



DHAS GRAMIN VIKAS KENDRA

Regd. Office: Chhitu Kirad Marg, Asadpura,
Dist. Alirajpur, Madhya Pradesh, India – 457887

Branch: 74, Krishnodayanagar, Khandwa Naka, Indore - 452001

PAN- AABTD1014A Section 12 A IT Act Regn. No - 24/32(2010-11) Ujjain

07394-234361
0731-2877047

FINANCIAL POLICY

1. Sources of Funds

The organisation will receive funds from the following sources:

- i. Grants received from Government Agencies
- ii. Membership fees.
- iii. Income from short term professional services and consultancy assignments undertaken by the organisation.
- iv. Grants and Donations received from funding agencies and individuals.

2. Signatories to Cheque Books

Any two from among the Trustees of the organisation and the Chief Executive Officer will be the signatories to the bank accounts of the organisation. Money can be released by the joint signatures of two signatories along with the seal of the organisation.

3. Petty Cash Fund

A petty cash fund will be kept to cover small day to day payments not exceeding Rs 20,000.00. The Accountant will handle this account and it is to be liquidated every two weeks. The Treasurer will ensure proper handling of petty cash fund through surprise checks from time to time.

4. Fund Disbursement

All payments will be made either by cheque or cash.

4.1 Payment by Cheque

(1) Payment for Purchases

Payment against purchases exceeding Rs 5000 shall be made by cheque.

(2) Payment for Services Rendered

a. Payments for Staff Salaries

i. Payment Calendar

Staff salaries will be paid within seven days following the completion of the month. Individual cheques are to be issued to the employee concerned.

ii. Staff payroll

The staff payroll will be prepared by the Accountant as the basis of payment. The staff payroll will contain information on the employees' basic salary for the month, allowances if any, deductions and net salary payable. The staff payroll will be checked by the Treasurer and approved for payment by the Chief Executive Officer of the organisation.

iii. Advance Pay

The organisation's employees may take advance payment of up to 3 months (after completion of 3 months probation), if urgently required. The advance must be returned/reimbursed before the end of that particular fiscal year.

For travel purposes, NGO employees shall be given cash advances for expenses covered on official trips. Request for cash advances will be prepared by the personnel concerned, recommended by the Treasurer or General Secretary and is approved by the President. All cash advances for travel are to be liquidated within a week following the completion of the trip.

b. Payment for Contractual Services

Payment for contractual services will be done through cheque disbursements. The schedule of payment will depend on the Terms of Reference (TOR) agreed upon by the personnel concerned and NGO. Payments will be covered by appropriate bills prepared by the accountant and approved by the Executive Director.

4.2 Procedures for Fund Disbursements

- All requests for payments are to be made using the appropriate forms.
- Requests for payments are to be properly substantiated with bills/receipts and essential documents.
- Requests for payments are prepared by accountant and submitted to Executive Director for checking and approval.

5. Procedures for Procurement of Goods and Services

i. Capital Goods

All procurement of capital goods above Rupees Five Thousand in value will be done through a process of inviting of at least two quotations (relaxation in case of local procurement in Alirajpur where there are not many vendors) and preferably three quotations. The board of Trustees will record in writing the reasons for choosing a particular vendor.

ii. Travel, Tenting and Catering Services

All procurement for travel and catering services above Rupees Ten thousand in value will be done through a process of inviting at least two quotations (relaxation in case of local procurement in Alirajpur where there are not many vendors) and preferably three quotations. The board of Trustees will record in writing the reasons for choosing a particular vendor.

iii. Consultancy services

Curriculum Vitae of Consultants will be invited and perused before engaging them for providing services to the organisation. The board of Trustees will record in writing the reasons for choosing a particular consultant.

6. Book Keeping and Recording

6.1 Book Keeping

The recording system of the organisation's financial transactions will monitor bank balances, status of funds receipts and expenditures, and a comparative statement of budget vs. actual expenditure on a regular basis. The organisation will maintain records of fixed assets, petty cash disbursements, supplies, inventory and the use and maintenance of office equipment.

6.2 Accounting

The following sets of financial reports will be prepared by the organisation:

A. Quarterly financial reports will be prepared for review by each individual project manager of the organisation's specific projects. This quarterly report will be reviewed by the Board of Trustees. The financial reports to donors will be submitted as prescribed in the agreement between the donors and the organisation.

B. Annual Balance Sheet and Statement of Income and Expenditures will be prepared for each fiscal year.

6.3 Auditing

Books of Accounts of the organisation shall be audited annually by an independent auditor appointed by the Board of Trustees. The organisation may hire an internal auditor in order to streamline its accounting systems and procedures.