

**ACCOUNTS-CUM-FINANCIAL  
MANUAL- 2014**

**Society for Direct Initiative for  
Social and Health Action**

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## **FOREWORD**

Accounts-cum-Financial Manual of an organisation encapsulates the best financial management practices and serves as tools of accountability and transparency.

In the year 2014, a financial stocktaking was conducted to have a relook at the rules, regulations, systems and procedures of financial management within the organisation. The exercise recommended for developing an elaborate Accounts-cum-Financial Manual.

This manual will help the organisation and its functionaries to appropriate their role more effectively in order to ensure accountability and transparency in accounting and financial matters of the organisation.

Secretary

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## **A: ROLE OF FINANCE DEPARTMENT & THE FINANCE TEAM**

### **1. The role of the Finance department is, among others :**

- i. To ensure proper and judicious utilization, maintenance and control of funds.
  - ii. To ensure availability of fund resources.
  - iii. To ensure the supply of reliable, accurate and timely information regarding financial matters to the concerned stakeholders and to the Governing Body.
  - iv. To provide information as regards cost effectiveness and use of funds and to ensure support for the preparation and monitoring of budgets.
  - v. Ensuring legal compliance as required under various acts including Foreign Contribution (Regulations) Act (FCRA) 1976, Income Tax Act 1961 and other necessary acts which are applicable for NPOs.
  - vi. Ensuring break up of yearly plans into Quarterly/Monthly/Weekly projected flows and reviewing such projections against actual. Further, targeted events/programs to be matched with actual on a weekly / monthly basis.
- 2.** The persons having completed graduation with commerce / Science background and skilled education on related software should be preferred for finance department.
- 3.** Every person of the Finance team need to undergo periodical training to upgrade his / her skills, refresh technical knowledge and keep abreast with improved systems.

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## **B: GENERAL ACCOUNTING POLICIES & FRAMING OF ACCOUNTING:**

### **1. ACCOUNTING PERIOD:**

Accounting Year of the organization is a period of twelve months starting from 1st April of one year to 31st March of the succeeding year. The reporting period of different projects as agreed with the donors may be different from the accounting year of the organization. It is recommended that a report for each funding arrangement to be made in accordance with the accounting period of the donor. However, to ensure preparation of the overall financial reports as per the accounting period, apportionment of financial transactions is to be done in a manner that this is rendered possible.

### **2. COMPUTERIZED DOUBLE ENTRY ACCOUNTING:**

The computerized accounts to be maintained according to the double entry system of accounting in Tally Software. This will be updated on regular basis.

### **3. METHOD OF ACCOUNTING:**

The accrual system of accounting is followed.

### **4. EXISTING REQUIREMENT:**

#### **4.1. Legal Requirements:**

- a. Under Societies Registration Act:** The organization is needed to follow the rules of Societies Registration Act and submit the return with necessary renewal every year accordingly.
- b. Under FCRA, 1976:** As per the provisions of FCRA and rules framed therein, organization is required to submit a statement of Receipt & Payment Account in respect of receipt and utilization of foreign contribution along with a balance sheet.
- c. Under Income Tax Act, 1961:** As per the provisions of Income Tax Act and rules framed therein, organization is required to submit the audited statement along with a statement of Income from different sources in timely manner.

#### **4.2. Donors requirement:**

Donors usually prefer and require the financial statement on cash basis. Irrespective of the system of accounts followed by the organization, the

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requirements of donors are fulfilled with adequate adjustments. Utilization certificates may be submitted to donors and to be certified by the statutory auditors wherever required.

#### **4.3. Relevance for NGO:**

The financial statements are prepared on the basis of matching principles. Under matching principles, while preparing the Income & Expenditure A/C, the costs are matched with revenues that have accrued during the period in order to determine the correct position of either the surplus or the deficit.

#### **5. LOCATION OF ACCOUNTS:**

Accounts are maintained at the Administrative Office where all supporting documents and books of accounts are kept and updated regularly.

#### **6. ACCOUNTING HEADS:**

This will be maintained on the basis of accounting heads as approved by the funding agencies as well as approved by the organization. It is therefore recommended that the expenditure should be linked to the activity. It needs to be sub-grouped on the basis of expenses.

#### **7. JOINT COST:**

**7.1** The costs which cannot be directly allocated to the individual projects are classified as joint costs.

**7.2** The joint costs are determined and allocated from time to time to the funded programs under implementation on the basis of the volume of each program and the utilization of such facilities by each project as per the policy of allocation approved by the board i.e. either the expenditure method or the Income method.

#### **8. RELATED RECEIPT:**

Basically it is generated for proper implementation of the programmes and it includes interest from bank, grants, donation, beneficiary's contribution etc. A pre numbered receipt must be issued whenever there is an instance of receiving any grant / donation / subscription etc.

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## **9. FOREIGN EXCHANGE FLUCTUATION:**

**9.1** The accounting records of the society are maintained in local currency. The entries for receipt of foreign grants are made based on the Exchange rate as has been actually realized. Generally as receipts are recorded on the basis of actual amounts credited, any other related problem is not envisaged. However, the difference of the remittance actually realized and the amount of remittance that would have been received based upon the Exchange rate considered at the time of finalization of budget should be determined and adequately decided upon by the management with concurrence of the concerned donor, if the need so arises.

**9.2** Donations in kinds to be taken into account on the basis of fair value of such kinds that can be obtained at arms length transaction.

**9.3** The balance of this account, if there is a gain, shall be utilized only on proper authorization by the concerned donors. Similarly in case of loss, necessary steps should be taken to have the corresponding funding arrangement for the deficit amount.

## **10. INTER PROJECT FUND BORROWINGS:**

Inter project fund borrowings are generally not allowed under any circumstances. However, instances of emergencies may arise on account of late remittance of grant from the funding agencies. Under such circumstances, such borrowing may be allowed only on temporary basis out of the temporary surplus fund and that too only after the approval of the Head of the Organization.

## **C. INTERNAL CONTROL SYSTEM:**

### **1. AS REGARDS CASH & BANK:**

#### **1.1 As regards Cash:**

**1.1.1** The cash book is updated daily and the box balance is physically verified regularly by the cashier and once in every week by the treasurer to certify the physical cash. The cashier will maintain cash book on a daily basis and record denomination of physical notes and coins held by him/her at the end of the day.

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This serves the purpose of the cashier's scroll book without duplicating efforts. **The sample of the Representation of Physical count of cash is enclosed as Annexure – I**

Payment is made against a duly authorized original document (bill/voucher) supported by relevant documents. In case of remote area and unauthorized slums where bill / cash memo is not readily available, the supporting document of the organization will be the acceptable accounting document and it has to be adequately authenticated by a person in charge of the project. Transactions are generally recorded the day they take place. **The sample of the Supporting Voucher) is enclosed as Annexure – II**

#### **1.1.2 Withdrawal of cash from bank:**

- a.** Based upon the monthly plan and the approved requisition from programme head, the cashier shall prepare a requisition for withdrawal of cash from bank.
- b.** The approving authority, on the basis of such requisition and duly certified by the Accounts department, shall sign the cheque for withdrawal of cash from bank. Adequate insurance coverage shall be taken for cash in safe and for cash in transit.

#### **1.2 As regards Bank:**

**1.2.1** Bank account is maintained in the name of the operators of the bank accounts under the joint signatories.

**1.2.2** A bank reconciliation statement is prepared every month.

**1.2.3** The operation and management of all the bank accounts of the organization are under direct supervision of signatories along with the treasurer.

**1.2.4** Bank book to be maintained for proper recording of persons/parties to whom cheques are issued and the purpose thereof. **The sample of the Bank Book Register is enclosed as Annexure - III**

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**1.2.5** In case of withdrawal of cash from bank the limit for the cashier individually is an amount up to Rs 200000. In case withdrawals exceed Rs 200000 an escort will be provided additionally.

**2. AS REGARDS RECEIPTS:**

Grants / donations / subscription/ contribution / income from investment / Bank Interest are accounted for only when they are received. **The sample of the Contribution Form is enclosed as Annexure – IV**

**2.1 As regards receipt of Grant:**

**2.1.1 Receipt through cheque:** Grant should be received in the name of organization. The grant should be received by the head of the organization or by any person authorized by the Governing board and pre numbered receipt to be issued for every grant received.

**2.1.2 Receipt through cash:** In case donations are received in cash it should be received by the head of the organization or by any authorized person. A pre numbered receipt to be issued for every donation and the same amount should be handed over to the cashier.

**2.1.3 Receipt through direct bank transfer:** In case donation / grant is received by an automatic transfer, a pre numbered receipt to be issued too along with a copy of the bank's credit advice.

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### **3. AS REGARDS PAYMENT:**

#### **3.1 Payments through Cheque:**

All payments in excess of **Rs 20,000/-** shall be made by cheques. However in case of exigency this may be waived by the Secretary. Account payee cheques are preferred; however, in case of the payee not having a bank account, bearer cheques may be issued. This should be allowed only occasionally.

- a.** It is mandatory to have the approval of the Secretary / Treasurer in case of making any payments. After such payments have been made, vouchers to be approved by the Head of the Organization.
- b.** The system of making payments after entries may be followed for its obvious benefits.

#### **3.2 Payments through Cash:**

Though it is always preferable to make payments in cheques, payments in cash cannot be avoided altogether. All payments made in cash have to be supported by original supporting documents or documents authenticated by the authority. Cash payments can be made only for amounts below **Rs 20,000/-** or in case of emergencies for amounts of **Rs 20,000/- or above**, if endorsed by the Secretary.

#### **3.3 Identification of Expenses:**

It is required that all the requisitions, vouchers and the supporting must specify the name of the funding arrangement / name of the programme, so that the expenses under a particular funding arrangement can be easily identified. It is also required that vouchers and the supporting after being paid must be stamped as **PAID** in order to avoid its re – use.

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#### **4. AS REGARDS ADVANCES:**

##### **4.1 Advance to supplier:**

Generally it is prudent to avoid making unfettered advances to suppliers without any adequate collateral. In case so required, all advance payments to suppliers have to be done by account payee cheque only after approval for the same by the Treasurer and if so specifically provided in terms of the order. Under no circumstances can cash be advanced to suppliers.

##### **4.2 Advance to staff for organisation expenses:**

Advance for more than Rs 100000 for any project work or Rs 30000 for personal reason will not be permissible. All request for advances above Rs 20000 for project work or Rs 5000 for personal reason should be made on the advance application form of the organization. Requests are to be made 5 days prior to the date of requirement. Such requisitions to be sanctioned by the Treasurer/Secretary in case of giving advance to the project coordinator and by the project co-ordinator in case of other staff. These are to be ratified by the Treasurer/ Secretary subsequently. All advances taken must be settled within the week or immediately after the completion of the event/program for which advance was taken. In case advances are yet to be settled, fresh advances cannot be taken unless specifically allowed by the Secretary or Treasurer. Each advance to be settled uniquely and cannot be adjusted with any other subsequent advance.

##### **4.3 Advances against project work:**

Its given only if there is no outstanding advance against the applicant. On completion of the activity for which advance is taken, the advance is to be settled and any balance returned. In case standing advance is allowed to any employee the ceiling will be fixed based on the requirement and status of the concerned employee. The same procedure has to be followed in case of material requisition.

- a. The Accounts Department must maintain an individual ledger for advance taken and its adjustment. A separate ledger and sub ledger

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should be maintained for advance **against salary** and advance **against project work**.

- b. It is to be ensured that, to the extent practicable, at the end of the financial year / project period, no advances are carried forward.

#### 4.4. Advance to Staff for Personal Requirement

In case of extreme need the members of the staff may be granted advance if the reason stated in the application appears justified by the Coordinators / Secretary. Such advance will be returned at the earliest or may be adjusted from personal payments / salaries by installments as agreed by the Organisation.

### 5. BILL PAYMENT PROCEDURE:

**5.1** Bills are submitted to the Accounts Department. Bills have to be submitted along with the original supporting documents duly attested by the receiver of the goods, that they have been received in good condition. A copy of the order is also attached with the bill mentioning the project/projects under which it is booked. Such bills are to be endorsed by the project co-ordinator /s in charge of the project/s for which the expense has been incurred.

**5.2** The accounts department checks the bill on the basis of the relevant documents, order copy and accorded approval and prepares the cheques for payment.

**5.3** Cheques are made out only in name of the supplier whose name is mentioned in the order. However, if the supplier is unable to produce the Bank Account number, the cheque may be issued in the name of the concerned supplier subject to recommendation of the project coordinator. Final approval will be given by the Secretary.

### 6. AS REGARDS FIXED ASSETS:

**6.1** Property and equipments purchased, either from own sources or out of grants and donations provided by funding agencies are stated at cost (historical cost). All costs incurred relating to acquisition of such assets are also capitalized when construction is complete and ready for use. Sufficient insurance coverage for the assets, wherever possible, should be taken. A

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separate Fixed Assets register should be maintained for Administrative head office. Fixed Assets register should be maintained incorporating therein details.  
**The sample of the Fixed Assets Register is enclosed as Annexure – V**

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**6.2** Sale & Disposal of property and equipment can be so made only after these have been identified and so authorized to be disposed/sold by the Managing Committee. After having been so identified, a fair valuation of the property /equipment of significant value to be made by an independent valuer. The process of valuation may be done away with in case of property/equipments with insignificant values. After such valuation, sealed quotations to be sought from interested parties. This may even be advertised through tendering in case of property/equipment of significant values. In such cases parties may be given the opportunity to examine the property/equipment being proposed to be disposed/ sold. The purchase committee will vet the offers and the award to be made to the highest bidder.

**6.3** Transfer of Fixed Assets from one location to another location may be made on the basis of a Transfer of Asset memo. A copy of such a memo to be retained by the transferor and a copy to be sent to the transferee unit and also to Head Office in case it is neither the transferor /transferee. The memo will include details as appearing in the Asset Register along with a recording of the approver of such a transfer. Adequate notings to be made in the Asset Register too. **A sample of the Assets Transfer Memo is enclosed as Annexure – VI.**

#### **6.4 Fixed Assets Accounting**

- a.** All Fixed assets exceeding Rs. 5000/- are to be purchased by the Purchase Committee for which at least 3 quotations are required. If technical advice is required for selecting assets, it is to be taken from appropriate person. Land and property and assets of significant value are to be procured after consideration and approval by the Governing Board.
- b.** All costs incurred to bring assets and to startup the assets e.g. freight, cartage, duties, installation cost etc. should be added with the cost of purchase and capitalized with the corresponding asset account. All new assets purchased to be given a unique identification number and entered into assets register with due valuation.

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- c.** The rate of depreciation charged to the assets acquired is the rate/s prescribed by the Income Tax Act, 1961 for similar assets.
  - d.** Assets to be physically verified periodically in a manner that all assets are so verified at least once a year. The scrap assets should be sold after fixing a valuation. The list of such assets scrapped to be approved by the managing committee.

## **8. AS REGARDS BOOKS OF ACCOUNT:**

### **8.1 Cash Book:**

The books of Accounts are maintained on the principles of fund accounting and the organization specifically maintains separate books of account for each project. Computerized Double Column Cash book is maintained separately for the following two sections. A consolidated cash book is, however, maintained to reflect transactions under these two separate sections.

- a. Foreign Contributions:** - For recording the transactions out of the foreign contribution with complete identification for each fund arrangement so that income, expenses, corresponding assets & liabilities, opening & closing balance of each funding arrangement is easily identifiable.
- b. Non Foreign Contributions:-** For recording the transactions out of the domestic grant including Government & private, with complete identification for each funding arrangement so that income, expenses, corresponding assets & liabilities, opening & closing balance of each funding arrangement is easily identifiable.

### **8.2 Ledger:**

Computerized General Ledger is maintained for all the projects being implemented. Project Wise Ledgers are maintained to facilitate project reporting.

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## **9. STOCK REGISTER:**

**9.1** Purchases are made on a centralized basis as required by the projects and these are charged to the projects as expenses. The Stock Register is maintained for items like stationary, medicines, books and education materials.

**The sample of the Stock Register is enclosed as Annexure – VII.**

**9.2** All purchases are entered into the register on the date of delivery of the items. A record of the same is kept.

**9.3** All issues from stock are supported by issue notes. Entries in the register are made on the date of issue of stock. Records of the issue notes are maintained.

**9.4** Verification of stock is conducted periodically and for certain items stocks are maintained at pre-determined levels.

## **10. DEPRECIATION:**

Depreciation is provided on written down value method at rates as per Income tax Act. Depreciation on assets procured either for specific projects or from own sources are all provided from own account and not charged to the projects for which such assets have been procured.

## **11. VOUCHERS:**

Separate Vouchers are maintained for each project.

### **11.1 Debit Vouchers:**

All payments have to be supported by vouchers along with proper support documents. The vouchers should be endorsed by the project in charge or in his absence by any authorized person supervising the project. The voucher has to be approved by the Secretary / Accountant after the endorsement by the project in charge.

The vouchers include the details of amount, project name, approved head of expenditure, date, purpose, and nature of expenditure for easy reference

- a.** The vouchers are filed serially
- b.** All debit vouchers are yellow in colour. Document will be used as supporting to the main voucher. **The sample of the Debit Voucher is enclosed as Annexure – VIII.**

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## **11.2 Credit Vouchers:**

All receipts in the form of donations, collections, income and grants are to be supported with a credit voucher,

- a.** A register is maintained which incorporates details of donor name, Cheque /draft number, the project for which the fund is received and the date of receipt.
- b.** Numbering of Vouchers is generated by the computer itself in Tally Package. **The sample of the Credit Voucher is enclosed as Annexure – IX.**

## **11.3 Journal Vouchers:**

All the rectification entries are passed through Journal vouchers. **The sample of the Journal Voucher in light blue colour is enclosed as Annexure – X.**

## **12.PROJECT BALANCE RECONCILIATION:**

**12.1** At the end of specific periods, projects balances are drawn and reconciled.

**12.2** Such project balances are reviewed and reconciled with available physical balances.

**12.3** In case of differences, these are taken up and settled immediately. In such cases a short note explaining the issue should be kept with finance department after obtaining approval of Treasurer / Secretary.

## **13.INSURANCE:**

**13.1** Assets of the organization are adequately insured.

**13.2** Cash in Insurance coverage - in office custody Rs. 2,00,000/- and in transit Rs. 50,000/-

## **15.PURCHASES:**

**15.1** Generally all purchases above Rs. 10,000/- are required to be made through the Purchase Committee.

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**15.2** Such a Purchase Committee to be adequately represented by the user departments and finance and administrative personnel.

**15.3** After receiving the requisition slip from the accounts department the purchase committee appointed by Managing Committee issues a notice inviting quotations from at least 3 parties through different cost effective method. If so desired, for greater transparency and to obtain more competitive rates, advertisement may be made in the newspaper to invite quotations or it may be so invited by putting up a notice in the Notice Board. Even to solicit quotations, this may be so done by seeking individually from a number of parties with reputation in the line of articles so solicited. An approved suppliers list is to be maintained for the items that are generally likely to be procured.

**15.4** Based on the quotations received, a screening process is conducted by purchase committee.

**15.5** In the first pass all suppliers who are considered to have met the required quality standards are short listed.

**15.6** In the second pass the supplier with the most competitive rate is selected from the list formed in the earlier pass .The approval of the supplier should be submitted to Accounts.

**15.7** All selections so made, to be considered by the purchase committee as well as additionally by the management in case of purchase of significant value.

**15.8** In case the supplier with the most competitive rate is not so selected, adequate rationale for not doing so should be recorded and agreed to by the members of the Purchase Committee.

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#### **D. BUDGET AND BUDGETARY CONTROL**

Budget for the financial year is drawn up for the organization as a whole and approved by the Governing Body. This budget consists of projections for projects that are expected to be executed/ implemented during the financial year and also for non project activities/ expenditure that are to be met from own sources and not funded by any specific project.

Project coordinators are required to present budgets for the financial year within the month of February preceding the relevant financial year. Budgets are presented for projects that are certain to be executed. This includes those that are most likely to be approved and implemented within the financial year. While preparing the budgets, only the part that falls within the financial year is considered. In case of continuing projects, over-expenses/ under-expenses of the projects included in the budgets are *reckoned* and taken into consideration while preparing the overall budgets of the units. All expenses that are not covered by any specific project and are basically institutional in nature are included under the Account Head "Establishment".

A master budget is also prepared consolidating all the project budgets, budget for income generation and for unrestricted funds.

The monthly cash flow statement is prepared and the variance statement of budgets over actual for each and every project is prepared, analyzed and corrective actions taken. The monthly variance statement is also discussed with the project staff and the finance staff along with the Treasurer and the Secretary.

- 1.** It is recommended the adequate linkages should be made in order to monitor the expenses and to assess the cost effectiveness of the expenses.
- 2.** A report should also be prepared linking the financial expenditure with the quantity of activity undertaken and its comparison with the budget.
- 3.** The expenses incurred should also be linked with the control register like Log Book and the operational register like Training Register and also with the utilization records like Muster Rolls.

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## **4. MEANING OF VARIOUS TERMS:**

### **4.1 Control Register:**

A register which is maintained in order to control the utilization of consumables or services like log book for consumption of fuels (which is available printed in market), telephone call register to record the telephone call.

### **4.2 Operational Register:**

A register which documents the attendance of persons in one particular programme duly authenticated by the participants and also by resource persons or other independent authority, as decided upon.

### **4.3 Utilization Record:**

The registers which are maintained to document the distribution of materials.

## **E. REPORTING**

### **1. INTERNAL REPORTS:**

These reports are prepared for the purpose of internal use of the management to facilitate the monitoring and controlling of the operations of the organization.

The internal reports may consist of the following:

- a)** Monthly Project wise Receipt and Payment A/C;
- b)** Project wise periodical budget variance analysis;
- c)** Statement of Project balances reflecting the financial status of each and every project.

### **2. SPECIAL PURPOSE REPORT:**

It includes Donors Report and as per the donors needs, these are to be prepared and submitted to the donors in time.

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### **3. STATUTORY REPORT:**

These reports are prepared as a statutory requirement. These reports include:

- a)** Report to the Home Ministry as required under Foreign Contribution (Regulation) Act 1976.
- b)** Report to the Income Tax authorities as required under Income Tax Act 1961.
- c)** Report under the Societies Act to the Registrar of Societies. This includes:
  - i.** The Annual Income and Expenditure Account
  - ii.** The Annual Receipts and Payments Account
  - iii.** The Balance Sheet
  - iv.** The Auditors Report.

The above annual accounts are prepared in 3 stages,

- i.** Foreign Contributions (FC)
- ii.** Non Foreign Contributions (NFC)
- iii.** Consolidation of FC & and NFC

### **4. GENERAL PURPOSE FINANCIAL STATEMENT:**

**4.1** General purpose financial report is the consolidated financial report of the organization as a whole.

**4.2** The preparation of consolidated report is much essential as this gives the consolidated overview of the finance of the organization and can be shared with the Board and also with interested parties.

**4.3** This report should give an overview of the Receipt & Payment Account, Income & Expenditure Account and Balance Sheet.

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## **E. AUDITING**

The accounts of the organization are subject to audit as required under the Societies Act, Foreign Contribution (Regulation) Act and Income Tax Act.

It is to be ensured that only one firm of chartered accountants should be appointed for the statutory audit and a management letter should be obtained from the statutory auditor and the same should be placed before the board for their necessary consideration after such stature is over. Additionally based on necessity, management audit or internal audit may be undertaken.

## **F. OTHERS**

### **1. SAFE CUSTODY OF RECORDS:**

#### **1.1 As regards safe custody of records:**

There is no time limit prescribed under FC (R) Act and Income Tax Act for preservation of records. Hence it is recommended that the accounts both in hard / soft copies would be kept for a period of at least 8 years.

#### **1.2 As regards statutory payments & important agreement:**

All the agreements like rent agreement, funding agency agreement, agreement with professional / technical etc. should be kept separately at Administrative Office. All the supporting in relation to the payments by way of Taxes, Insurance, Electricity payment etc. should be kept in a separate file and a photo copy should be used for accounts purpose.

### **2. STATUTORY ISSUES:**

The organization should have renewed its registration under the Societies Registration Act, Income Tax Act and FCRA Act etc. It must file all the statutory returns within the due date as provided under the various regulations as applicable.

### **3. TENDER PROCEDURE:**

In case of activities requiring tendering, for purchase of more than Rs. 50,000, the following steps to be taken:

**3.1** The tender committee to be formed by the Secretary and not to exceed 5 members of whom at least one to be a female member.

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**3.2** The notice to be put up in the board or issued in the news paper to be drawn with sufficient details and adequate unambiguous specifications and terms.

**3.3** Tenders to be submitted under sealed cover within a stipulated date and opened by the members at a predetermined date.

**3.4** Technically qualified parties to be short listed after verifying all credentials.

**3.5** Rates obtained to be reviewed and the party to be chosen on the basis of lowest evaluated quote.

#### **4. REIMBURSEMENT:**

In case of any expenditure to be reimbursed, the original supporting document to be required. For e.g.

**4.1** In case of Railways, the ticket in original or photo copy has to be presented.

**4.2** In case of Air travel the boarding pass has to be preserved and presented.

#### **5. SALARY:**

**5.1** Salary will be paid on the 28th of every month. Salaries above **Rs 3,000/-** will be paid by cheque. To ensure timely payment of salary, preparation of payroll / salary sheets / vouchers are to be prepared in time and approval accorded thereof

**5.2** Computerised Salary slips may be issued to the staff.

**5.3** Statutory and other deductions made are to be deposited with the authorities in time.

#### **6. TAX DEDUCTED AT SOURCE AND DEPOSIT:**

Where applicable, tax is to be deducted at source for payments to suppliers / salary payments to employees at the applicable income tax rates and such amount to be deposited into bank. Deduction, deposit of T.D.S., issuance of certificates and returns submitted with the statutory authorities thereof is made with Income Tax Act. In this respect following practices are followed:

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**6.1 In respect of deduction of Income tax from salary:** Where an assessee (employee) is appointed during the financial year, She/he is required to furnish either Form 16 or salary certificate for salary received from other employers/s during that financial year or a declaration of any other income received during that financial year from all other sources that is to be considered in computation of his estimated tax liability and monthly deduction of tax.

**6.2 In respect of no deduction of Income tax from salary or in any other payments or in case tax to be deducted at a rate lower than specified under the Act, following applies:**

Where no tax is to be deducted from any payment or tax is to be deducted at lower rate the assessee has to submit such appropriate certificate issued by the assessing officer authorizing the payer to make the payment without deduction of tax at source or to deduct tax at a lower rate.

**6.3 In respect of deduction of Professional Tax:**

The amount of professional tax will be deducted as per slab mentioned in the Government rules.

**6.5 Deposit of T.D.S. including mode there of:**

The amount of T.D.S. deducted during the financial year is to be deposited vide a cheque within the prescribed due date accompanied by income tax challan.

**6.6 The T.D.S Certificate:**

The certificate is issued to the Payee / employee in prescribed forms within prescribed due dates. Certificate can be issued within 1 month from the end of financial year.

Date.....

**Representation of physical count of cash**

Cash Scroll		
Note	No	Amount
1000	5	5000.00
500	6	3000.00
100	3	300.00
50	6	300.00
20	0	00.00
10	0	00.00
5	1	5.00
2	2	4.00
1	0	00.00
0.50	0	00.00
	Total	

\_\_\_\_\_  
Signature of Verified by

\_\_\_\_\_  
Signature of Accountant

**Annex – II**  
**Sample of Supporting Voucher**

<b>SUPPORTING VOUCHER</b>			<b>Project Seal</b>						
Name & Designation									
Date	Purpose	Particulars / Items	Mode	Days	Qty.	Rate	Amount (Rs.)		
Rupees (in word)							Total		
Sanctioned by		Submitted by		Checked by			Receiver Signature		

**Sample of Bank Book Register**

Sl. No.	Date of Issued	Name of Party	Cheque No.	Amount	Purpose	For which Project	Date of Clearance
01	01.12.09	Mr. A	230846	5000	consultancy	A.A.I	10.01.08
02	08.12.09	Mr. B	230847	2100	Rent	A.A.I	15.01.08
03	12.12.09	Mr. C	230848	384	Courier charges	UNCEF	20.01.08
04	26.12.09	Mr. D	230849	30000	Car hire charges	SCF	29.01.08

**Sample of Contribution Form**

Name of the Staff/Volunteer..... Unit No. ....

Date of Issue..... Date of

Submission.....

Sl.No.	Name of the Organisaition & Friends	Address	Education for a child for a day Rs.5/- (approx)	I want to support No. of .....children
01	Mr. A		50.00	10 children
02	Mrs. B		120.00	24 children
03	Mr. C		150.00	30 children

Date.....

Signature of staff/volunteers

No.

TRANSFREE COPY

**Sample of Assets Transfer Memo**

Date of Transfer	Name / Classification of the Items		Quantity
Identification Number	Value at the time of Transfer	Existing Location	Proposed Location
Purpose of Transfer.....			
<div style="display: flex; justify-content: space-between;"> <span>_____</span> <span>_____</span> <span>_____</span> </div> Sanctioning Authority      Transferor Signature      Transferee Signature			

**Sample of Debit Voucher**

			Project Seal
<b>Date</b>	<b>Debit Voucher</b>	Number	
Paid to :			
Account Head	Bank / Cash	Particulars	Amount (Rs.)
Rupees (in word)		Total	
Secretary	Treasurer	Accountant	Signature

**Annex –IX****Sample of Credit Voucher**

			Project Seal	
<b>Date</b>	<b>Credit Voucher</b>	Number		
Received from:				
Account Head	Bank / Cash	Particulars		Amount (Rs.)
Rupees (in word)		Total		
Secretary	Treasurer	Accountant	Signature	

**Annex – X****Sample of Journal Voucher**

			Project Seal	
<b>Date</b>	<b>Journal Voucher</b>	Number		
	Account Head	Amount (Rs.)	Amount (Rs.)	
Debit	1			
	2			
	3			
Credit	1			
	2			
	3			
Rupees (in word)		Total		
Narration				
Secretary	Treasurer	Accountant	Signature	

**FIXED ASSETS REGISTER**

Classification of Asset \_\_\_\_\_

Sl.No.	Brief Discription of Asset and Identification Number	Location	Date of Purchase	Voucher No. & date	Suppliers Name, Bill No. & date	Cost	Installation and Other Charges	Total Cost

(FRONT SIDE)

DEPRECIATION					Sales / Transfer Adjustments	Total Depreciation claimed till date of sale etc.	Profit / Loss on sale etc.	Physical Verification		Remarks
Year	Nominal Depreciation	Double Shift Depreciation	Total Depreciation	Cumulative Depreciation				On date	By whom	

(BACK SIDE)

**Sample of Stock Register**

Name of Articles:

Month & Date	Particulars	V. No.	Opening Stock	Receipt Quantity	Issued Quantity	Closing Stock	Remarks ( Recipient Signature )