.

It commences with the balance as per our bankbook. To this, we add those checks, we have issued to suppliers etc. but which have not been presented for payment to the bank, by the suppliers.

Any interest that might be credited to our bank by the bank should also be added to our bankbook balance. Checks which we have deposited in the bank, but which are not yet credited by the bank to our account, have to be deducted from our bank balance.

Any bank charges or collection charges, which the bank has deducted from our account, has to be deducted from our bank books also to arrive at the balance statement as per the bank.

FIXED ASSETS REGISTER

List of Assets for.....						
Sl. No.	Description of Assets	Qty.	Date of Purchase	Make/Brand	Supplier Name	Value Per Pc. (\$)
1						
2						
3						

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Report Type	Description	Frequency	Source	Target
Cash Account	Shows cash receipts and Payments during the Month	End of each month	Finance/Accounts	Management
Cash Reconciliation	Shows reconciliation of physical cash count and cashbook balance	Daily	Finance/Accounts	Management
Bank Account	This report shows bank Receipts and payments	End of each month	Finance/Accounts	Management
Bank Reconciliation	Reconciliation of bank statement and cashbook balances	End of each month	Finance/Accounts	Management
Advances	Shows unsettled advances by staff at month end.	End of each month	Finance/Accounts	Management
Income and Expenditure	Shows transfers from HSLP/DFID and Expenditures	Every six months	Finance/Accounts	Management / Funding Agencies
Assets and Liabilities	Shows Assets value and and their financing	Every six months	Finance/Accounts	Management

Check/Frequency	Funding Agency	Finance Dept	Management
Spot Checks			
Cash count		*	
Physical verification of Fixed Assets	*	*	
Proper authorisation of payment vouchers		*	*
Monthly Checks			
Cash reconciliation		*	*
Bank reconciliation		*	*
Advance summary		*	*
Monthly Cash Forecast	*	*	*
Quarterly Checks			
Quarterly Cash flow statement		*	*
Physical verification of Fixed Assets	*	*	
Annual Checks			
One year Income and Expenditure report	*	*	*