

FINANCE AND ACCOUNTS MANUAL

(Version 2021)



JAN VIKAS SAMITI

Christnagar Post, Varanasi, UP, India

Version 4

Effective from April 2021

Approved by : Governing Board- Jan Vikas Samiti (JVS)

Proposed by : Finance & Administration through Executive Director

Applicable to : All Personnel at JVS, (Staff, Consultant, Volunteers anyone, who signs work/Professional agreement with JVS)

Contact : Executive Director/ HoD Finance & Administration

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1.Introduction to Jan Vikas Samiti

Jan Vikas Samiti (JVS) is a registered organization under the Societies Registration Act 1860 in 1997-98. Since its inception JVS has been working for the integral development of the marginalized and underprivileged sections of the society, particularly women, children and persons with disabilities.

Vision

We visualize an inclusive, just and humane society based on the values of equity, justice and freedom.

Mission

Empowerment of the marginalized, including women, children and persons with disabilities, through a process of sensitizing and organizing for socio economic up-liftment.

1.1. Registrations and Legal Status

Registration under Societies Registration Act

JVS has been registered under the section 21 of Society's Registration Act 1860 with the registration number 963 of 1997-98 and renewal number 2142 of 2017-18

Registration under Foreign Contribution (Regulation) Act

JVS has been registered under the section 6 (1) (a) of the Foreign Contribution (Regulation) Act 1976 with the registration number 136760090 dated 13 March, 2002

Registration under Section 12A of Income Tax Act 1961

JVS has been registered under the section 12A of the Act with Registration Number 847 of 2002-03

Registration under Section 80G of Income Tax Act 1961

JVS has been registered under section 80G of the act with registration number 1065 of 2003-04 and renewed later by number 241/2008-09/1784

PAN (Permanent Account Number)

JVS has PAN with Number **AAATJ3375M**

TAN (Tax Deduction Account Number)

JVS has TAN with Number **ALDJ00720G**

2.Introduction to Manual

This Finance and Accounts Manual will serve as guideline those engaged in execution of finance & accounts function of the organization which will describes the accounting policies, systems and procedures to be practice by the organization to maintain high standards of financial accountability and transparency.

The manual has been developed based on the generally accepted accounting principles in India. The manual will ensure that the organization's books of accounts are prepared to confirm to sound accounting principles and practices to enable the management to obtain accurate, regular and timely financial reports, thereby promoting sound financial management to ensure correct use of funds and other resources of the organization.

2.1. The Objectives of this Manual

- To be used as a reference document by the staff, management, auditors and other stakeholders of the organization for the effective execution and management of financial activities.
- To clarify the roles and responsibilities of the different authorities and personals involved in the operations of the organization.
- To detail the operation and administration procedures for input, processing, output and distribution of data to ensure security of financial data and documents.
- To assist to generate accurate and reliable financial reports to enable management to perform effective control over the operations of the organization.
- To provide guidance to all the staff of accounts and finance for smooth execution of their duties.

2.2. Users of manual

- The Governing Body of JVS
- The Executive Director, The Assistant Director, the Finance, Program and all other Staff/volunteers of the organization
- The Statutory and Internal Auditors
- The Financial Advisors
- The procurement committee
- Staff and volunteers at different sub-center of JVS where projects are being directly implemented under JVS

2.3. Financial laws and regulations

- The financial operations of the organization are governed by the existing laws and financial regulations of the country and the organization.
- These regulations may be varied from time to time as approved by the JVS Governing Board which will be circulated as and when changes take place.

2.4. Amendment to the manual

Any amendments to the manual shall be carried out only with the approval of the Governing Body of JVS on recommendation from the Finance Management/External Consultant/Executive Director. When the changes are approved, the revised version of the manual will be printed with the approval date. The old version will be withdrawn from circulation & stamped absolute. Circulation of the manual outside the organization should be done only with the explicit approval of the Executive Director/Finance and Accounts Manager. All queries on the interpretation of this manual or any matters not covered should be addressed to the Executive Director/Finance and Accounts Manager.

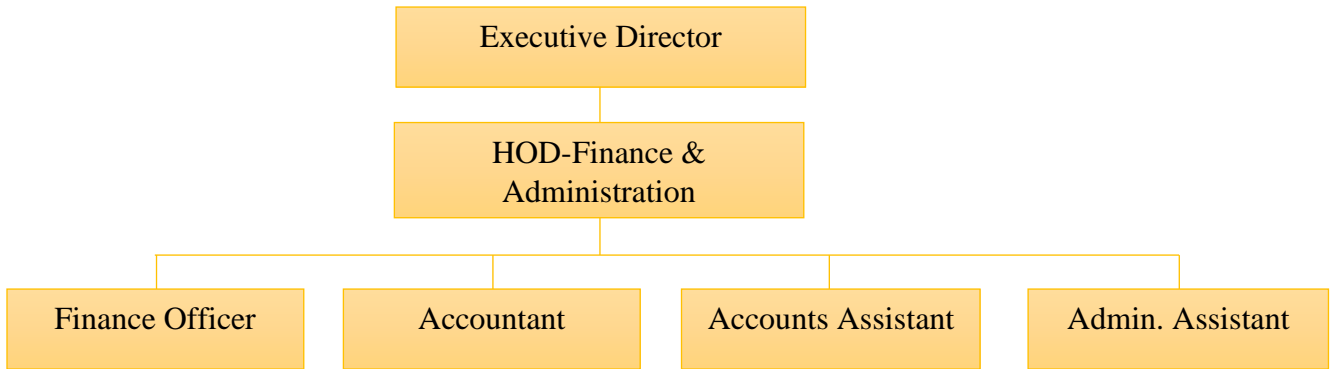
2.5. Circulations and Control

The Finance and Accounts Manual is to be circulated and should be oriented to all the staff in the organization by the Finance and Accounts Manager. When changes are made and approved by the Governing Board, the revised version (part pertaining to the changes) would be circulated to all the staff with the approval date. With this the old version or part thereof would cease to exist.

2.6. How often and how will this Manual be updated?

There is no fixed schedule for updating this Manual. Updates will be carried out when necessary, rather than on a certain timetable. The updates will be made based on the change of organizational financial policies as well as the amendments of rules and regulations by the government in the respective Acts and Laws that are applicable to the organization.

3. Organizational Structure for Finance Department



The structure can also be Found in the Organizational Structure and Job Descriptions Section of this Manual.

4.Roles and Responsibilities

4.1. Governing board

The Governing Body of JVS oversees the organization on behalf of its stakeholders. The G.B has ultimate legal, moral, and financial responsibility for the organization in all aspects. Not all the G.B members are involved in the day to day activities of the organization; however, the board is aware of and plays a responsible role on the below aspects:

- Making sure that funds are used effectively for the purpose it has been received.
- Making sure that the organization has enough funding to carry out its activities.
- Making sure that the organization has effective senior management
- Making sure that the organization operates within the law and the statutory requirements of the country
- Making sure there are no conflicts of interest between the organization's operations and G.B members' work or business interests
- Reviews and approves the annual budget and financial statements
- Reviews and advises executive director on internal controls, accounting policies and procedures

4.2. Executive Director

- Responsible for the fiscal integrity of Jan Vikas Samiti.
- Propose annual budgets and submit financial statements for the approvals.
- Responsible for fiscal management that generally anticipates operating within the approved budget, ensures maximum resource utilization, and maintenance of the organization in a positive financial position.
- Responsible for fundraising and developing other resources necessary to support mission of the organization.
- Approves all financial reports to the funding agencies and other stakeholders.
- Approve all the financial transactions of JVS
- Approves and signs all contracts/agreements on behalf of JVS.
- Approves all grant submissions and grant approvals.
- Jointly Approves bank account operations
- Execute all legal documents on behalf of JVS
- Ensures the policies
- Oversees the adherence to all internal controls

4.3. Duties of (Finance & Accounts Manager)

The is responsible for providing financial advice and support to enable to make sound decisions in framing financial policies. He will be responsible for the efficient and effective management of the financial resources of the organization and for the development and maintenance of the necessary systems to safeguard the assets of the organization. The responsibility includes: -

- Providing and interpreting financial information;

- Review and Manage budgets;
- Monitoring and interpreting cash flows and predicting future trends;
- Developing financial management mechanisms to improve financial management to minimize financial risk;
- Liaising with auditors to ensure annual monitoring and auditing is carried out;
- Developing external relationships with appropriate contacts, e.g. auditors, bankers and statutory organizations;
- Producing accurate financial reports to specific deadlines for the managerial purpose;
- Keeping abreast of changes in financial regulations and legislation.
- Verifies all the financial transactions including bank reconciliation statements.
- Verifies all reimbursements and fund transfers
- Oversees the petty cash management and periodical physical verification of Cash
- Monitors grant reporting and appropriate release of restricted funds
- Oversees the physical verification of fixed assets and makes recommendations for asset retirement and replacements.
- Ensure that project accounting is carried out as per the donor requirements.
- Ensuring safe custody of cash/cheques and other assets and other financial/legal documents of the organization;
- Ensuring submission of monthly cash flow and budget variation statements to the executive director for the management purpose.
- Ensuring that training and skills development of financial staff is carried out.
- Being a key point of contact for other departments on financial and accounting matters

4.4. Duties of Finance Officer /Project Finance Officer

Finance Officer is a person for assisting the Finance and Accounts Manager for effectively carrying out the day to day financial activities of the organization. He/she must see that all organizational money or other assets entrusted to him/her are under the safe custody. Having financial responsibilities in connection with his/her official duties the responsibilities include;

- Assisting in preparation of budgets
- Mange all payrolls and personnel files
- Maintain records and receipts of funds/grants
- Preparing project financial statements
- Prepare and processes all inter-account bank transfers, payment to parties, and release of project funds to the implementing partners.
- Processing invoices and vouchers
- Maintain financial records of all inward and outward fund transfers.
- Make sure all financial transactions are done in accordance with the organizational policies;
- To see that all books of accounts, registers, records etc. are maintained in accordance with accounting instructions, budgets and financial regulations of the organization.
- Ensuring submission projects cash flow statements and variation statements to the HOD FINANCE for the management purpose.

- To prepare and submit any financial statements required by HOD FINANCE;
- To ensure that no payment is made without approval for the same.
- Ensure that project accounting are carried out as per the donor requirements.
- The Finance officer should prepare monthly comparison between the actual and budgeted amount, and submit it to the Lead Finance and Administration.

4.5. Duties of Accountant

- Prepares receipts and payment vouchers
- Overall responsibility for data entry into accounting system and integrity of accounting system data
- Processes invoices and prepares checks for signature
- Makes bank deposits
- To collect information and prepare payroll payments for employees.
- Maintains general ledger
- Prepares monthly financial reports as per instruction from the finance officer/HOD FINANCE
- Reconciles all bank accounts
- Manages Accounts Receivable and payables
- Maintain bills and voucher files
- Maintain files and other financial records related to the projects and programs

4.6. Duties of Non-finance staff

All non-finance staff has their own due responsibilities for the effective management of the organizational financial activities. The major financial responsibilities include:

- To ensure that all the programs are conducted in accordance with the prescribed and approved budget and the financial policies of JVS;
- To ensure that all the financial obligations are met for any program or activities of JVS;
- To make sure the safe custody of any money or assets of JVS entrusted to them;
- To follow the financial instructions and procedures for the smooth functioning of the financial department.
- To comply with all the documentation related to the financial management.

4.7. Audit inspection duty officers (Internal Auditors)

Audit inspection duty officers are appointed or entrusted by the management to ensure the internal control of the financial operation of the organization. The internal audit will be conducted at least once in a year and if required periodical audits will be conducted as per the need. The internal auditor/ Inspection officers will be appointed or entrusted by the Governing board/President/Executive Director of the organization.

Their major responsibilities of the internal auditors are as follow:

- The Internal Auditor is responsible for regular and deep checks of the financial operations of JVS.
- Internal auditors will make sure that all the financial operational are done in accordance with the financial policy of JVS and as per the legal and statutory requirements by the government.

- Internal auditors will review the organizational system for complying with the statutory requirements by Government
- Internal auditors will submit a detailed report of their assessment with their findings, suggestions for improvement etc.
- Internal Auditors may recommend system/procedural changes to management but has no authority to direct management/subordinate staff to carry out any changes in the financial operation of JVS.

5. Financial Policies

Financial policy is a tool as well as a measure for the standards of accountability of JVS. JVS's financial policy enables the fulfillment of the vision of JVS. The nobler the vision the higher the standards of accountability will be. The financial policy of JVS is its guiding light and if it is to be implemented and correctly translated into reality, proper systems and procedures have to be evolved and practiced.

Guiding principles of JVS financial policy

- Being accountable to the donors
- Securing future
- Eliminating fraud and theft
- Making productive decisions
- Achieving objectives
- Enhancing credibility

Being accountable to the donors:

JVS strive to be accountable to the donor agencies and individuals who support our cause. With proper systems in place JVS keep track of the expenditures and submit timely reports to them. This would lead to enhanced trust between JVS and the donor, thereby increasing the chances getting a continuous support from them. Irrespective of the size of funding JVS will give due importance in managing such funds in a careful manner. Furthermore, these finance systems will also help JVS maintain financial reports and comply with regulatory bodies as per the need.

Securing future:

The present financial condition of any organization determines its future. In a similar manner, JVS will adopt sustainable use its resources. This simply means that JVS will spend in present ventures, keeping in mind the future.

Eliminating fraud and theft:

With complete financial planning, coordination, monitoring and internal controls, JVS will prevent Malpractices and illegal deeds such as overuse of resources, fraud and theft.

Making productive decisions:

With sound financial management, JVS will make more productive decisions concerning resource allocation, fund raising, fund mobilizing and other undertakings.

Achieving objectives:

Organizing finance is the key to the organization and its employees to reach its aim and fulfill purpose of its existence. These policies and procedures, which are related, will enable to take suitable decisions towards successful achievement of its set goals and objectives.

Enhancing credibility:

By framing well defined financial plans and managing within those plans JVS will earn good reputation within its community to improve the current position and look forward to gain trust, faith and reliability in the sector.

6.Planning and Budgeting

6.1. Planning

6.1.1. Need for Planning

JVS has a vision, which must be translated into reality. JVS is based on certain values of service to humanity and it will be a regular practice for them to go to through a process of vision building and making a mission statement. JVS will plan for the future with wisdom and foresight, so that the mission can be fulfilled in the most economical way within the least time limit.

6.1.2. Significance of Planning

The Finances of JVS will become healthy only if the same is used for the planned activities of JVS to achieve the objectives and finally to serve the vision, therefore financial planning at JVS will be done periodically and as per the need. Every financial plan includes budgeting as part of it to become to its fullness keeping in mind the vision of the organization.

6.2. Budgeting

Budgeting is an important tool for planning the finances of JVS. Organization will follow Budgeting with a corporate approach since there are many departments, which incur expenses. Therefore, the finance department will propose the budget estimates by consolidating estimates received from different projects/departments//units/regions etc.

6.2.1. Annual Budgeting

For constructing any of the budgets, the following steps will be taken care of: -

- Estimating the income/receipts general as well as of different project funds
- Estimating the expenditure/payments, General as well as of different project expenses.
- Reviewing the previous two years income and expenditure pattern
- Arriving at the surplus/deficit in either case, plan how to use the surplus or manage the deficit.

The annual budget of the organization will be prepared based the below four aspects that would be applicable for the well execution of the various projects/program.

6.2.2. Staff Salary (Personnel) Budget

Under this budget head we will determine various staff positions at Various Projects/Programs as well as staff at administrative level that will help in determining the personnel cost for the year.

The Staff Salary (Personnel) budget will be prepared in two natures;

(1) Staff Salary (Personnel Cost) that is directly related to the program (the entire program and its activities). This budget will be referred as **Program Personal Cost.**

(2) Staff salary (Personnel Cost) that is related to the management of the funds (Finance & administrative staff). This budget will be referred as **Administrative Personal Cost.**

For both the natures of salary, the actual salary payable during the year to the staff will be calculated giving all details of the salary components such as Basic, DA and Other allowance etc.). Separate sheet for each individual employee by his/her name will be prepared to forecast the salary budget to substantiate to the annual budget.

6.2.3. Capital Budget

Capital Expenses (non-recurring expenses), at JVS will be the acquisition of new assets like equipment, furniture, vehicles, land and building and/or additions to building etc. These assets will require substantially large resources. Resources will be invested in capital assets only if they are required for the objects of JVS.

Capital Assets will be presented and in the financial statement in two categories, (1) Assets acquired from and for the projects (2) Assets acquired from the general fund for the purpose of the organization.

6.2.4. Programs/Activity Budget

Under the overview of the program budget, all the project activities of the various projects will be considered. This will forecast the entire program budget of JVS for the financial year.

6.2.5. Administrative and Other Establishment Budget

The administrative budget will include all the costs of establishment maintenance, legal and professional costs, office and premises maintenance, printing and stationery, travel and transportation for administrative purpose, vehicle running and maintenance for administrative purpose etc. The administrative expense controlled within the provisions under the rule 5 of the FCRA rules 2020.

- The Finance department will consolidate all the estimates of various projects/units/departments for the following year and present before the finance committee.
- The Finance Committee will review the budget and make such comments as they consider necessary to include in the annual budget.
- The final budget after considering necessary comments from the finance committee will be forwarded to Executive Director by the .
- The Executive Director after incorporating his inputs and final comments considering the broad objectives of JVS will present the final version to the Governing Board of JVS for the approval of the same.

Annual Budget approval process & time frame

Particulars	Due Date	Responsible Dept.	Submitted to
Annual Budget first draft	10 th February	Finance	Finance Committee
Reviewed 2 nd draft budget by Finance Committee	15 th February	Finance Committee	Executive Director
Reviewed final draft by Executive Director	On or before 25 th March	Executive Director	Governing body

6.2.6. Budget monitoring – budget comparison and revision of budget

The budget, however, provisionally prepared, will be a futile exercise if the same is not monitored periodically. Finance department will monitor the budget on a monthly basis as per the format and the procedure recommended earlier and if required the budget could be revised based on half yearly expenses. Monthly/Quarterly project/program/cost center wise budget comparison will also be made for the close monitoring and better internal control.

6.2.7. Budget Modification

The annual budget may require modifications during the course of the year due to any changes in the programs. When changes take place, the HoD-Finance will present a report indicating the significant changes in the facts or assumptions underlying the current budget to the executive Director. If appropriate, the executive director should propose the modifications in the budget to the Board and should get it approved by the board.

6.2.8. Charts of accounts

Chart of accounts at JVS will be a list of accounts agreed based on the organization Vision and Mission as well as the activities in the projects/Programs. All the expenditure will be classified under the agreed head of account by the project contracts. Both the heads of accounts and the description on the nature of expenditure under each head will be agreed and not to be charged without proper authorization. In short the budget heads will be integrated with chart of accounts.

7. Accounting and Record Keeping

Keeping accounts simply means recoding financial information of the organization in a systematic and accepted manner so that the organization can show from where the funds came in as well as where they have been applied. Carrying out proper accounting through the best method enable the management to determine the accurate financial status for proper decision making any point of time.

7.1. Financial Year

JVS will follow the Financial Year starting from **1st April to 31st March**. The funding cycle may be different and would be accommodated in the financial year.

7.2. Methods of Accounting

There are two main methods accounting that can be generally adopted by Non-Governmental Organizations:

1. Cash basis of accounting

The cash basis of accounting recognizes revenues when cash is received, and expenses when they are paid. This method does not recognize accounts receivable or accounts payable.

2. Accruals (Mercantile) basis of accounting

Accrual accounting is a method of accounting where revenues and expenses are recorded when they are earned, regardless of when the money is actually received or paid.

Basis of accounting of Jan Vikas Samiti

Jan Vikas Samiti follows Cash basis of accounting for recording all the financial transactions of the organization. The main features of Cash basis of accounting are;

- Payment transactions are recorded in the book as and when they are made and incoming transactions as and when received.
- The system takes no account of time lags and any bills which might be outstanding.
- The system does not automatically maintain a record of any money owed by (liabilities) or to (assets) the organization.
- When summarized, the records produce a Receipts and Payments Account for a given period. This simply shows the movement of cash in and out of the organization and the cash/bank balances at any given time.
- JVS may adopt accrual basis of accounting in exceptional cases for the purpose of closing the accounts at the end of financial year in order to record the payable as well as receivable transactions that would be carried forward to the next financial year.

7.3. Accounting books of JVS: -

- Petty Cash Book (separate for FC&IC) manual or computerized
- Main Cash Book and bank book (Computerized)
- General Ledger (Normally referred to as Ledger)
- Separate books of accounts for projects

- Project Ledger (Computerized)
- Journal Register (Normally referred to as journal)
- Investment Register (Manual or Computerized)
- Fixed Assets Register (Manual or Computerized)
- Loan Register (Manual or Computerized)

JVS will maintain following exclusive set of books of accounts for the management purpose;

- **One set** of books of accounts for Receipts and Utilization of all Foreign Contribution as required under the Foreign Contribution Regulation Act, 1976
- **Second Set** of books of accounts for local funds received and utilized by JVS
- **Third set** of books of accounts for Government Grants received and utilized by JVS.
- **Fourth Set** The entire earmarked/specific funds of project/programs under foreign contribution as well as Indian contribution will have its separate books of accounts (Cashbook/Bankbook/Ledgers) for donor reporting purpose.

8. Financial Procedures & Systems

Procedures and systems are the key factors, which ensure an organization's smooth financial functioning. A good system will make sure that there is a clear and automatic functioning of JVS preventing domination or manipulation by any one person or group of persons for their own personal benefits.

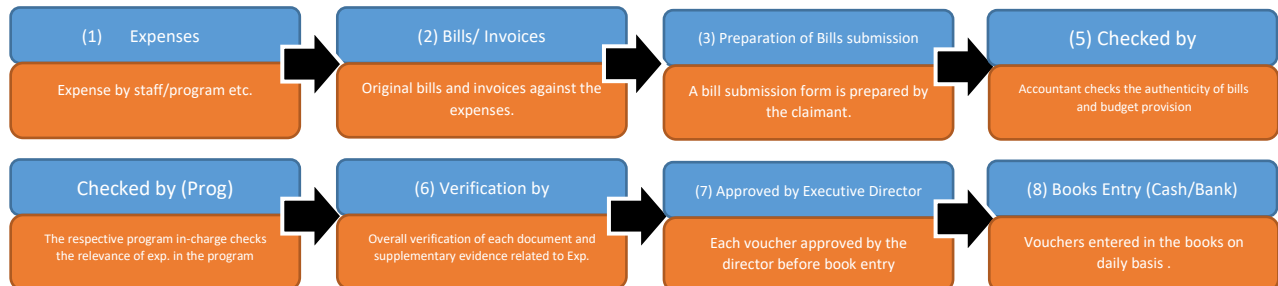
The policies and systems are formed to ensure that

- All the transactions have been properly authorized,
- Ensure that it is charged to the correct expenditure head,
- Check that payee details are correct and make the payment.
- The person initiating the payment will ensure that the correct amount has been authorized and that the particular expenditure was necessary and due.

Maintaining Accounting trail

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

The expense trail is as follows



The accounting trail is important as it helps to check/countercheck expenditure incurred and requested further.

9. Grant Management

This section is applicable for all grants/donation (Foreign or Indian) received by JVS. The purpose of Grant Management procedures is to develop, implement and maintain meaningful grant oversight and coordination of activities proposed under each grants to ensure related legal compliances as per the applicable Laws of the country. The purpose of this section is to set guidelines for JVS to receive, record, manage all the grants in a systematic way.

Policies & procedures

1. The Financial and Administration Department is responsible for the grant management, administrative support and supervision, and compliance as a whole related to the grant.
2. Each program/Project grants should be pre-approved by the donor agency.
3. Grant letter from the donors shall be maintained at JVS for future references.
4. There should be a clear activity plan as well as a budget against each grants realized to JVS.
5. As far as Foreign Contributions concerned, all the funds shall be deposited into the FCRA designated bank account at SBI New Delhi of JVS.
6. Designated utilization bank account for each donor/project shall be opened by JVS for individual grant management as per the requirement.
7. Funds can be deposited from the FCRA designated account to utilization bank account for the utilization purpose.
8. Transferring of funds between utilization bank accounts is not permitted.
9. One designated utilization bank account could be used for multiple project grant management provided all projects are supported by same donor.
10. Grants received must be spent as per the approved activity plan and its budget unless approved by the donor for any other purpose or activity.
11. Books of accounts for each grants shall be maintained separately
12. Each grant shall be separately audited.
13. Each grants shall be acknowledged by issuing pre-numbered institutional Receipts (Separate for Foreign & Indian grants)
14. Institutional receipts along with customer advice from the grant realizing bank shall be shared with the donors as per the demand.
15. All the domestic donations shall be acknowledged by the institutional receipt u/s 80 of the Income tax. These receipt should be issued to the donors. All donations received by domestic donations shall be filed by form 10BD for the purpose of issuing a tax exemption certificate to the donors.

It is necessary that for every activity taken up by JVS 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:

- Village based activities
- Meetings & conferences
- Special events
- Remuneration of Staff & Consultants
- Capacity Building & other Training Programs
- Office Running Expenses
- Promotional events
- Travel and conveyance

However, most of the times the expenses incurred on these activities are part of program budget and specific grants which are allocated for such expenses, and would require only a simple sanction on a budget request. It is therefore necessary that the budget request for such activities is prepared in advance with its plan. The process to be followed is:

- Budget for each activity to be prepared giving break up of sub activities and related costs.
- All such budget request to be submitted to the Finance Department 5 days prior to the date of activity.
- The budget has to be verified and certified by the FM to ensure that the costs are realistic as compared to the activities, and the budget captures all the required costs for such activities only.
- The FM will forward the request to the executive director for the necessary approval of the budget.
- Wherever there are procurement of supplies and services for such activities, the formalities with regard to multiple quotations, evaluations, etc. will have to be followed.

Receipt book and Issue of Receipts

- A receipt book will be used to acknowledge each and every Grant and Donations to JVS.
- The receipt book should be pre-numbered with a carbon copy.
- The receipt books should be maintained to identify the details such as, Name and Address of the donor, purpose of fund, date of receipt, mode of transaction and receivers sign.
- Separate receipt books for FC and Local Funds will be maintained
-

Grant agreement/ donor intent Letters

JVS will maintain project/grant contracts/agreement for each and every grant commitment by the donors. For other donations which do not come under a project agreement or a contractor, JVS will maintain donor intent letter for each of such donations.

10. Cash Management

10.1. 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.10,000/should be settled through cash payments. These should invariably be by account payee cheques only. As a matter of procedure and control, the attempt should be to minimize the number of cash transactions.

10.2. Cash Receipts

All the cash receipts should be done through issuing a receipt. The management will ensure that the cash received by the organization is promptly deposited in the bank within a couple of days. Every cash receipts should be acknowledged through pre-numbered receipts, which are shall be recorded in the cashbook.

10.3. Cash Withdrawal from Bank

- The Cash Withdrawal Form to be filled up and signed by the responsible person handling cash.
- The cash balance available and the estimated expenses would need to be computed and mentioned in the Cash withdrawn from.
- The executive director/ authorized person for signing checks must verify the requirement before signing the cheque for withdrawal of cash.
- A Cash Receipt (Contra) voucher to be prepared and accounted for by the accountant on the same day.
- The Cash register (Manual/computerized) to be updated for receipt of the Cash by the person responsible for handling the cash.

10.4. Cash Payments

- Cash payments will be made only after preparing the Payment voucher.
- All vouchers should be preprinted
- The payment voucher has to be approved by the competent authority before Payment. (as per the requirement signatures of the HOD FINANCE/ED are a must)
- The Payee must sign the voucher for having received the payment.
- In case the competent person is not present, the voucher must be verified/approved by any other person standing in for the person before release of the payment.
- Although As per Income Tax Rules, no cash payment of more than Rs.10,000/ is permitted as internal policy of JVS we shall maintain this limit to Rs. 2,000/.
- Exceptional case where in there is no possibility of adhering with the above said limit of Rs. 2000/- Cash payment will be made up-to Rs. 8000/- Reason for this payments shall be clearly described in the voucher.

10.5. Main Cash Register & Daily Cash Balance

A main Cash register has to be maintained to record the daily cash closing balance. The register shall be separate for both FC Cash and IC Cash. This register to be maintained from the beginning of the financial

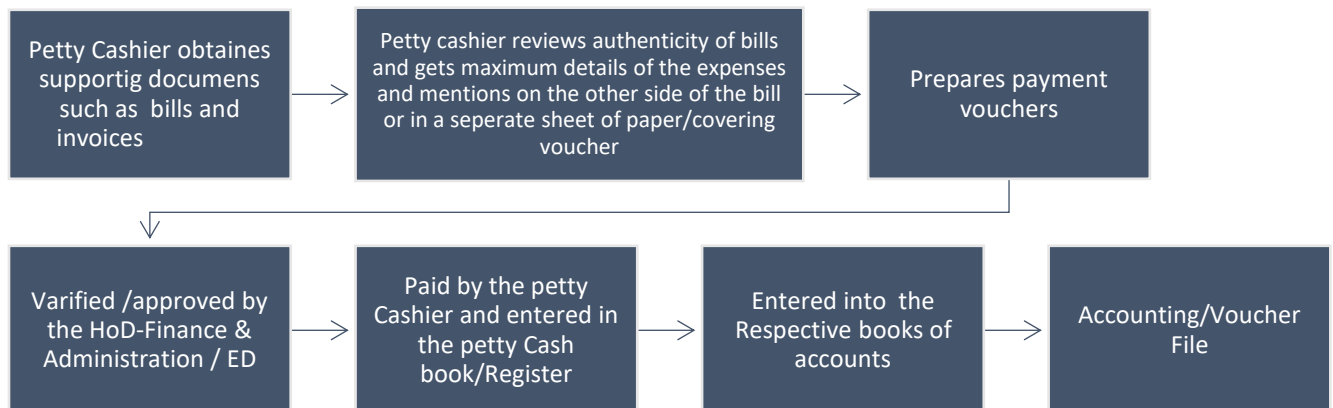
year and a fresh register at the beginning of every financial year. Maximum and minimum cash limits have been fixed as Maximum Rs. 50, 000 and minimum Rs.10, 000) individually for IC and FC main Cash and for separate project as well.

10.6. Petty Cash Register / Management

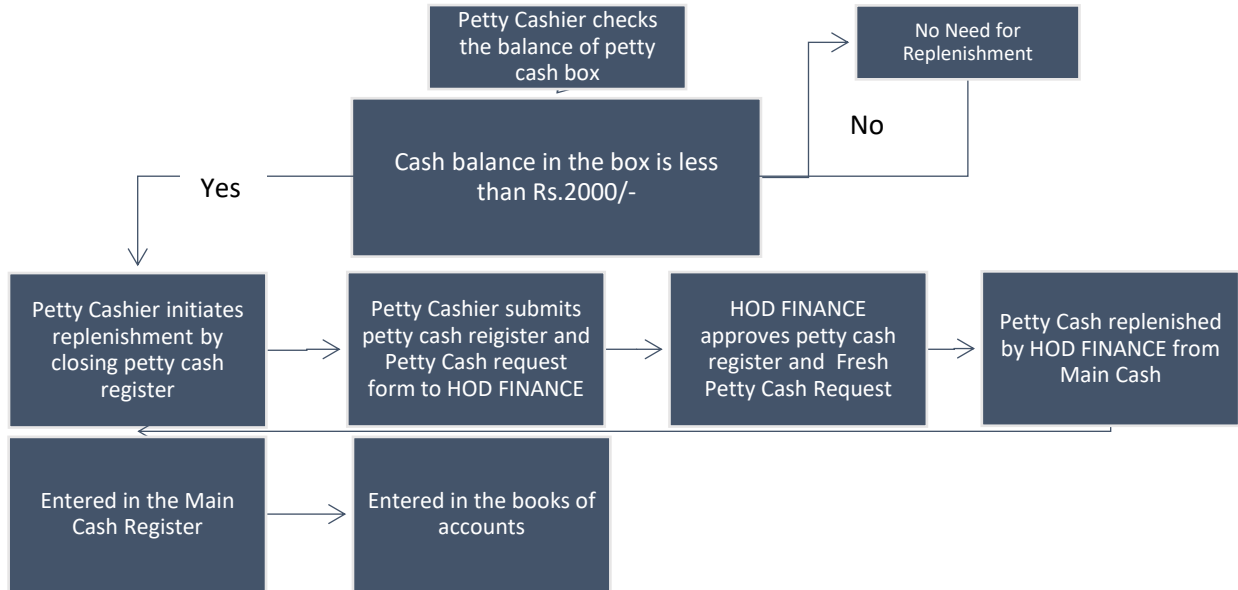
Petty Cash register must be maintained by petty cashier in computerized form or manually. Maximum and minimum petty cash limits have been fixed as (Maximum Rs.10,000 and minimum Rs.2,000) individually for IC and FC petty Cash as well as for projects. The following steps shall be practiced for maintaining the Petty cash register.

- The petty cashier will fill “**Petty Cash Request Form**” (ANNEXUE) and submit to /main Cashier
- Petty cash requests must not exceed Rs. 10000/-
- The main cashier shall verify the closing balance of the petty cash register and issue required cash to maintain the cash limit of petty cash.

Disbursement from Petty Cash



Replenishment of the Petty Cash



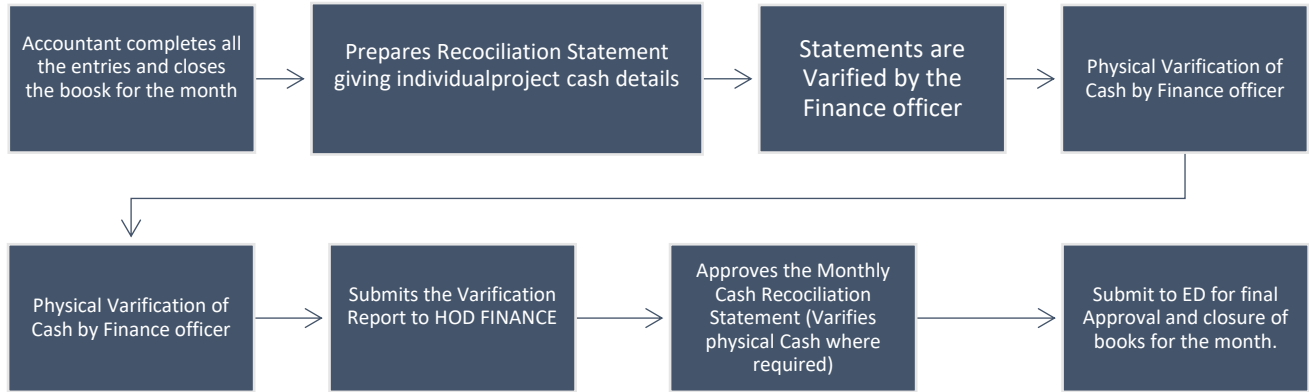
10.7. Cash Reconciliation

Cash reconciliation statements will be prepared on a monthly basis. The statements may be also prepared on case to case basis and as and when needed by the department. The cash reconciliation statement will be prepared by reconciling and consolidating all the available cash balance in the various books of accounts for the projects as well as the main books of accounts for the foreign contribution and Indian contribution.

The below format shall be used to prepare cash reconciliation statements

JAN VIKAS SAMITI								
CASH RECONCILIATION STATEMENT								
Month								
Sl. No.	Title of the Project/ Books of accounts	Project Code	Month Opening Balance	Cash Withdrawn/Received from Main FC	Month Cash Expenditures	Month Closing Balance	Signature Accountant	Remarks
	SUB-TOTAL		-	-	-	-	-	-
SUMMARY								
	Month Opening Balance	Cash Withdrawn from the bank	Month Cash Expenditures	Month Cash Closing Balance	Signature Accountant/ Cashier/FO			
PHYSICAL CASH								
	Total Physical Cash Available					Count the physical cash and enter the data		
	Difference if any					difference between physical cash and cash balance as per books of accounts for the month		
	Reasons for Difference <i>Give adequate reason for any difference in the cash reconciliation</i>							

Procedure



11. Bank Management

JVS will maintain required bank accounts for receiving and utilizing the fund as required by JVS or demanded by the Funding agencies or as per regulatory requirements by the law of the country.

11.1. Types of Bank Accounts

JVS for the management of its fund shall maintain the following bank accounts.

11.1.1. FCRA Designated Bank Account

FCRA Designated bank account shall be maintained in the SBI New Delhi branch as per the amended FCRA rules and regulation 2020. The account will only be used for the receiving foreign contributions/grants. Each and every inward foreign remittance shall be realized through this account only. No local funds should be remitted/deposited into this account under any circumstances.

11.1.2. FCRA Utilization Bank Accounts

As per the rule 5 of the FCRA Act 2011, JVS may open one or several bank accounts in any of the bank integrated with PFMS for the utilization purpose of FC funds. The utilization accounts may be opened donor wise/ project wise or sub center or area wise based on the need of the organization for the execution of its activities. The utilization bank accounts shall receive funds only from the FCRA designated account of JVS at SBI New Delhi.

11.1.3. Local (Domestic) Fund Bank Accounts

JVS will maintain as many bank accounts as it may require for operating various local funds like Campaign fund, special collections, Government Grants, donations etc. JVS will open or close such bank accounts from time to time following the prescribed procedures and with approval of the Governing Body.

11.2. Opening and Authorization of New Bank Accounts

- All Accounts are opened and held with banks integrated with PFMS (Public Financial Monitoring System)
- Opening a new bank account must be justified and recommended by the HoD-Finance & Administration to the executive director who would then get the required approval from the governing body of the organization.
- Accounts department shall open a new ledger for each bank accounts opened.

11.3. Bank Account Operations

All the bank accounts shall be operated as described in the byelaws of the organization. To specify, the bank account shall be operated by joint signatories by any two among the following.

1. President
2. Secretary
3. Treasurer
4. Center In-charge as delegated by the governing body of the organization by its resolutions (*in-case of utilization bank account for outstations*)

11.4. Closing Bank Accounts

Policy

A bank account that is inactive or has a zero balance for more than six months should be closed, unless there is a justification to keep it open.

- The closing of a bank account is to be recommended by the HoD-Finance & Administration and approved by the Executive Director.
- Unused checks related to the closed bank account should be returned to the bank upon closure of the account.

Procedure

- All bank accounts should be reviewed by the HoD-Finance & Administration on a monthly basis to determine that a business reason still exists for the continuation of an account. If it is determined that no reason exists for keeping an account open, then the account should be closed.
- The Senior Accountant/Finance officer should prepare a bank reconciliation for such account to determine outstanding checks and arrange payments,
- The Senior Accountant should invalidate all unused checks and handle them to the HoD-Finance & Administration
- The HoD-Finance & Administration should ensure that all unused checks are in the cheque book and the numbers are not accounted in the books of accounts.
- The HoD-Finance & Administration should return the checks to the bank on closure of the account.
- The HoD-Finance & Administration should prepare a written request for closing such account send it to the Executive Director for approval.
- The HoD-Finance & Administration with approval letter by the executive director will notify and arrange with the bank where any remaining bank balance is to be transferred.
- Ones the account is closed, the same shall be deactivated in the books of accounts.
- The HoD-Finance & Administration shall intimate to the relevant agencies or regulatory departments regarding the closure of such account.

11.5. Check Issuance

- All disbursements and payments above INR 2000/- should be paid by account payee checks or wire transfer.
- Cheques should not be payable to the bearer nor signed blank in any case.
- Basic documentation must be firmly attached to the original check request include, but not limited for, the following:
 - Original Official vendor invoice/Quotation/estimate/voucher
 - Details of any Tax Deduction at Source when applicable

- Contract/agreements, when applicable,
- Every cheque that are issued should be entered into the cheque issue register and verified by the HoD-Finance & Administration and approved by the executive director. The Cheque register should include the following information, but not limited to;
 - Date
 - Cheque Number
 - Amount
 - Name of the Beneficiary/Paid to
 - Purpose of the Payment/Ledger Code
 - Allocation under which paid (Name of the Project/project code)
 - Verifying signatory (authorized person for verifying the transaction (Head Finance))
 - Approved signatory (Executive Director/Treasurer/President/Secretary)
- Cheque register for each bank account shall be maintained

Accountant should do the following

- prepare the Cheque upon the receipt of all supporting documents, and should record the following entry.
- Prepare online transfer documentation where applicable.
- Submit the prepared cheques along with all the supporting documents to the HoD-Finance & Administration for verification.
- The HoD-Finance & Administration after verifying the documents and the cheques will forward them the executive Director and approval and signing the cheques and relent documents.
- The Executive Director will review the original supporting documents of the payment, sign the cheques and send it for further authorizations (second signatory) as applicable.
- Upon receiving the signed checks/wire transfer, the Accountant records the payment in the books of accounts and dispatch to the bank for releasing payments.

Transfers, Payments from FCRA Designated Account.

Abiding with the FCRA amendment 2020 JVS will not make any fund transfers/sub-grants to any other organization or bank account except to the utilization bank accounts of Jan Vikas Samiti for the utilization purpose. Any payments to organizations/associations may be against bills, invoices for any services given or provide by such organization to JVS. These payments will not be considered as sun-granting but application of funds.

Bank Reconciliation

- Bank reconciliations shall be prepared for each bank account maintained by Jan Vikas Samiti to trace any difference in the balance in the bank accounts and the books of accounts. The difference in the balance may be due to the followings;
 - *Bank charges debited by the bank are not immediately entered in the books of accounts;*
 - *When cheques are being deposited/issued, JVS will record it in it in the books of accounts on cash basis whereas the bank will enter it in the bank pass book or statement only on realized or debited/credited from the account.*

- *Errors that may occur due to the entry in the books of accounts by the bank and / or by JVS*
 - Bank Reconciliation Shall be made on a monthly basis
 - The bank reconciliation statement shall be certified by the and administration.
 - If there are any differences notified, the Correction, rectification entries required will be passed on or before the first week of the next month.
 - The bank reconciliation statement shall be filed/recorded in the department.

Cash flow Projection/Statement

Cash flow projection statements will be prepared by the department on every year starting from 1st April to 31st March by taking the entire project as well as administrative budget into consideration. These cash flow statement will be Brocken down to quarters as well as monthly on a real basis projection depending upon the planned activities for the month/quarter. Cash flow projection will help in;

1. To find months where there may not be enough cash available to pay for planned activities of any projects/programs
2. To make best investment decisions of the funds of JVS.
3. To ensure that the smooth flow of cash receipts and payments
4. To avoid any cash crunch/deficits.
5. To take corrective action for any cash management

Cash flow projection will be prepared with the help of Program head by anticipating all the income and expenditure for the month. The program Head will submit a monthly activity plan along with the fund projection on a project to project basis for the month for ensuring the fund availability to run the project activities smoothly.

12. Advances

Program/Activity/Travel Advances

Amounts paid to any staff member for meeting, official expenses should be treated as general program advances keeping an account of them against the name of the staff.

- Travel and Subsistence
- Purchase of goods from the market
- Conference, events and Workshops
- Other Day to Day expenses

All such requests should be made in the prescribed format as per format and duly forwarded and approved by the competent authority as per the delegated authority limits, after the finance department has duly noted any previous outstanding in the person's name.

Policies and procedures

- Requests submitted should be complete in all aspects with its clearly mentioned purpose.
- In case advance for staff traveling the period and dates and purpose should be specified.
- The amount outstanding against a staff member should be settled within 3 days of such travel or activity completed.

- The management should make sure that there is no such advances outstanding as on 31st March.
- All advances must be entered in the cash book and when the expense is booked, they shall be adjusted through the cash book.
- A fresh advance should not be given to any person/s without settlement of the old advance (except under exceptional circumstances that be decided by the discretion of the financial & administrative manager or executive director).

Process of Advance Requests and Payments

Steps	Required action	Remarks/ Guidelines
Step 1	Prepare plan for action and Budget of the activity / travel etc.	Bifurcated Budget to be prepared in case not pre-defined In the program budgets.
Step 2	Obtain an Advance Request form accounts dept. and fill-up.	The form should be filled in all aspects as per the instruction given in the particular form.
Step 3	Submit the completed form to the accounts dept. after the HoD has recommended and forwarded the request. <i>(Not applicable in the case of personal advance)</i>	The HoD shall verify the budget within the program before forwarding any advance request to accounts dept.
	The form shall be submitted to accounts department at least 5 days prior to the required date of such advance. <i>(2 days in the case of personal advance)</i>	The accounts department process within 5 working days after verification of budgets, checking dues etc.
Step 4	The Accounts department after verifying the requests and dues will forward the request to ED for approval.	The accounts department will mention on the form if there is any advance due with person, budget limitations or any other concern with particular requests.
Step 5	The accounts department will release the amount to the bank account / cash advance in special cases and smaller budget requests.	The accounts department will make sure that the recipient acknowledges the receipt through accounts receivable receipts.

Salary Advances:

Applicable for all employees who have completed probation period.

- A Permanent employee is eligible for requesting salary advance of the current month for any personal emergencies or any other reasonable requirements.
- This advance either will be settled by adjustment of salaries with the current month or in following 3 consecutive months.

- The approval of the request shall be at the discretion of the management/ED based on his/her service record.
- All the salary advances should be adjusted within the financial year itself and cannot be carried forward to the next financial year in any case.
- An employee can avail salary advance facility only twice in a financial year.
- There shall not be any outstanding salary advances as on 31st March.

13. Investment Policy

Investments represent a substantial net worth of JVS. JVS will make sure that the investment of its funds is made efficiently and effectively by adhering to its policies and procedures.

- JVS will only invests its fund in long/short term bank fixed deposits/Flexi Fixed Deposits or any other funds that are not subject to markets risks.
- The investments will be done only with the Nationalized Banks that are integrated with PFMS.
- JVS will not invest its fund in any funds that are subject to market risks.

The terms of investments may be opted as indicated below;

- Long term - 2 to 6 years
- Medium term - 1 to 2 years
- Short term - One month 1 year

Investment Procedures.

- Through fund flow projection JVS will calculate the required funds for the upcoming month/Quarter.
- Based the fund flow projection statement, the Manager-Finance will advise to the ED the best investment possibilities after having studied the same.
- The ED will review the scheme and approve the same on his discretion.
- On approval by ED, HOD FINANCE will direct the department to prepare required checks and the documents related to the same to be submitted to the bank.

Investment Reports

- Soon after the investment is made, the particulars same shall be entered by the HOD FINANCE in the investment Register maintained under his custody.
- The Finance department will review and make quarterly investment report (fund wise or Bank wise) and submit the same to the Executive Director.
- Annual investment report will be prepared for the audit purpose and the same shall be presented to the subsequent governing body meeting for the year.
- All records pertaining to investments will be in the safe custody of a designated authority, namely, Finance manager/Executive Director

Format for investment register

DoD	Inv. No.	A/c No.	Remarks	Period of Invest.	Amount	ROI	Maturity Value	Maturity Date	Authorised Signatory

14. Fixed Assets & and its Management policy

To establish written procedures that will ensure proper recording and accountability for fixed assets and to establish and implement controls necessary to protect the assets of the JVS.

Acquisition, Costing & Capitalization of Fixed Assets

Policy

The fixed assets are tangible assets owned by JVS and used in JVS operations (not for resale). They have initial estimated useful life beyond a single year. A fixed asset with an initial cost (inclusive of ancillary charges) of at least Rs. 5000/- will be capitalized and becomes and known as a fixed asset.

A fixed asset is capitalized only if it meets all of the following conditions:

- Owned or considered owned by the JVS.
 - Held for operations (not resale).
 - Has a useful life that exceeds one year.
 - Meets the capitalization threshold.
- ❖ With the exception of donated assets, fixed assets are accounted for at the original acquisition cost, which includes the purchase price and all costs necessary to put that asset into existing use and location. These costs include but are not limited to freight, insurance, and installations (i.e., ancillary costs). The cost of an asset will be recorded at the historical cost of the asset.
 - ❖ When two or more assets are obtained at the same time of the same rate, the total rate will be recorded and individual identification numbers will be allotted to the assets.
 - ❖ Fixed assets, received in Kind Donations this will be recorded in the accounting records as revenue at the fair market value at the date of receipt and capitalized in the accounting records as Donation of Asset in-kind. The methodology used for determining fair market value will be documented.

Procedures

Acquisition of Fixed Assets:

- The Finance & Administrative Department is responsible for the procurement of fixed assets.
- Assets which have to be purchased will be approved in the annual/program or special budget that is prepared time to time.
- In case it is not budgeted; rational/justification for urgency of such purchase has to be given.
- Quotations and pro/forma invoices or records
 - Three quotations for all the asset purchases worth Rs.25,000 and above
 - Two quotations for assets purchases above Rs.10, 000.
- Bid-analysis procedures must be completed before making any payment for purchase of any fixed assets.

- The department should verify the invoice and attach it to the following:
 - Internal Purchase Request (IPR);
 - Bid-analysis (Comparison Statement)
 - Purchase orders
 - Original Official Vendor Invoice;
 - Contract, when applicable
- The HoD-Finance & Administration reviews the invoice with the supporting documents and puts his initial on the invoice to indicate his approval of recording the fixed assets and initiating the payment process.
- The accountant initiates the payment process.

Fixed Assets Identification numbers allotment: Procedures

To ensure that each individual asset has a unique identification. An identification number should be assigned and tagged for all fixed assets (other than land, buildings). This tag must have a unique identification number that will be associated with the asset and becomes a part of the asset's record. Every fixed asset will be tagged with unique identification number.

- The identification number will be comprised of four components:
 - Fiscal year of the original acquisition (4 digits);
 - Asset type (1 character letter);
 - A sequential number.
 - Or any other method of numbering that organization may decide as per requirement.
- The serial numbers should start from 01 year to year, the sample identification number is “JVS-2020-21/01
- The financial and administrative department is responsible for tagging fixed assets;
- Immediately after receiving the fixed assets the Financial & Administrative Department should prepare tags and stick them to the acquired assets.
- The Administrative Financial & Department should update the fixed assets register, immediately after preparing the identification codes/labels.

Fixed Assets Register & Records: Procedures

- The Financial & Administrative Department is responsible for maintaining updated fixed assets Register.
- Every asset that is capitalized in the books of accounts shall be entered in to the fixed asset register on a real time basis.
- The Administrative Department should file an updated and approved copy of the register.
- Fixed assets register shall be verified by the HoD-Finance & Administration on quarterly basis.

The Finance & Administrative Department should maintain updated fixed assets register that contains:

- Description of the asset
- Name of the asset
- Identification number (tag number)

- Cost of the asset
- Date of acquisition
- Location of use
- Estimated life and mode of disposal
- The registering process should be computerized.

Receiving of Fixed Assets in-Kind Donation

- The financial and administrative Department is responsible for receiving donated fixed assets and should prepare a Receiving Report of the donated fixed assets.
- The Administrative Department should submit the Receiving Report to the ED for his reference.
- The HoD-Finance & Administration will determine a fair value of assets received before they are recorded.
- The HoD-Finance & Administration will provide required details with its fair value to the Accountant to record it in the accounting system.
- The accountant should record the donated assets in the accounting records. Those assets are recognized as revenues and should be recorded as follows:

<p style="text-align: center;">Dr. Fixed Assets XXXXX Cr. Donations in-Kind XXXXX</p>

- The HoD-Finance & Administration should ensure that the donated fixed assets are identified with specific tag numbers and they are entered into the fixed asset register.

Depreciation of Fixed Assets

- Depreciation on the Fixed Assets will be applied on written down value method as per the rates prescribed under the Income Tax Act 1961.
- Fixed assets are recorded in the books of accounts in the financial statement at the historical cost less depreciation.
- Depreciations will be charged only ones in a year, i.e. for the closure of the year on 31st March.
- A fully depreciated fixed asset will remain in the fixed asset sub-ledger until the fixed asset is disposed.

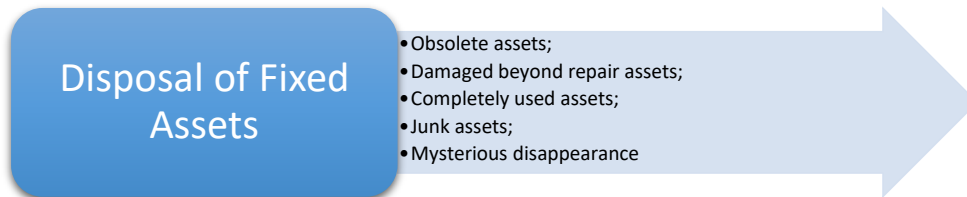
Procedures

- The Financial & Administrative manager is responsible for computing, recording, and posting of depreciation of fixed assets at the end each financial year.
- The external auditors should verify the depreciation chart before the final accounts are prepared.
- Depreciation will be charged on the group of classification for assets and not on individual assets.

Disposal of Fixed Assets

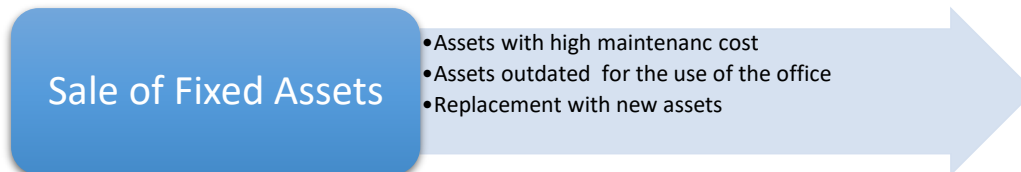
The Finance & Administrative Department is responsible for identifying the fixed assets that need to be disposed and should obtain the required approvals. Disposing of a fixed asset requires removing the asset's net book value from the accounting records. This involves removing the original cost and the accumulated depreciation of the asset. This will be done at the time of disposal from the date of book entry and calculating individually for the identified asset for the disposal.

The Finance & Administrative Department is responsible for identifying the following for disposing any asset;



Sale of Fixed Assets

The finance and administrative department will identify the assets if any for sale purposed based on the parameters stated below;



After the identification of the assets for disposal or Sale the department will make sure the following;

- Finance/administrative assistant will Complete an appropriate form for asset disposal/Sale ;
- Obtain the approval finance & administrative manager to dispose or sale the asset
- Will be presented by HOD FINANCE in the procurement and disposal committee for the consent.
- HoD-Finance & Administration will forward the request to ED for the final approval
- HOD FINANCE will provide the approved copy of the form to the Finance and Administrative department for documentation.
- The accountant will pass the following entry in the respective books of accounts

Disposition through sale – Gain:

Dr. Cash XXXXX

Cr. Fixed Assets XXXXX

Disposition through- Non cash transaction:

Dr. Loss on Disposal of FA XXXXX

Cr. Fixed Asset XXXXX

- The HOD FINANCE should ensure that the disposition of the fixed assets is reflected in the fixed assets register and the books if accounts.

Fixed Assets Physical Count and Reconciliation

Purpose

To provide guidelines for the periodic physical count and reconciliation of JVS fixed Assets.

Policy

- The financial and Administrative Department is responsible for the periodic physical count of fixed assets.
- Physical count of fixed assets should be performed quarterly/half yearly/annually by HOD FINANCE
- Fixed assets recorded in the register should match those recorded in the counting; and if any deviations, differences should be identified, investigated, properly reported, and resolved.
- The difference report should be prepared by the HOD FINANCE and submitted to Executive Director.

Procedures

- During the month of march, before the end of financial year, a fixed asset physical count committee will be formed consisting, Finance officer, Administrative Assistant and any one from documentation department.
- The tasks of the Committee should be prepared by the HoD-Finance & Administration and approved by the executive director.
- The Committee should record the actual quantity of each fixed asset item, as revealed by the physical count.
- The report should include fixed assets items and the quantity of each item.
- The Committee should prepare a physical count report, sign it and submit it to the HoD-Finance & Administration for review and Verification.
- The HoD-Finance & Administration should provide the Executive Director with the fixed assets physical count report for review and approval.
- The physical verification report should file properly in the finance & Admin. department.

15. Payroll Policy

Time Keeping and Reporting

- Employees should sign in and out using the electronic time-keeping machine or a daily attendance register.
- No overtime payment will be given to any of the employees.
- Salaries will be prepared on the Electronic/manual attendance register.
- Days for any calculation for the payroll will be 30 days a month
- The salary deductions will be as per the disciplinary rules and regulations according to the HR policy of the organization.
- The HR/ HoD finance and admin will be responsible to determine any kind of salary deductions.

Payroll Processing and Payment

- Payroll processing will be done by the finance and Amin department on a monthly basis.
- The personnel and payroll data are strictly confidential information and shall be restricted to the authorized persons only
- Employees' payroll should be paid from JVS designated bank account only.
- Payroll processing should start by the last day of each month so that salaries are ready for payment latest by 7th of the following month.
- Deductions for employees' advances and receivables should be made from payroll if the employee does not pay the same prior to payroll payment. Transactions involving deductions from employees' salaries should indicate in the salary sheet/slip.
- The final payroll will be prepared by the finance officer and should be verified by the HOD finance before the final approval by the executive director.
- Applicable tax deductions under the law of the country will be done from the payroll.

Record and Transfer of Salaries:

- On or before the 7th day of the following month, the Department of Finance & Administration should initiate payroll processing procedures.
- The department will prepare employees monthly payroll considering payroll taxes, provide, provident fund, employee insurance etc.
- A print out of monthly salaries sheets must be prepared by the finance officer. The salaries sheets include all employees' names, I.D. numbers, gross salary, allowances, deductions, and net salary.
- The accountant will prepare preparation of cheques and wire transfer details.
- The HOD finance after reviewing and verifying the salaries sheets will forward to
- The accountant will prepare the cheques and bank wire transfer and send it to executive director for review and final approval.
- The accountant will pass the required entries in the respective books of accounts
- A copy of the same shall be maintained in the file.

- After the payments have been realized to the employees bank accounts, the accountant shall prepare individual salary slips with all the particulars of the payroll.
- The Salary slips shall be authorized by the HOD Finance/Executive Director and acknowledged by the employee.
- A copy of the salary slip will be issued to the employee and the second copy should be filed along with salary payment voucher.

16. Travel Policy

The employees may be asked to travel away from their usual workplaces on authorized missions. The policy on payment of travel allowances adopted applies to all employees regardless of job category or status. It also applies to the consultants, when mentioned in their agreement. Any travel for official / project associated purpose will be reimbursed as actual expense incurred on producing the original bills and vouchers and other substantial evidences’

For all kind of travel reimbursement, the person has to claim such expenses in the appropriate forms available. The expenses will not be reimbursed if proper justifying documents (original receipts) are not attached. *Eligible expenses include:*

Per Diem

All employees and volunteers will be provided a maximum of INR 650/- to cover the cost of food for each day spent outside the city for official work on furnishing proper supporting bills.

Accommodation

All employees are entitled to claim expenses incurred for accommodation for official trips outside city. As far as possible. The stay in a rest house or in hotel in dual sharing basis, for which the maximum claim shall not exceed Rs.1200 including all taxes per day. This also applies during any meeting, trainings, workshops etc. Claim for accommodation will be reimbursed upon submission of original bills/receipts.

Mode of Transport

All employees at Jan Vikas Samiti shall use in general surface transport, i.e. bus/trains (3 AC)/auto/taxi. In emergency and un-avoidable circumstances, for travelling by air route an employee should avail prior permission from the Executive Director/Assistant Director.

If any individual using personal vehicle with prior permission from the E.D for office related work, the expenses can be reimbursed on the actual fuel cost based upon the mileage of the vehicle.

Jan Vikas Samiti will reimburse the fuel charges of the motor cycle for regular work related to official assignments. To claim such expenses the person concerned has to maintain a daily log book and submit a copy of the same along with the fuel bills. JVS will also provide vehicle maintenance support up-to maximum Rs. 2500/- per annum for those using the motorcycles for the official purpose.

In any accident or casualty of any employee and if there is a major cost involved in the vehicle repair; the partial or total reimbursement of the same shall be decided by the management/ED on a case-to-case basis.

17. Procurement Policy

Context and General Policies & Principles

This document/section provides the framework of rules for the procurement of goods and services for the Organisation. It is designed to ensure:

- Value for money, efficiency, and effectiveness
- The product is fit for the need
- Quality of goods/ services as per the need
- Reputation and capacity of the vendor/service provider and,
- Organisation complies with statutory procurement regulations

Applicability

- The policy regulations shall apply to procurement of all goods and/or services by JVS.
- Any deviation from these guidelines for whatever reason must be authorized in writing by the executive Director.
- The policies will be effective from a date approved by the Governing body of the organization.

Impartiality, Transparency & Accountability

All procurement will be done in impartial, transparent, and accountable manner

- To ensure impartiality, proper analysis of suppliers, goods and services shall be carried out.
- To promote transparency, all information relating to procurement process shall be documented in a manner that facilitates appropriate scrutiny of procurement process.
- To ensure accountability, involved persons shall be accountable for their roles and responsibilities towards any procurement.

Controlling Factors

All the purchases/procurement should be done in accordance with the factors such as,

- Budgetary control
- Financial Reporting
- Statutory control

- Asset management Control (in-case if purchase of assets)

Responsibilities

- The organization has overall responsibility for ensuring that robust procurement policies and procedures exist that fulfil all statutory obligations and support the Trust in obtaining quality and value for money from all its suppliers.
- The Organisation delegates authority for the development and implementation of appropriate procurement policies and procedures to the Head of Finance & Admin. and the Senior Management Team.
- The Head of Finance & Admin has the responsibility for ensuring that procurement policies and procedures meet the needs of the organisation and are adhered to.
- The Head of Finance & Admin. is responsible for drafting and maintaining suitable procurement policies and procedures and providing training and guidance to budget holders to assist them in making purchasing decisions
- The procurement committee has the responsibility to analyse the tenders/ quotations and make suitable recommendations.
- The Head of Finance & Admin has responsibility to ensure that proper records of all contracts, tenders etc. are maintained and effective management of contracts are executed.

Procurement Committee

Role

The procurement committee has the responsibility to analyse the tenders/ quotations and make suitable recommendations.

Members

- Members of the Procurement committee will be appointed by Executive Director.
- The composition of the team will consist the following members
 - Representative from Finance Department
 - Representative from Program Department
 - Representative from Admin. Department

Procedures

JVS will follow proper procurement procedures and steps as described below.

1. **Step.01: Identification of need/Requirements**

The respective program/departmental heads will identify the need of goods/services that to be procured for the purpose of carrying out activities' under the program or for operations of the organization. The person will ensure the availability of funds under the program/ organization to finance the procurement of goods /services.

2. **Step.02: Requisition for procurement of Goods/Services**

- The departmental/program head will initiate written requisition for procurement of goods/services if the purchase amount exceeds Rs. 10000/-
- The request should be submitted to finance and Admin. Department prior to 7 working days of the goods/items required.
- As far as possible the applicant will obtain quotations of the goods to be purchased and submit along with the requisition.

3. **Step. 03: Obtaining of Quotations/verification of Quotations**

After the verification and approval of the request, the Finance & Admin. Department together with the concerned program representative will ensure to obtain the quotations. While obtaining quotations the below parameters will be ensured

- Three quotations: if the purchase value is more than 20,000/- (in case of assets)
- Two Quotations: if the purchase values is between 10000 to 19,999/- (in case of assets)
- Three quotations: if the purchase value is more than 25,000/- (Purchases other than assets)
- The quotations should be comparable. For e.g. Items, brand etc. should be similar in all the quotations.
- In the case of sole vendor ship the above will be excused. (*ref. Sole sourcing T&C*)

4. **Step. 04: Bid Analysis**

The Finance officer is responsible for collecting/obtaining the quotations. A comparative statement of all quotations should be prepared considering all the features and specifications of the products mentioned in the quotation. The purchase committee will review the comparative statement along with the quotation and select the vendor and forward to ED for approval. The executive director will approve the vendor and forward to finance & admin dept. for issuing purchase order.

5. **Step. 05 : Issue of Purchase Order**

- A purchase order will be issued for all the purchase above Rs. 10,000/- as per the need.
- Purchase order will be prepared by the purchase/finance officer, reviewed and issued by the & Admin to the selected vendor where necessary.

6. **Step. 06: Receipts of Goods and Documentation**

While receiving the goods following will be taken care with due importance;

- On receipts of goods at location, physical count/verification must be conducted by cross checking the materials with bills.
- The physical counting should be done by a person other than the person who has ordered the items.
- The person should acknowledge the receipt of items by signing the invoices and other relevant documents.
- All the original documents should be submitted to the Finance & Admin. Department for filing and accounting purpose.

Sole Sourcing

A sole source purchase means purchasing goods/services from a particular vendor without comparative analysis. This will be based on the knowledge and reasons like,

- The only supplier in the locality capable of delivering the required items.
- Only the vendor who meets the required specifications of items.

Sole Sourcing purchase will follow all the procedures of normal purchase with following additional documentation.

- Obtain quotation from the supplier
- Prepare the sole source bid with sole source justification note

Emergency Procurement

In-case of emergency circumstances any procurement is deemed necessary and the process and procedures of procurement could not be followed, **IN-PRINCIPAL APPROVAL** from Procurement committee/ and Admin, the items will be purchased and following procedures will be adhered.

- The approval procedure followed by the Procurement committee/ and Admin should be documented in written to substantiate the particular transaction.
- Within one month from the date of procurement **EX FACTO APPROVAL** for the same from the Executive Director Should be taken and recorded.

Records Maintenance

All the quotations, bid comparison statement, purchase orders along with copy of the invoices should be maintained in the finance/administrative department.

Small Purchases or Procurement:

- This is relatively simple and casual procurement of services, supplies or other items that do not cost more than Rs. 10,000/-
- Verbal/or written request will be made by the departmental heads to the finance and admin department. After the approval from the Executive director the procurement will be

done from the vendor the organization has previous experience or any other qualified vendor who is fair in pricing and quality in the open market.

Maintenance of Vendor Master List

The finance and administrate department will maintain a master list of all the vendors with whom the organization has availed services or purchased goods and supplies. This list and details will be referred for the future procurements.

Fixed Vendors & vendors hip Contracts

In-order to ease the procedures of procurement of regular goods and services, the organization may sign vendor ship agreements with selected vendors at the beginning of the financial for specific goods and services. These vendor-ship agreements may be revised on quarterly or half yearly basis. These vendor ship agreements do not limit the organization to buy the similar goods/services from other vendors of its choice.

18. Closing Accounts

Policy

The HoD-Finance & Administration is responsible for the maintenance of the closing of accounts and for capturing all non-routine issues and tracks the amounts and the necessary accounting treatment.

Monthly Closing

- The Financial Department shall close books on a monthly basis, no later than five business days following the end of the month.
- The closing process prevents any person from entering a transaction dated in the previous period, so any related party to data entry shall make sure that all transactions were recorded in the system before the end of five business days of the following month.
- The accountant/finance officer shall make sure that all saved transactions were posted before the start of the closing process.
- The accounts shall be closed individually for all the projects/books of accounts.
- Monthly closing report shall be made by the accountant/finance officer and get approved by the HoD-Finance & Administration.

Year End Closing

- Year-end closing shall be no later than 30 days after the end of the financial year.
- The year-end closing shall be performed in two stages: the first stage at the end of year, as a temporary closing, and; the second stage after reopening the software for the purpose of entering adjusting journal entries, and then closing the year-to-roll over.
- Backup of all the information shall be performed before performing any monthly or annual closing.
- The finance officer shall review the valuation of reserves/outstanding advances/payables or other account balances based on estimates, and these shall be approved by the HoD-Finance & Administration before the closing process take place.
- All adjusting entries shall be made by Accountants, reviewed by the finance officer, and approved by the HoD-Finance & Administration before being posted to the system.
- Each account shall be examined, with the balance verified with reference to relevant supporting schedules.

Project/Program Closing

- The Financial Department shall close books of the project, no later than 15 business days following the end of the project reporting period.
- The finance officer shall close the books and prepare receipts and payments account for the period of reporting along with the budget variation analysis and submit to the HOD finance.
- The variation reports should specify reasons for any variation in the expenditure pattern from the allotted budget for the project.
- The HOD finance will review and verify the reports and forward to the Executive Director for the final approval as required.

Closing & Reconciliation that shall be performed

Closing/ Reconciliation	Daily	Monthly	Quarterly	Semi-Annually	Annually
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Petty Cash Closing	Yes	Yes			
Bank Reconciliation		Yes			
Cash account reconciliation	Yes	Yes	Yes	Yes	Yes
Petty Cash Reconciliation		Yes	Yes	Yes	Yes
Projects advance account reconciliation		Yes	Yes	Yes	Yes
Accounts payable balances reconciliation		Yes	Yes	Yes	Yes
Accounts payable balances reconciliation		Yes	Yes	Yes	Yes
Balances of employees' personal loans/advances Reconciliation		Yes	Yes	Yes	Yes

19. Reporting

It is the policy of the JVS to report on its financial operations and condition periodically on a regular basis, promptly, and following the norms and spirit of accounting principles it has adopted. Further, it is the policy of the JVS to present financial information in a form that is useful to its stakeholders/supporters and management.

Policy

1. Financial information is to be provided on a timely basis using a consistent format.
2. Financial statements are a structured representation of the financial position of and the transactions undertaken by the JVS. The objectives of financial reporting are to;
 - Provide information useful for decision making by the JVS and its stakeholders and to demonstrate the accountability of the MDLF for the resources entrusted to it.
 - The Financial Statements accomplish these objectives in the following manner,
 - Providing information about the sources, allocation and uses of financial resources.
 - Providing information about how the entity financed its activities and met its cash requirements
 - Providing information that is useful in evaluating the JVS's ability to finance its activities and to meet its liabilities and commitments.
 - Providing information about the financial condition of JVS and changes in it.
 - Providing aggregate information useful in evaluating the JVS's performance in terms of service costs, efficiency and accomplishments.
 - The preparation and presentation of the Financial Statements is the responsibility of the Financial Department. The Finance Officer prepares the Financial Statements and the HoD-Finance & Administration will have the responsibility for final review and approval of them to be presented to the executive director for final approval before disclosing them.

Procedures and Systems

Quarterly Interim Financial Reports:

- Will be prepared four times as of and for the period ended June 30, September 30, December 31, and March 31.
- Should be prepared by the Finance Officer, reviewed by the HoD-Finance & Administration and approved by the Executive Director.

Annual Audits and Consolidated Financial Statements

The consolidated Financial Statements:

- Will be prepared at the end of each fiscal year.
- Should be prepared by the Finance Officer, reviewed by the HoD-Finance & Administration and approved by the Executive Director.
- Should be audited by independent private and qualified auditors acceptable to the Donors. The external audit report should include all activities under the program grant agreements, be in accordance with the organizational as well as donor auditing requirements
- Accounts should be ready for audit within one month from the end of the fiscal year.

- The audit should be completed and the report should be co submitted to respective donors within six Months from the end of the fiscal year.

The Annual Financial Statements-overview:

There are three major financial statements that record financial information and represent the financial status of the organisation.

- A consolidated balance sheet showing the assets and liabilities
The balance sheet will give a detailed overview of all the assets and liabilities of the organization as on date.
Assets: Include all the cash, investments, inventory, fixed assets including land and building, patents, trademark, livestock money due from individuals or others (known as debtors or account receivable)
Liabilities: Include the amount owed to others,
- A consolidated Receipts and Payments Accounts
- A consolidated Income and Expenditure Account
- A Statement of Sources and Uses of funds (by Grant Category / by Activity showing the donor wise and project wise details.
- Statement of balance Position of all Program Funds from all sources;
- Statements bank reconciliation showing various bank accounts (including FCRA, utilization and other bank accounts operated by JVS.
- The Notes to the Financial Statements for the significant accounting policies and all other relevant information
- The annual financial statements shall be prepared separately for Foreign as well as domestic Funds.

Budget comparison (Variance) Report:

Budget is the financial plan for the program/organization hence needs to be compared with the actual financial statement periodically. This report could be made monthly, quarterly, half yearly or annually as well as when necessary to do so.

- Should be prepared program/Project wise
- Should be prepared by the Finance Officer, reviewed by the HoD-Finance & Administration.
- Reports should be ready within one week from the end of month/period.

Legal Compliance Report

Legal Compliance report will be a report that informs the management whether JVS has complied with all the applicable laws of the country. This report will mainly include the following but not limited to;

- Returns under Income Tax Act
- Returns under FCRA Act
- TDS Returns
- Income tax assessments and compliance
- Compliance against any proceedings on the organization and its status.
- Return of ESI and PF etc.

Project Status Report

JVS implements various programs simultaneously, it's important for the management of JVS to timely understand the status of the implementation of each projects/programs. This report will give clear execution status of each project/program. Project status report will include the following details but not limited to;

- Project start and end date
- Remaining period of implementation
- Remaining balance against the allotted budget for the period of reporting.
- Plans for the completion of activity within the time frame.

Investment Status Report

Investment status reports will be prepared by JVS incase the organization has invested its funds in FDs and other bank deposits. The report will be prepared to measure in terms of capital appreciation, safety, liquidity and rate of interest etc. to improve the use of resources efficiently.

Fund Utilization Status Report as per Income Tax Act

As per the section 11(1) of the IT Act JVS will spent 85% of the fund received during the year will apply for the aims and objectives of the organization. Quarterly/ Half-Yearly reports will be prepared by the Finance Department to make sure that this ratio is maintained in the income expenditure statement.

Fund Utilization Status Report as per the FCRA Act.

As per the rule 5 of the FCRA Rules (Act) the administrative expenses is limited to 20% of the fund received during the fiscal year. JVS will frame the project and program budget accordingly to maintain the ratio between administrative and programme expenses respectively 20% and 80%. JVS will prepare periodical (quarterly and Half-yearly) statements as required to the analyses the same.

Reporting to Donor Agency

Donor agencies prescribe different types of reports as part of the project agreements/contracts. The Management will ensure that the reports prescribed by the donors are complied with as per the terms and conditions of the agreement/contract.

Procedure

- JVS will develop a calendar for reporting to donors and incorporate the same with the financial calendar that is in practice during the year.
- The calendar will be reviewed monthly in order to ensure timely submission of reports to the donor agencies.
- JVS will adopt the donor agency formats for reporting purpose else the standard format of JVS will be used that consists the consist the following;
 - Receipts and payments accounts
 - Utilization certificate
 - Budget comparison statement
 - Program/Project Narrative reports to substantiate the Financial Statements.

Reporting to Government Departments

The periodical as well as annual reports will be submitted to respective government departments as per the reporting deadlines prescribed under the rules. The reporting schedule will be incorporated with the financial calendar for better monitoring and compliance. The following Reports will be submitted;

Reports to Society Registrar (As per Society Registration Act 1860)

Annual return to the Registrar of the societies to be filed within in 14days of the AGM conducted. The following documents shall be submitted along with annual return;

- Copy of the audited financial statement (consolidated)
- Copy of the managing body
- Copy of the annual report
- Copy of the minutes of AGM

Reports to Income Tax Department (As per the Income Tax Act 1961)

Annual return for the financial year to the income tax department to be filed on or before 30th September of the following year. The following documents shall be submitted along with annual return;

- Consolidated financial statement with Balance sheet.
- ITR 7 under section 139(1)
- Form 10B under rule 17B
- Form 10 under rule 17(2) (if applicable)
- Form 10BD

Reports to Income FCRA Department (MHA) (As per the FCRA Act 1976, 2020)

Annual return for the financial year to the FCRA department to be filed on or before 31st December of the following year. The following documents shall be submitted along with annual return;

- Audited financial statement with Balance sheet for FCRA contribution.
- Form FC-4 (Annual Return)
- List of donor wise inward remittance (donations/Grants)
- List of Outward remittance (Sub-Granting) Not, permitted after 29th September 2020.

20. Audit

Scope

Audit(ing) is the process through which the accounts maintained by JVS is verified by an independent person authorized to perform such a verification and who certifies that the accounts reflect the true and fair view of the organization and its activities.

JVS Auditing will be of two kinds; **the statutory audit** (i.e. the audit which must be conducted under the laws of the land by a qualified Chartered accountant and **internal audit** (which may be demanded by the management to ensure an effective financial management and internal control.)

A person who conducts an audit is called an **auditor**. Under the prevailing laws of the country, the person qualified to perform the task of external auditing is a *Chartered accountant who is a member of Institute of Chartered Accountants of India and he would be call a statutory auditor.*

Internal Audit VS Statutory Audit

Internal Audit (Auditor)

The internal auditor can be either a Chartered accountant or a person who is experienced in the financial management and administration of the developmental sector can be hired internally by the management/board for the internal audit.

- *The internal auditor will be provided access to all books of accounts, vouchers and other relevant records of the organization related to finance and administration.*
- *The auditor will submit a detailed report with his findings and suggestions for improvement.*
- *The internal auditor shall not certify any of the financial statement for the organization.*
- *The report from the internal auditor will not be used for any legal compliance.*

Internal Audit may be instituted by management for various reasons like;

1. *To improve accounting function or finance department of the organization*
2. *To provide internal control over the financial transactions*
3. *To ensure that the accounts are ready in time for the statutory audit*
4. *To enhance the accounting systems of the organization*

Prevailing laws for statutory audits

Society Registration Act 1860

As per the Sub-Section 2 of the Sec. 5 of the Society Registration Act 1860 every registered society shall have its accounts audited ones every year by a qualified chartered accountant and the balance sheet prepared by him should be submitted to the Registrar of Societies.

Income Tax Act 1961

Clause B section12 A of the Income Tax Act 1961, states that where the total income of the trust Institution as computed under this act without being effect to the provision of section 11 and 12 exceed fifty thousand rupees in the previous year, the accounts for the trust for the year has to audited by a chartered accountant.

Foreign Contribution (Regulation) Act 1976

Clause 2 of rule 8 of the FCRA Act, every account specified in sub-rule (1) shall be duly certified by a chartered accountant along with a balance sheet and statement of receipts and payments.

Appointment of Auditors

- **Statutory Auditor**

The statutory auditor will be appointed by the Governing/General body of Jan Vikas Samiti in the board meeting. Appointment letter should be issued to the auditor and acknowledgment should be obtained from them for the record and reference.

- **Internal Auditor**

The internal auditor will be appointed or appointed by the management (ED) /Board of JVS. Appointment letter should be issued to the auditor and acknowledgment should be obtained from them for the record and reference.

Change of Auditors

The management/Board at its discretion may change the statutory or internal auditor from year to year if necessary. The below procedures will be followed to change the auditors;

- Identify a New Auditor with experience in handling audits for the developmental sector and updated with FCRA, Income tax, and other applicable laws of the land.
- Pass a resolution in the Governing body meeting for the change of current auditors and appointment of new auditors.
- Issue a notice to the previous auditor regarding the change and end of the contract.
- Issue an appointment letter to the new auditor with the scope of work and the previous auditor's name and address and obtain the acceptance of the new auditor.
- The newly appointed auditor will inform the previous auditor regarding the change of auditor by JVS. If required the new auditor will get the necessary documents and backups from the previous auditor that are required for conducting the audit and legal compliances.

External Auditor Terms of Reference (ToR)

The audit has been conducted in accordance with International Standards on Auditing (ISA) while conducting audit, special attention should be paid to the following;

- External funds have been used in accordance with the conditions of the relevant financial as well as project agreements.
- Project funds have been provided and used in accordance with the relevant general conditions and only for the purposes for which they were provided as per the project agreement.
- Fixed assets are purchased in accordance with the financial policies of JVS.
- Necessary supporting documents, records, and accounts have been kept in respect of all Program activities including expenditures reported with proper bills and vouchers, details of beneficiaries and narrative summary report of activity.
- Bank Accounts have been maintained in accordance with the provisions of their uses while opening such bank accounts.
- Verify the closing balances physically and issue cash certificate.

- Verify petty cash book, ledgers and journal book.
- Verify project/program financial statements submitted to Donor agencies to ensure accurate balances has been shared with donors in related to the projects.
- Verify the relevant registers and records like, salary register, kitchen book, attendance sheet, bank statements, contracts, quotation files, bid analysis, investment register etc.
- Verify relevant certificates from third parties like balance confirmation from the bank, TDS deduction details (26AS), TDS certificates from the parties etc.
- Inspect the fixed assets to the maximum possible
- Check and co-relate the relevant minutes of the meeting that have been referred in the financial transactions or overall management.
- Any other documents that the auditor may wish to verify at the time of the audit.
- **Management Letter**

In which the auditor will:

- Give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
- Identify specific deficiencies and areas of weakness in systems and controls and make a recommendation for their improvement;
- report on the degree of compliance of each of the financial covenants on the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
- Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the Program; and
- Bring to the borrower's attention any other matters that the auditors consider pertinent.
- Include management comments in the final management letter.

Access documents/Materials

- The Auditors shall have rights of access to the books, accounts, vouchers, agreements and related Supplemental Letters, Program Documents, financial statements submitted to donors, correspondence with donors, and all other documents in relation of the Program and to such information and explanations as auditors consider necessary to perform their duties and fulfill their responsibilities.
- The auditors will be provided with copies of the Bank relevant documents.
- Organizational Financial Management Manual and Procurement Guidelines
- Copy of program/organizational budget
- Cheque/cash register
- Grant letters from donors
- Any other documents that auditors consider necessary to perform their duties and fulfill their responsibilities.

Financial Statements

The auditors will generate and present the flowing set of certified financial statements with their schedules to JVS.

1. Consolidated Financial Statement

- i. Receipts and Payments accounts
- ii. Income and expenditure accounts
- iii. Balance sheet
- iv. Auditors report
- v. Management letter
- vi. Notes to financial statements
- vii. Utilization certificates
- viii. Computation of income
- ix. Bank account reconciliation statements
- x. Form 10 B and form 10 (if applicable)

2. Foreign Contribution Account Financial Statement

- xi. Receipts and Payments accounts
- xii. Income and expenditure accounts
- xiii. Balance sheet
- xiv. FC-4 (returns to Ministry of home affairs)
- xv. Bank account reconciliation statements
- xvi. Donor wise fund receipts and utilization statement
- xvii. Fund disbursement details to other organization

3. Indian Contribution Account Financial Statement

- xviii. Receipts and Payments accounts
- xix. Income and expenditure accounts
- xx. Balance sheet
- xxi. Bank account reconciliation statements
- xxii. Donor wise fund receipts and utilization statement in case of projects
- xxiii. List of individual as well as institutional donors

Financial Statements Review by Management

The finance department under the leadership of executive director and the treasurer of JVS will review the financial statements presented and make necessary comments and explanation as required before they are presented to the Governing Body of JVS and to the Government departments.

21. Legal Compliance

System for Tracking Legal Compliance

The Finance and admin. Department will maintain a register to record the various notices received from the government Departments like Income Tax, FCRA and Societies, Provident Fund etc. wherein details of notices and compliances will be recorded.

1. Foreign Contribution (Regulation) Act, 1976

JVS is duly registered under the FCRA. Registration no. is 136760090 dated 13 March 2002 and is governed by the provisions of the FCRA Act 1976 and the Amended Act and Rules 2020.

Maintenance of Bank Accounts

The main FCRA saving bank Account of Jan Vikas Samiti is at SBI New Delhi Mai Branch (00691) having account number: 00000040106099739. This account will be the only bank account for receiving any foreign Contribution. Separate Utilization Bank accounts shall be opened in any bank that is integrated with PFMS as per the need of JVS.

Books of Accounts

Separate books of accounts will be maintained for separate foreign grants.

Transfer of Foreign Contribution

JVS will not transfer any foreign contribution/funds to any society or organization for any purpose other than payment against invoices and bills.

Reporting & Compliance

Type of Report	Description	Due Date and Responsible Person
Quarterly report on receipt of foreign contribution	Finance department will prepare and file quarterly details of Foreign contribution received with following details <i>Name of the donor</i> <i>Date of Receipt</i> <i>Purpose of Receipt</i> <i>Amount of Receipt</i>	On or before 15th of the subsequent month after the completion of the particular quarter. Resp. Person: HoD- Finance & Admin.

Annual Return	Annual return along with the audited balance sheet will be submitted online in the prescribed form as per the FCRA Act and rules. <i><u>FC4</u></i>	On or before 31st December of the flowing financial year <i>Resp. Person: HoD- Finance & Admin through organizational auditor.</i>
Intimation - Change of nature, aims and objects and registration with local/relevant authorities in respect of the association	Any changes on the particulars of the organization. <i><u>FC- 6B</u></i>	within 15 days of such changes taking place <i>Resp. Person: HoD- Finance & Admin</i>
Utilization bank accounts	JVS can open separate utilization bank accounts for the utilization purpose of FC funds in any bank integrated with PFMS <i><u>FC - 6D</u></i>	Within 15 days of opening such bank account. <i>Resp. Person: HoD- Finance & Admin</i>
Changes in the governing body members	Any changes in the governing body of the JVS shall be intimated <i><u>FC- 6E</u></i>	Within 15 days after the approval from the registrar of the societies. <i>Resp. Person: HoD- Finance & Admin</i>

Notices by MHA and Compliances

In-the case of JVS receiving any notices from the MHA regarding any of the reports submitted or any other concerns related of the organization, the Head of the Department of Finance will immediately take note of the notice and promptly respond to the notice after the approval from the Executive Director. The head of the Finance Department will make sure that the due dates for compliance have been taken care in all the cases.

2. Income Tax Act 1961

JVS is registered as a charitable organization under the sections 12A and 80G of the Income Tax Act, 1961. JVS will file various returns as mentioned below to the department under various sections of the act

Type of Report	Description	Due Date (Resp. Person)
Income Tax Return (Annual)	The annual return of income shall be prepared along with the audited financial statement, 10-B, and computation of income chart, certificate of income, and expenditure u/s 11 f the act. The report shall be passed by the General Body of the Org before submitting the same.	On or before September 30 th of the following FY. <i><u>HoD- Finance & Admin</u></i>
Changes in the governing body	Intimation on the change of Governing body members shall be made along with the	On or before September 30 th of the following FY.

members	annual return of income.	<u>HoD- Finance & Admin</u>
Form 10	Section 11 of the Act requires a trust to utilize at least 85% of its income for charitable purposes, and the remaining balance is permitted to be accumulated. Also, if a situation arises where it is not possible to spend 85% of the income in the same year, then a trust or institution may make an application to the Assessing Officer in Form 10 for accumulating the income. This accumulation can be for next 5 years.	On or before September 30 th of the following FY. <u>HoD- Finance & Admin</u>

Tax Deducted at Source (TDS)

Tax Deducted at Source on the payments to Staff and other parties. The HoD- Finance & Admin. Will be responsible for all the filing and compliances related to TDS.

1. TDS Deductions should be done according to the rates as prescribed under IT rules.
2. All TDS deducted should be deposited to the Govt. on or before 7th day of the following month.
3. Challan Number "ITNS 281" will be used for all TDS deposits
4. Form 24Q will be used for the Statement for filing tax deducted at source returns from salaries
5. Form 26Q will be used for the Statement for filing tax deducted at source returns on all payments other than salaries.
6. Non-payment or late payment of TDS will attract interest @ 1.5% per month.
7. Annual Returns for tax deduction from salaries will be filed in form no.24 on or before 31st May of the respective assessment year.
8. Annual Returns for tax deduction from all payments other than salaries will be filed in form no.26 on or before 30th June of the respective assessment year.

Issue of TDS Certificates

JVS will issue the TDS Certificates to its salaried employees/payee other than employees for all tax deducted at source in Form 16/16A respectively as prescribed by the Income Tax Act, 1961.

Notice by the Income Tax Department

Any notice received from the Income Tax Department regarding the income tax hearing, assessment or any other proceedings by the income tax officer, income tax appeals, income tax appellate tribunal or high court or any other tax authority will comply within the given time.

The HoD Fin.& Admin. Department will take charge of any such notice on the issue and contact the Auditor or Tax consultant and attend to the issues until the case has been solved with end results in favor of the organization.

3. Societies Act 1860

JVS is registered under the Societies Registration Act XXI of 1860, with Registration number No.963/1997-98 dated. 07-03-1998.

Type of Report	Description	Due Date (Resp. Person)
Annual Return to Society Registrar	The following documents shall be enclosed with annual return; <ol style="list-style-type: none"> 1. Copy of the list of managing body 2. Copy of the annual report 3. Copy of the audited financial statement (consolidated) 4. Copy of the minutes of AGM 	Annual return to the Registrar of the societies to be filed within in 14days of the AGM. Resp. Person: Hon. Secretary/ & Admin.
Filing annual list of managing body to be filed	Once in every year, on or before <i>the fourteenth day</i> succeeding the day on which, according to the rules of the society, the annual general meeting of the society is held, or, if the rules do not provide for an annual general meeting, in the month of <i>January</i> , a list shall be filed of the governing body then entrusted with the management of the affairs of the society.	within in 14days of the AGM Resp. Person: Hon. Secretary
Intimation of changes in members/office bearers	Intimation of any changes in the governing body of the organization due to election, resignation, death or any other reasons.	Within in 14days of such changes. Resp. Person: Hon. Secretary
Maintenance of Minutes Book	The organization shall maintain minutes's book for General body as well as governing bodmeetingsng.	Resp. Person: Hon. Secretary

22. Financial Calendar of JVS

SL.NO.	NATURE OF DEADLINE	DATE
2	Annual Budget	1 st Draft : 10 th February 2 nd Draft : 15 th February

		Final Draft 25 th March
4	Annual closure of Project Disbursements	31 st March
6	Annual Closure of Accounts	31 st March
7	Issue of TDS Certificates to Staff/Contractor/Professional/Rent	30 th April
8	Annual Audit	By 30 th May
9	Finalization of Audit with ED	10 th June
10	Filing of Annual Returns – TDS on salaries	31 st May
11	Annual Return for TDS for contractors/professionals/Rent	30 th June
12	Filing of FCRA Return	31 st December
13	Half-yearly closing of accounts	30 th September
14	Filing of Income Tax Return	30 th September
	Filing of Annual Return to the Registrar of Societies	Within 14 days of AGM

