

Finance Policy and Procedures Manual of Sangama

Approved By: The board (governing body)

Approved On: 19th May, 2012

GENERAL POLICIES

Sangama will follow Accrual basis of accounting in as much as relevant and possible. For instance provision of donor receipts cannot be made.

Sangama follows double entry book-keeping system through the accounting software Tally and is computerized.

The vouchers will be printed online from the software package itself.

All donor requirements for reporting and finance management will be followed as per the agreement with the donor.

Purchase of physical articles with value above Rs. 5000 and having a life of over one year will be considered as an asset.

Asset register to be maintained for all assets - physical verification to be done annually.

All the assets will be insured for theft and fire wherever possible.

Insurance will be covered for cash-in-transit and for cash balance for Rs. 2,00,000 for Head Office (HO) and up-to Rs. 2,00,000 for project/branch office.

All statutory requirements prevalent such as TDS etcetera will be adhered to.

Annual audit will be conducted by an external audit firm appointed by the General Body of Sangama.

Peer Audit will be conducted twice in a financial year (from 2007-08) in October and April for the periods Apr –Sep and Oct – Mar by the same team members (as far as possible). Team shall include 2-4 representatives from Sangama's allied organizations, 2-4 from Sangama's constituency and 5-10 from Sangama staff. The peer audit reports will be placed before the next board meeting of Sangama.

Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the day-to-day affairs of Sangama is prohibited.

Sangama will neither pay for nor reimburse travel expenditures for spouses or others accompanying someone conducting Sangama's tasks except children or other vulnerable dependents with proper approval.

All accounts books, vouchers and supports will be maintained for a period of 8 years and a paid/received seal will be affixed to each voucher and support.

BANK ACCOUNTS

Account name	Purpose of account	Signatories
Sangama FC	Receiving Donor funds	Any two of three
Sangama Local	Miscellaneous local receipts	Any two of three
Sangama Central	For PF, TDS etc.	Any two of three
Project wise FC a/cs	For project expenditures	Any two of three

Project wise local a/cs

For project expenditures

Any two of three

Cheque register records all cheques and then go for signatures.

All Expenditure payments above 10,000 will be made by cheque compulsorily.

Advance payments for programme expenses at Project (outside HO) level and out of project area programmes etc., could exceed this limit.

Bank reconciliation statements will be prepared monthly for all bank accounts.

CASH PAYMENTS

Direct payments

Bills submitted by staff - authorized by Program Manager (PM) / team leader - approved by Finance Manager (FM)/Executive Director (ED) - Reviewed by Accountant - paid by Cashier.

Electricity, telephones, utilities (monthly bills) submitted by Administration - approved by FM/ED - Reviewed by Accountant - paid by cashier.

Bills of FM/PM/team leader to be approved by ED.

ADVANCES

Programme advance

Requisition for an advance in prescribed format submitted by staff duly authorized by PM/ team leader.

Verified by accountant and approved by FM/ ED - payment made by cashier.

Staff settle advance using the Accounts settlement form - the payments are authorized by PM/ team leader.

Verified by accountant and approved by FM/ ED - Advance settlement receipt issued to staff by cashier & Accounts Assistant.

Cash receipts to be issued for the cash refunded by the staff.

For advances/settlements of PM/team leader/FM the approval will be done by ED.

Salary advance

Salary advance is an advance against the gross monthly salary - (to 100%).

Salary advance to be made through the PM/team leader - approval by FM/ED.

Salary Loans

Any salary advance more than one month gross salary amounts to salary loan.

A maximum of three months gross salary amount may be paid as salary loan.

The loan will be repaid within six-month period.

The loans can be given for house rent deposits, medical expenses, two-wheeler purchases or others as determined from time to time, or any additional purposes on the case by case basis at the discretion of the ED.

ED will be the final approving authority for salary loans and will have the discretion to give loans on mutually agreed terms. ED is permitted to use her/his discretionary powers to give staff loans and staff grants outside of these prescribed rules.

All loans will be cleared before the end of the particular project period.

General guidelines for advances:

Second advance will not be given unless the first advance has been totally cleared.

Part settlements to be avoided at all costs.

The person taking the advance will be solely responsible for the settlement.

Travel allowances will be paid according to the staff policy/ appointment letter.

Food allowance while travelling will be paid according to the staff policy or as per the discretion of the ED.

All advances to be settled within 3 working days after completion of the task for which the advance had been taken and before the end of the particular project period.

To use prescribed formats for all settlements and transactions.

List of formats:

1. Programme advance requisition form
2. Account settlement form
3. Local travel form
4. Salary advance/loan requisition form
5. Any other forms added from time to time

Acceptable supports for payments:

Cash bill

Invoice with receipt

In case of no bills - payment support slip could be used for petty payments

Cash will be reconciled on a daily basis by the cashier - reviewed by FM

Purchase procedures

Purchases will be made in accordance with the Procurements policy.

Donor receipts

Grants received in cash from donors will be received into the FC account for Foreign receipts and due receipt/acknowledgement sent to the donor.

Local grants received will be credited into the Sangama Local account and receipt/ acknowledgment will be issued to the donor.

Grants in Kind

The PMs will be responsible to immediately inform Sangama's FM of any grants received directly at the Project / Branch offices.

Grants received in kind from FC donor, either directly or through the Project/Branch offices will be recorded at Sangama central FC grants in kind register.

The Project/Branch offices will maintain a stock register for the grants in kind received - this will be verified from time to time by Administration team.

VEHICLES

Four wheeler

A Four-wheeler vehicle has been bought from Sangama's own funds and another one from Hivos Project.

Other Projects will be charged according to the usage of the four-wheeler for the respective project at rate fixed from time to time by the ED.

The driver will maintain the logbook of the four-wheeler. The logbook shall form the basis of charging the projects. The driver should have a valid license and a photocopy of the same be submitted to head office.

Two Wheeler

Two wheeler vehicles may be provided to staff as applicable and/or available.

A fixed monthly allowance may be paid to the user for the fuel expenses as field travel expenses according to the budget availability.

Maintenance charges of the two wheelers will be paid from Sangama on a case-to-case basis.

User will be responsible for the two-wheeler and a log book will be maintained - User will compulsorily use a helmet and also have a valid license. The Photocopy of the licence should be submitted to head office for filing.

Use of Personal Vehicles

Employees may be allowed to use their personal vehicles. Personal vehicle (two wheeler or four wheeler) used for official purpose will be reimbursed of the fuel charges depending on the consumption of the fuel and kilo-meters covered. Rates will be fixed from time to time by the ED.

b) Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the day-to-day affairs of Sangama.

b) Sangama will neither pay for nor reimburse travel expenditures for spouses or others accompanying someone conducting Sangama's tasks except children or other vulnerable dependents with proper approval.