



# FINANCE MANUAL

*Our Financial Framework*



**TEZPUR SOCIAL SERVICE SOCIETY (TSSS)**

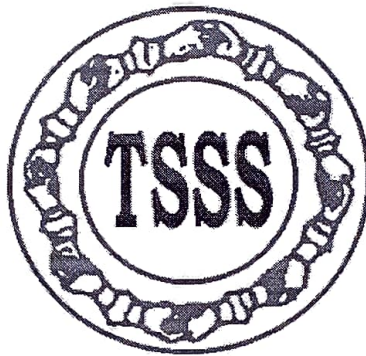
**Registered HQ**

Bishop's House, Tezpur, Sonitpur District, Assam - 784 001

**Operational HQ**

Dholaibil, Sonitpur, Assam - 784 182

# **FINANCE & ACCOUNTING POLICIES AND PROCEDURES MANUAL**



## **Tezpur Social Service Society**

**Registered Headquarters:**

Bishop's House, Tezpur -784001, Sonitpur District, Assam

**Operational Headquarters:**

Dholaibil, Sonitpur, Assam – 784182





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## ABOUT THE ORGANIZATION

Tezpur Social Service Society is a social wing of the Catholic Diocese of Tezpur, statutorily established as a non-profit and non-political organisation rendering humanitarian service among remote-poor and marginalized people irrespective of caste, language, and religion in the Diocese of Tezpur, Assam. Social workers like Lt. Rt. Rev. Bishop Robert Kerketta, SDB, promoted TSSS. The Society was registered in 2005, vide Society Registration No. RS/SPR/242/C/02 of 2005-2006.

**Vision:** *"Our vision is the formation of a Just and Self-Sustainable Society based on Human values."*

**Mission:** *"Our mission is to promote the integral development of the poor and marginalized through conscientization and people's organization"*

Our operational areas include the five districts of Assam: **Sonitpur, Biswanath, Lakhimpur, Nagaon, and Udalguri.**

## LEGAL PROFILE

### Society Registration

The Society was registered in 2005, vide Society Registration No. RS/242/C/02 of 2005-2006. TSSS is also registered with the Ministry of Home Affairs, Govt of India under the Foreign Contribution Act (FCRA) 1976 and Income Tax Act vide FCRA No. 020620012 with 12A Registration – 22/12A(a)/CIT/GHY-1/2011-12.

### PAN Number

PAN No – AACAT4454F

### FCRA Registration

The FCRA Registration Number of Tezpur Social Service Society is 020620012.





## ABOUT THE MANUAL

This manual is designed keeping in view the accounting and financial requirements of Tezpur Social Service Society (TSSS) and aims to generate information, reports required by the Society for Internal Controls and for the management decision-making process. This manual also aims to ensure that the highest standards possible are maintained by Tezpur Social Service Society (TSSS) in protecting project personnel and project assets. This manual is an internal document to be used only by Tezpur Social Service Society (TSSS).

This is also meant to be a manual for the project management of the Tezpur Social Service Society (TSSS) to help the society in setting up and maintaining high standards of accountability. This will lead to an enhancement of its credibility and allow Tezpur Social Service Society's (TSSS) works to be more fruitful and effective.

This manual should be reviewed by the management of Tezpur Social Service Society (TSSS) and those who are responsible for grants management, who prepare grant proposals, and who record and report on project activities. This Manual intends to provide major practical information on what is expected from a registered Society in terms of internal controls mechanism to be adopted by Tezpur Social Service Society (TSSS) for proper management of its own funds and project funding, in terms of fiscal accountability, accounting system and financial management for compliance to the requirements of Donors, policies and regulations of concerned government authorities/departments, the Stakeholders and target population, etc.

General information on other topics related to grant administration may be obtained by referring to and incorporating the actual existing rules, system, and practices followed/by Tezpur Social Service Society (TSSS).

### **This manual provides information on:**

- ❖ Quality management of the finances at Tezpur Social Service Society (TSSS)
- ❖ Sound decision-making on financial matters
- ❖ Internal review and audits
- ❖ Compliance with major obligations



- ❖ Requirements of funding agencies
- ❖ Budgeting, fiscal discipline, and hygiene
- ❖ Efficient utilization of available resources
- ❖ Reporting and Monitoring
- ❖ Legal and financial issues for Funding Agencies
- ❖ Integration of economic policies with the Mission of the Organization.



## CHAPTER – I

### INTRODUCTION

#### 1.1 Objectives of the Manual:

The objectives of the Finance Manual are as follows:

- a) To document the accounting and reporting system
- b) To communicate and manage the finance policies & Procedures
- c) To readily assist the Finance Department with the Accounting and Financial system
- d) To serve as a guide to financial management.
- e) To ensure the best possible controls and procedures are in place to protect and support the Tezpur Social Service Society (TSSS) to achieve the overall Project Objectives;
- f) Ensuring compliance with the systems and procedures of the donors and statutory agencies
- g) Effective and efficient management of Project Funds

#### 1.2 Users of the Manual

Those who are connected with the financial activities of Tezpur Social Service Society (TSSS) are the users of the Manual. They are as follows: -

- a) The General Body and the Governing Body of Tezpur Social Service Society (TSSS)
- b) The Program Director and Staff of Tezpur Social Service Society (TSSS)
- c) The Finance Department
- d) The Statutory Auditors
- e) The Financial Advisors
- f) The Internal Auditors



The above persons are expected to familiarize themselves with the contents of the Manual so that they can refer to it as and when need arises.

### 1.3 Correlation with other policies and documents-

Together with this manual Project staff needs to be aware and understand the following Policies & Procedures Manual developed specifically for the Tezpur Social Service Society (TSSS) Project:

- a) Asset Protection Procedures & Policies Manual
- b) Human Resources Procedures & Policies Manual
- c) Administration Manual Procedures & Policies
- d) Resource Mobilisation Policy

### 1.4 Amendment to the Manual

Any amendments to the Manual shall be carried out only with the approval of the Governing Body on the recommendation of the Program Director, who should consult the Finance Committee and the Financial Consultant before making them.

Any such amendments duly approved by the Governing Body shall be documented in all the copies of the Manual, both with the individual officers to whom the Manual has been distributed and in the copies in possession of the Management, and such documentation shall be noted in the amendment form prescribed herein.

### 1.5 Amendment Form

#### Format 1.

Chapter	Para Ref.	Description	Date of Last Amendment





## CHAPTER – 2

### FINANCIAL POLICIES, PROCEDURES, AND SYSTEMS

#### 2.1 Financial Policy

##### *Introduction*

- a. Financial policy is a tool as well as a measure for the standards of accountability of Tezpur Social Service Society (TSSS)
- b. Good financial policy enables the fulfillment of the vision of Tezpur Social Service Society (TSSS). The nobler the vision, the higher the standards of accountability should be. Transparency and high standards of accountability can be infused in Tezpur Social Service Society (TSSS) only if there is a sound financial policy.
- c. The financial policy of Tezpur Social Service Society (TSSS) 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. This is the very core of a financial system.
- d. Tezpur Social Service Society (TSSS) should have a healthy financial policy, and for that purpose, there should be a good set of financial policies.

##### **2.1.1. A Professional set of financial policies must ensure the following: -**

- a) A creative, honest, and sound management of resources entrusted to Tezpur Social Service Society (TSSS).
- b) Optimum utilization of the above resources for the objectives of Tezpur Social Service Society (TSSS)
- c) Creative investments of the funds of Tezpur Social Service Society (TSSS)
- d) High accountability standards
- e) A Professional system of reporting, monitoring, and evaluation.

### 2.1.2 Planning and Budgeting

Please refer to Chapter 3

### 2.1.3 Training of Finance Staff

The Finance staff should not only have requisite academic qualifications, competence, and experience but also be provided with refresher and orientation courses and workshops on a continuing basis, since there is a need for constant up-gradation of skills in finance. This measure will improve the quality of the Finance department and therefore will promote better financial management within Tezpur Social Service Society (TSSS).

### 2.1.4 External Review

It is healthy for Tezpur Social Service Society (TSSS), which is responsible and accountable to the public, to have an expert on Finance. There should be an external expert familiar with the finances of Tezpur Social Service Society (TSSS) who will review the finances and financial policies and systems of Tezpur Social Service Society (TSSS) to see whether they are adequately adhered to. The expert should alert Tezpur Social Service Society (TSSS) with regard to any lapses and deficiencies in standards and policies within its cadre from time to time.

## 2.2 Procedures and Systems

Procedures and systems are the key factors that ensure an organization's smooth running. A good system will make sure that there is a clear and automatic functioning of Tezpur Social Service Society (TSSS), preventing domination or manipulation by any one person or group of persons for their benefit.

The following are some of the common and generally accepted systems and procedures for Tezpur Social Service Society (TSSS):

- a) Internal Control
- b) Professional Accounting Systems



- c) Reporting and Monitoring Systems
- d) Handing Over System

### 2.2.1 Internal Controls

Internal controls are like checks and balances, which help to keep the system in place to avoid fraud and misappropriation, or deviations from accepted policies and procedures. Periodical review of internal controls is required to maintain the vitality of the system.

Objectives of Internal Control:

- a) To assist management in the orderly and efficient conduct of its operations,
- b) Adherence to management policies and procedures
- c) Safeguarding of assets
- d) Prevention and Detection of Fraud and Error
- e) Accuracy and completeness of accounting records
- f) Timely preparation of reliable financial information
- g) Inspire confidence in the Tezpur Social Service Society (TSSS) by its funding partners and beneficiaries.
- h) To prevent and control any risk detrimental to the operations and performance of activities.

**The following internal controls are adopted in Tezpur Social Service Society:**

#### **A. Cash Transaction**

##### **i) Segregation of cash payments into petty cash and larger payments.**

Both for accounting and control purposes, the accountant with knowledge of the Program Director should make all the payments. It is advisable to fix limits for petty cash payments. The Tezpur Social Service Society (TSSS) office has fixed an amount of Rs.1,000/- (Rupees one thousand only). The limit for larger cash payments shall be Rs. 5,000/- (Rupees Five Thousand only)



**ii) Cheque payments versus cash payments**

As far as possible, all payments for expenses should be made through cheques except for petty cash transactions. In any case, make all payments exceeding Rs. 5,000/- by crossed "A/c Payee" cheque or demand draft.

**iii) Physical Verification of cash**

Management will ensure to verify the actual cash in hand with the balance shown in the book at least once a month and also undertake surprise checks, at periodical intervals, at the HO & Community Centre (CC) level.

**iv) Cash Receipts**

The management will ensure that the cash received by the organization is promptly deposited in the bank the next day. It will be acknowledged through pre-numbered Receipts, which are properly recorded in the cashbook.

**v) Cash withdrawal**

All cash payments for petty expenses will be made from the cash-in-hand of a fixed amount, which is regularly replenished from the bank account by calculating the actual cash requirements for the week.

The authorized persons must verify the list of cash requirements before signing the cheque for the withdrawal of cash.

**vi) Cash Holding Limits:**

On any given day, the maximum office cash holding limit for the Project with the cashier/accountant for Foreign Contribution should not exceed Rs 10,000/-, and the minimum cash balance should be Rs. 2000/-

For the Local contributions account, the maximum cash holding for a week will be Rs. 5,000/- apart from the actual cash payment/advance requirements calculated for the week.

**vii) Accounting for Cash:**

All cash withdrawn should be counted and recorded in the cash book on the same day by the Accountant/Cashier.



Petty cash transactions are recorded in the 'Petty cash book' serially date date-wise, upon proper verification of support documents and authorization/approval.

Closing cash balances are to be recorded (denomination-wise) and authenticated by the cashier-accountant daily when closing for the day.

All cash refunds should be recorded immediately in the cash book.

Cash book to be maintained daily and closed at the end of the day

The denomination of the closing balance of the cash should be entered, signed by the Accountant, and the physical closing cash balance for the day is to be verified by the Project Director.

This register is to be maintained from the beginning of the financial year, and a fresh register at the beginning of every financial year.

## **B. Bank Transactions**

- a) All bank accounts will be opened in the name of Tezpur Social Service Society (TSSS) only.
- b) The management of Tezpur Social Service Society (TSSS) reserves the right to open or close project-related bank accounts as and when deemed suitable.
- c) All Tezpur Social Service Society (TSSS) bank accounts will be operated by a minimum of two signatories, one signatory being mandatory for all cheques to be issued. A third signatory can also be made for contingency, that is, in case of the unavailability of one of the signatories as nominated by the management
- d) Tezpur Social Service Society (TSSS) will operate through designated separate bank accounts for foreign contributions and Indian contributions, for its main and subsidiary offices.
- e) There will be a system for the preparation of the Bank Reconciliation Statement quarterly and for monitoring the same.

- f) Issuing bearer cheques and post-dated cheques will be avoided as far as possible.
- g) Cheques for payment will be issued only when there is an adequate balance in the account, since the dishonoring of a cheque will attract criminal liability.
- h) All cancelled cheques will be preserved for identification and control purposes.
- i) The cheque book will always be in the safe custody of a designated authority that is accountable.
- j) Cheques and Drafts received by Tezpur Social Service Society (TSSS) will be acknowledged through pre-numbered receipts, which are promptly deposited and properly recorded, and the various functions of receiving, processing, and recording should be clearly segregated.

### **C. Payment Procedures**

- a) All payments to be made either by cheque, cash, or bank transfer.
- b) **Staff Salaries**

#### **i. Payment Calendar**

Staff salaries are to be paid within five days following the completion of the month.

#### **ii. Staff Payroll**

Staff payroll (salary sheet) is prepared by the Accountant as the basis of payment. The staff payroll contains information on the employees' basic salary for the month, allowances, if any, deductions, and net salary payable.

#### **iii. Staff Advances**

Employees of Tezpur Social Service Society (TSSS) may take advances for personal utilization up to the amount of three months' salary for six months. An advance will be given after the completion of a 6-month probation period. All outstanding loans and advances have to be settled 15 days before the end of that fiscal year.

For travel purposes, Tezpur Social Service Society (TSSS) employees shall be given cash advances for expenses to be incurred on official trips. Request for cash advances is prepared by the personnel concerned, recommended by the Project manager in consultation with the chief accountant, and is approved by the Director. All cash advances for travel are to be liquidated within 5 days following the completion of the trip. No advances would be given without the settlement of the previous advance.

#### **iv. Tax Deduction at Source**

Tezpur Social Service Society (TSSS) will deduct tax at source where applicable as per Government rules.

#### **c) Payment for Contractual Services**

Payment for contractual services is done through cheque disbursement. The schedule of payment depends on the Terms of Reference (TOR) agreed upon by the personnel concerned and Tezpur Social Service Society (TSSS). Payments are covered by a statement of fees and other incidental expenses, like travel, etc., submitted by the concerned person. The Accountant will check and verify the statement, and it would be approved by the Executive Director for the payment.

#### **e) Procedure for Settlement of Bills**

- Requests for payments are to be properly substantiated with bills/receipts and essential documents.
- Requests for payments are checked by the Accountant and submitted to the Executive Director for approval.

#### **A. Fixed Assets and Inventory Control**

Procedures for the purchase and disposal of fixed assets, control, and safeguarding have been dealt with in detail in Chapter 5.

While an inventory (Stock Register) records assets, which are generally consumable or saleable, a Fixed Assets Register records more permanent assets, which provide



long-term benefits to Tezpur Social Service Society (TSSS). Hence, both are valuable since they represent a substantial portion of the net worth of Tezpur Social Service Society (TSSS). Both types of assets will be controlled and managed efficiently and also used effectively.

The following are measures for exercising adequate control: -

- a. Maintenance of a Fixed Assets Register.
- b. The management will carry out a physical verification of the stock and assets periodically.
- c. Management will ensure that there is an annual physical verification before the statutory audit.
- d. Original documents such as sale deeds, registration documents for vehicles, sanctioned building plans, land-related revenue records, etc., are carefully preserved.
- e. All fixed assets are numbered for identification and accounting purposes.
- f. The fixed assets are acquired or disposed of only after proper authorization, and they are adequately safeguarded.

#### **D. Investment Control**

The guidelines to be followed for investment decision making are dealt with in detail in Chapter 6.

Other than fixed assets and stock, investments represent a substantial net worth of Tezpur Social Service Society (TSSS). Therefore, investments must be managed and controlled efficiently and effectively.

Given below are practices followed: -

- i) Have a professional investment system.
- ii) Take into consideration the requirements of various statutes before investing.
- iii) Organize a Yearly Investment Report highlighting
  - The percentage of return
  - Returns for the quarter





- Investments matured
  - Investments maturing in the next quarter
- iv) All records of investments should be in the safe custody of a designated authority.

### E. Advances and Loans

As a policy, Tezpur Social Service Society (TSSS) will not give loans to staff, but advances of salary could be paid against a written application by the staff for the purpose given below:

- a) **Programme Advance:** For implementation of budgeted programs by the main project office staff and by the field office personnel.
- b) **Travel Imprest:** For traveling on official business by the project staff
- c) **Salary Advance:** Salary advance can be availed (on a need basis) up to 50% of the gross salary, which shall be adjusted in the current month's salary payable. All such requests are to be made in the prescribed format before the 10<sup>th</sup> day of the current month to the Project Director.

### F. Internal Auditor

The Governing Body of Tezpur Social Service Society (TSSS) will appoint one Internal Auditor for Financial Support Supervision. The Internal Auditor will verify Accounts, Financial records, Transactions, Fixed Assets, and Application of funds. He will conduct the internal auditing every six months and advise the Staff and the Management on the financial position and utilization of funds. Corrective measures, if any, are taken immediately. Financial irregularity will be considered seriously, and appropriate actions will be taken for effective and efficient financial management.

#### **The Responsibilities of the internal auditor will include:**

- a) Reporting on the adequacy of internal controls,
- b) The accuracy and propriety of transactions,
- c) The extent to which assets are accounted for and safeguarded,
- d) The level of compliance with financial norms and procedures.

- e) Reporting on Adequacy of Documentation
- f) Reporting on whether Tezpur Social Service Society (TSSS) has practiced economy in the financial transactions.
- g) Internal auditor will carry out the audit & submit the report to the Management.
- h) Internal audit system to ensure proper utilization of funds approved.
- i) The internal audit will be carried out on a concurrent quarterly/half-yearly basis.
- j) It should be ensured in the internal audit that the prescribed accounting system, including regular bank reconciliation, is strictly followed. This will include physical verification of assets, inventories, etc.

### 2.3 Professional Accounting System

A professional accounting system should necessarily include clear supporting documents and simple, transparent, yet informative books of accounts. Please refer to Chapter 4.

### 2.4 Reporting and Monitoring Systems

Please refer to Chapter 5

### 2.5 Handing Over System

At Tezpur Social Service Society (TSSS), it is quite normal that the office bearers change from time to time depending on the period of office, resignation, etc., and the new office bearers take over the responsibility. At the time of handing over, the following issues have to be borne in mind: -

- a) Books of accounts, register, and other financial records must be updated and signed by the preceding office bearer, along with another office bearer authorized by the Governing Body.
- b) Financial statements must be drawn up to the date of handing over the charge and signed by the preceding office bearer, along with another office bearer as to the completeness of the financial statement.



- c) Physical cash must tally with the balance as per the Cash Book on the date of taking over the charge. The Cash Book must be signed jointly, and a certificate to that effect must be signed in the presence of another office bearer.
- d) A bank reconciliation statement must be prepared, and the preceding office bearer must obtain a certificate from the Banker as to the bank balance on the date of laying down the charge.
- e) Statutory books must be updated and signed before they are given to the new office bearer.
- f) Files pertaining to legal compliance should be handed over along with the legal compliance status report, e.g., Income Tax file, Societies Registration file, and Foreign Contribution Regulation Act file.
- g) Original documents relating to the fixed assets, e.g., sale deeds, building plan, investments, Certificate of Registration under various laws, etc., must be handed over and be signed in the presence of another office bearer.
- h) Any outstanding income or expense, such as advances recoverable, bills payable, etc., should be booked
- i) All the Savings Bank cheques are to be handed over with verification by a third person.
- j) All investment-related documents are to be handed over with verification by a third person.



## CHAPTER – 3

### PLANNING AND BUDGETING

#### 3.1 Need for Planning

Tezpur Social Service Society (TSSS) has a vision, mission, and specific strategy, which must be translated into reality. Tezpur Social Service Society (TSSS) is based on certain values of service to humanity, and it should be a regular practice for them to go through a process of vision-building and making a mission statement. Tezpur Social Service Society (TSSS) should plan for the future with wisdom and foresight, so that the mission can be fulfilled most economically, within the least time limit, with professionalism and quality, and by the highest standards.

#### 3.2 Significance of Planning

The Finances of Tezpur Social Service Society (TSSS) can be healthy only if the same is used for the planned activities of Tezpur Social Service Society (TSSS) to achieve the objectives and finally to serve the vision. It is necessary that every activity taken up by the Tezpur Social Service Society (TSSS) is interpreted in financial terms and gets the approval of the concerned competent authority. Such interpretation takes the form of budgets detailing each and every component of the activity so that a clear evaluation of the total activity and the components thereof can be made before approval.

#### 3.3 Objective of Planning & Budgeting

All the planning processes by the Tezpur Social Service Society (TSSS) need to ensure that:

- a) The project or the program plan should be towards achieving the overall vision, mission, and goal of Tezpur Social Service Society (TSSS).
- b) The program plan should be relevant to meet the needs of the target group.
- c) The projected plan should be converted into a concrete action plan.





- d) The action plan should be converted into a Cost Plan through effective budgeting.

Planning becomes necessary for the following activities:

- a) Meetings & conferences
- b) Special events
- c) Remuneration of Staff & Consultants
- d) Capacity Building & other Training Programmes
- e) Office Running Expenses
- f) Travel

### 3.4 Budget Process

- a) A detailed activity budget (from the approved yearly budget) will be prepared by the program staff, giving a breakdown of sub-activities and related costs.
- b) The budget will be prepared in the prescribed format.
- c) The budget has to be verified and certified by the Accounts personnel 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 budget will be presented to the Project Coordinator for verification and thereafter to the Project Director for approval
- d) Budgets will be prepared by Tezpur Social Service Society (TSSS) after carrying out a detailed need assessment.
- e) The necessary approval of the budget for incorporation into the Plan.
- f) Wherever there is procurement of supplies and services for such activities, the formalities about multiple quotations, evaluations, etc., have to be followed
- g) Budgeting never stands completely alone, but rather flows out of the managerial process of setting objectives and strategies and of building plans. It is especially and intimately related to financial planning.

### 3.5 Annual Budgeting

Budgeting is an important tool for planning the finances of Tezpur Social Service Society (TSSS). Budgeting has to be a corporate approach in Tezpur Social Service Society (TSSS) since there are many departments that incur expenses. Therefore,

the finance department should propose the budget estimates by consolidating estimates received from different Project Areas and present the same on or before 31<sup>st</sup> January and get it approved in the Governing Body meeting before the beginning of the succeeding financial year.

The Finance department should consolidate all the estimates of various Project Offices and departments for the following year and present them to the Program Director before the Board Meeting.

The Programme Director may make such comments having regard to the broad objectives and the needs of Tezpur Social Service Society (TSSS) and present the final version to the Finance Committee on or before 15<sup>th</sup> February of each year.

The Finance Committee shall study the budget estimates and make such comments as they consider necessary and forward the same to the Governing Body. The Programme Director shall thereafter place the budget with the comments of the Finance Committee before the next Governing Body meeting in March every year.

For constructing any of the budgets, the following steps have to be kept in mind: -

- Estimate the income/receipts
- Estimate the expenditure/payments
- Review the previous two to three years' income and expenditure for a pattern
- Arrive at the surplus/deficit in either case, plan how to use the surplus or manage the deficit.

### **3.5.1 Annual Programme Income Budgeting (in linkage with Annual Programme Action Plan)**

Tezpur Social Service Society (TSSS), in order to attain its goals and objectives, will undertake activities for the implementation of the project. Each of these activities planned is linked to the financial plan through the budget code and budgeted head of accounts. This linkage facilitates preparing a clear budget and enables us to determine the expected income for the year. This also gives us the picture of the

previous year's anticipated income and actual income. The following format is being used for the same:

### Format 2.

Tezpur Social Service Society (TSSS)  
**Estimated and Actual Income**  
**For the Financial Year \_\_\_\_\_**

SL. NO.	PROGRAMME / SOURCE	2010-11		2011-12		2012-13	
		Budget	Actual	Budget	Actual	Budget Proposed	% increase over last year's budget
1							
2							
3							
4							
	<b>TOTAL</b>						

(Source may vary depending upon the activities of the organization & collaboration with the donor agencies)

### 3.5.2 Staff Budget

This is the first step to prepare the annual budget. Under this, we determine the various positions at various cost centers, which leads us to determine the personnel cost for the year.

### 3.5.3 Salary Budget

Based on the Staff Budget, the actual salary payable during the year to the staff is calculated, giving all details of the salary components. Under this, the salary of each employee is determined keeping in mind the staff budget.



### 3.5.4 Capital Budget

Capital Expenses (non-recurring expenses) are the acquisition of new assets like equipment, furniture, vehicles, land, and buildings, and/or additions to buildings. These assets require substantial resources. Resources should be invested in capital assets only if they are required for the objects of Tezpur Social Service Society (TSSS). Capital assets will otherwise turn out to be liabilities for Tezpur Social Service Society (TSSS), e.g., maintenance charges for rundown or idle buildings and equipment, cost of litigation arising out of encroachment of land, etc.

### 3.5.5 Cost Center-wise Budget

Operating expenses represent the operational expenses of Tezpur Social Service Society (TSSS), such as salaries, Travel, office expenses, normal maintenance expenses, etc. This is the estimation of expenses on the cost centers basis, i.e., Project Centre-wise, Department-wise. This helps us to determine the cost of a particular Project Centre / Department.

### 3.5.6 Total Administrative Budget

The total Cost of Center-wise budget (Capital as well as Revenue) is compared with the budgets and actual expenses of the previous three years to have an idea regarding the inflation in the overall Admin Budget.

### 3.5.7 Rationale of the Budgets

We also keep the basis of the budgeted amount, how it is calculated, what type of expenses were anticipated, and the amount budgeted for the same under each head (cost center-wise). This helps us to clarify doubts about the various provisions made under different budget heads, whether that particular activity/transaction was estimated, and under which head it has to be accounted for.





## Finance Committee

The Governing Body of Tezpur Social Service Society (TSSS) has constituted a Finance Committee Consisting of the Secretary, Treasurer, Program Director, Accountant, and two independent experts from outside the organization.

It shall be the responsibility of the Finance Committee.

- To review the annual budget of Tezpur Social Service Society (TSSS) and make such comments as may be necessary.
- Review the audited periodic financial statements of Tezpur Social Service Society (TSSS).
- Advise Tezpur Social Service Society (TSSS) on the investment policies.
- To meet periodically at least every half year to review the finance system of Tezpur Social Service Society (TSSS).
- To meet for such purpose, having financial implications for Tezpur Social Service Society (TSSS) and render advice, for example, mobilization of Corpus Fund, purchase of office premises for Project Centre of Tezpur Social Service Society (TSSS), any unexpected expenses, etc.

### 3.6 Final Approval of the annual Budget from the Governing Body

After the approval by the Finance Committee, the budget is presented to the Governing Body for their final approval before implementing the same.

### 3.7 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. It is therefore recommended that the finance department monitor the budget every month, and if required, the budget could be revised based on the half-yearly expenses. Quarterly cost center-wise Budget Comparison should also be made for the close monitoring and better control.

- a) Budgetary variance analysis will be done every quarter by the Accountant on the costs.

- b) Any Surplus or deficit will be brought to the notice of the Project Coordinator by the Accountant.
- c) The Project Coordinator will authorize the revision and send it for approval to Project Management.
- d) All Project budgets, including subsequent variations or changes, should be approved by the Programme Management (PM).
- e) Minor variations can be approved by the Project Coordinator in consultation with the Project Director.

### 3.8 Charts of Accounts – Budget Heads

A chart of accounts is a list of accounts agreed upon in an organization based on the Vision, Mission, goals, and objectives. The accounts are prepared based on the programs run, which fall within the vision of the organization. Any expenditure has to be classified under the agreed head of account and not under any other head of account. Both the heads of accounts and the description of the nature of expenditure under each head have to be agreed upon and not charged without proper authorization. In short, the budget heads shall be integrated with the chart of accounts.



## CHAPTER - 4

### ACCOUNTING AND RECORD KEEPING

#### 4.1 Maintenance of Books of Accounts

##### Introduction

Accounting is a basic management tool which can be defined as the “art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof.” Accounting is essential to record any financial transaction, which helps in ascertaining the financial status of Tezpur Social Service Society (TSSS) on a particular date. Any transaction or activity affecting the financial position of the Tezpur Social Service Society (TSSS), either directly or indirectly, will be recorded /reflected in the Books of Accounts.

Adequate Books of account will be maintained by the Tezpur Social Service Society (TSSS) and will be updated whenever a financial transaction takes place. Daily maintenance will enable the management to have proper analysis of the financial status and information to make appropriate decisions at the appropriate time.

##### 4.1.1 Type of Accounting: -

Tezpur Social Service Society (TSSS) follows the Cash System of Accounting. In the Cash System of accounting, entries are made only when the cash is received or paid, and no entry is made when the receipts or payments are due.

##### 4.1.2 Accounting for Tezpur Social Service Society (TSSS)

Presently, Tezpur Social Service Society (TSSS) is following the Double Entry Method of maintaining the books of account. Under this system, the Following books of account shall be maintained: -

- 1) Petty Cash Book (Imprest)
- 2) Main Cash Book with cash and bank columns (normally referred to as Cash book)



- 3) General Ledger (Normally referred to as Ledger- monthly, half-yearly, annual)
- 4) Project Ledger
- 5) Agency Register
- 6) Journal Register (Normally referred to as a journal)

In addition to the aforesaid primary books of account, the following subsidiary books of account shall also be maintained:

- 1) Investment Register
- 2) Fixed Assets Register
- 3) Loans and Advance Register
- 4) Staff Salary Register
- 5) Staff attendance register
- 6) Stock Register
- 7) Cheque Issue Register
- 8) Donor Register
- 9) Insurance Register

Tezpur Social Service Society (TSSS) shall maintain exclusively two sets of books of accounts as follows:-

**One set** of books of accounts for Receipts and Utilization of Foreign Contribution as required under the Foreign Contribution Regulation Act, 1976.

**Second Set** of books of accounts for local funds collected and spent by Tezpur Social Service Society (TSSS).

Tezpur Social Service Society (TSSS) shall follow Fund-Based Accounting and shall treat each project as a liability. Under no circumstances, the unspent balance of any project be shown under the General Fund.

### 4.1.3 Imprest Petty Cash Book

It is used for recording recurring petty transactions and thereby lessens the burden of maintaining the Cash Book. Payments made from the Cash Book shall be





acknowledged as receipts in the Petty Cash Book. The difference between the receipts and the total of expenses as shown in the Petty Cash Book reflects the petty cash in hand.

#### *Maintaining Petty Cash under the Imprest System*

Under the imprest system, the Petty Cash is fixed to a certain limit for handling cash. The limit is fixed based on the estimated requirements for a week/ fortnight/month. The Petty Cashier gets the amount reimbursed of the expenditure incurred from the Main Cashier when the cash balance becomes low, e.g., the petty cash limit is Rs. 20,000/-. The Petty Cashier has incurred expenses of Rs. 15,000/- under various heads of accounts. The balance cash with the Petty cashier is Rs. 5,000/-. The Petty Cashier will be reimbursed Rs 15,000/- to ensure that the cash balance is Rs. 20,000/-.

This book shall be maintained to record the following transactions:

- a) All the petty cash payments, which are below Rs. 5,000/-. Payments exceeding Rs. 5,000/- shall be made in exceptional situations.
- b) To record the reimbursement of the imprest cash from the main Administration Account.

Needless to mention that separate petty cash shall be maintained for Foreign Contributions and Local Contributions.

#### **4.1.4 Imprest Account in the Project Centre office**

Funds shall be disbursed towards reimbursement of Imprest to the Project Centres from the foreign contribution account and Indian funds separately. This is for accounting convenience, for proper legal compliance, and to avoid mixing of FC (Foreign Contribution) and LC (Local Contribution).

The Project Centre office shall maintain proper accounts and send the expenses statement along with the original bills to the Tezpur Social Service Society (TSSS) office when 80% of the Imprest funds have been spent, or fortnightly, whichever is earlier.

As soon as the head office receives the imprest account, the head of finance should review the imprest account through a designated staff member and have the approval of the Programme Director, and send the demand draft/Bank Transfer request to the bank or make the cash reimbursement.

The assistant who maintains the Imprest account should take into account the following points: -

- Supporting documentation
- Booking the item of expenditure under the relevant heads of accounts
- Tallying the expenses with the tour schedule
- Identification of unauthorised expenses
- In case of certain expenses like long-distance calls, proper details, namely the person called, the purpose, number, and time utilised, have to be verified, and discrepancies have to be pointed out to the Head of Department. After all these verifications, the assessing assistant should specifically recommend to the Head of Department to make the payment.
- In case of problems or discrepancies in the Imprest, the assistant should point it out to the Head and follow up till they are clarified/rectified.
- To ensure effective follow-ups, the assessing assistant should maintain a register.



The following format is being used for the Imprest account in Tezpur Social Service Society (TSSS):-

### Format 3.

Tezpur Social Service Society (TSSS)

Project Area Office.....

PERIOD FROM: ..... TO: .....

Voucher no.	Date	Receipts	Amount	Payments	Amount
1					
2					
3					
		Receipts Total		Payments Total	
				Balance	
		Grand total			

Accountant

Programme/Project Coordinator

Programme Director

## 4.2 General Ledger

This is a book of accounts in which transactions are posted from the Cash Book, Petty Cash Book, and Journal Register under account headings, e.g., Salaries, Repairs and Maintenance, Travelling & Conveyance, Rent, Interest received, etc., according to the date of occurrence. The ledger printouts are taken every month, half-yearly (6-month ledger), and on an annual basis (12-month ledger).

## 4.3 Agency Register

This ledger shall be maintained to reflect the status of Agency-wise Funds. This Ledger shall contain the following transactions:

- Amount received from the Agency



- b) Amount disbursed out of the Agency Funds
- c) Balance available or deficit in the Agency Account.

#### 4.4 Accounting for different projects: -

Tezpur Social Service Society (TSSS) carries out various projects/programs in collaboration with the Central and State Government, as well as with Funding Agencies abroad. Invariably, the above agencies require our organisation to maintain accounts separately for each project or programme funded. In all the above cases, Tezpur Social Service Society (TSSS) has to maintain a separate set of books for each of the funded projects. If there is any component of local funds used with foreign grants, a separate set of books will have to be maintained. However, to report to the funding agency, transactions from both local funds and foreign funds have to be merged. All the foreign contributions received for different projects have to pass through the designated FCRA bank account.

This is possible by using a cost centre in accounting. Each project is designated as a cost centre. For entries not relating to any project, a General Cost Centre shall be created. General Ledger and cash books are to be printed cost centre-wise. The trial balance of each cost centre shall give the position of that project. The total of all the cost centre trial balances, including the general cost centre, shall tally with the consolidated Trial Balance.

#### 4.5 Asset Register

Asset Register shall be maintained to reflect all the movable and immovable assets owned by Tezpur Social Service Society (TSSS). The Asset Register shall reflect the following information as per the Format (**Format 4.**)

Category (Buildings, Vehicles, Land, Furniture as the case may be)

Rate of Depreciation-

(Add columns for each year of Depreciation and WDV.

Add a row for each item purchased.)





#### Format 4.

Sl.No	Bill No	Date of Purchase	Description of Asset	Asset No.	Location of Asset	Person Responsible	Value of Asset	Depreciation	WDV year-wise

The register shall be maintained in Excel format in a computer and printed annually.

#### 4.6 Advances

Advances given are classified as under:

- 1) Advances made towards the project
- 2) Advances made to the staff for travel, salary, etc.
- 3) Other Advances

##### Advances made towards projects

Project advances are generally made from that particular grant of that program. Once such an advance is made, both the Programmes Department and the Finance Department shall keep track of it and ensure that the same is regularised within the Financial Year. Such advances that cannot be regularised with the Financial Year should be avoided.

##### Advances made to the Staff for Travel or Salary

The staff should ensure that the advances taken for Travel costs by him/her are settled as soon as possible (within 5 days) after reporting on his or her return from the travel. No subsequent advance shall be made to any staff before the settlement of travel advance by the staff through a designated assistant who will keep a separate register of all the travel programs.

##### Other Advances

The advance is permissible to the Staff for arranging any meeting, workshop, etc. The concerned staff should ensure settling the same as soon as possible after the finish of such a meeting, workshop, etc.

**Format 5.**

Tezpur Social Service Society (TSSS)

**REQUISITION FOR ADVANCE**

1. Name.....
2. Advance Rs.....
3. Purpose.....
4. Required on .....
5. Previous Advance balance with purpose .....
- Date .....Signature.....
- Comments / Approval.....
- Signature of Coordinator.....Programme Director.....

The following format is used by our office for Travel Itinerary for getting the approval of their planned travels: -

**Format 6.**

Tezpur Social Service Society (TSSS)

**TRAVEL ITINERARY**

The Programme Director  
Tezpur Social Service Society (TSSS)  
Dear Sir,

Dated .....

I request that you approve my travel schedule as given below:

TIME OF DEPARTURE .....

DATE &amp; TIME OF ARRIVAL .....

Date	Place of visit	Purpose / Project / Meeting	Name of the person/s to contact	Mode of travel Air / Train / Bus/ Taxi, etc.	Accommodation required Yes / No

Thanking You

Yours sincerely

For Tezpur Social Service Society (TSSS)

**[NAME, EMPLOYEE CODE/DEPTT]**

The following format is to be used for taking any tour advance after getting the tour itinerary approved by the Programme Director:

### Format 7

Tezpur Social Service Society (TSSS)

#### Details of Travel Expenses

1. Name..... 2. Designation.....
3. Purpose of travel.....
4. Departure Date..... Time.....
5. Arrival Date..... Time.....
6. Details of Travel Expenses

Date	From	To	Rail/ Bus/Air	Expenses	Ticket No

A. Total Rs.....

#### 7. Local Travel Expenses

Date	From	To	Mode of Travel	Expenses	Bill No

B. Total Rs.....

#### 8. Accommodation

No of Days .....Rs.....(Please attach Bills)

C. Total Rs.....

#### 9. Food

For .....days Rs .....

- Extra if any: Rs.....Explanation if any.....)

D. Total Rs.....

#### 10. Other Expenses

- .....Rs.....
- .....Rs.....
- .....Rs.....

(Explanation if any .....)

E. Total Rs.....



Grand Total (A+B+C+D+E)

Rs.....(Rupees.....)

Advance Received Rs..... Dated .....

Signature of Applicant

Accountant

Programme Director

**RECEIPT**

Received Rs..... (Rupees.....) only  
 in Cash / Cheque No..... Dated .....from Tezpur Social Service Society

Signature .....Date.....

**FOR OFFICE USE**

Total Advance Rs.....

Total Travel Expenses Incurred Rs .....

Balance Rs.....to be reimbursed / to be paid by Cash / Cheque .....

Project Name .....

Signature of Accountant

Dated:.....

**4.7 Depreciation**

Depreciation is provided to achieve the following objectives:

- ✓ To ascertain the true surplus
- ✓ To show the asset at its fair value
- ✓ To present a fair and true picture of the financial status
- ✓ To provide for the replacement of the depreciation asset

Depreciation is a non-cash expenditure of Tezpur Social Service Society (TSSS). It is allowable expenditure under the Income Tax Act.

**4.7.1 Method of providing depreciation**

The following are some of the methods of providing depreciation

- Straight Line Method
- Written Down Value Method





Tezpur Social Service Society (TSSS) is following the Written Down Value Method. The rate prescribed by the Income Tax of the respective year will be taken/charged for calculating Depreciation.

#### **4.8 Fixed Deposit & Investment Register**

This register shall record entries relating to Fixed Deposits made out of foreign/local contribution with the date of deposit, principal amount, interest received, period of deposit and maturity date, bank-wise.

Records of investments in Mutual funds shall also be kept in a similar format.

#### **4.9 Bank Reconciliation Statements**

The Finance Department shall prepare a bank reconciliation statement every month, which shall be certified by the Head of the Department and attached to the management report described elsewhere. The Correction, rectification entries required shall be passed on or before the first week of the next month.

The difference in the balance could be due to the following:

- a) Bank charges debited by the bank are not immediately entered in the books of Tezpur Social Service Society (TSSS).
- b) When cheques are being deposited, Tezpur Social Service Society (TSSS) will record it in its books immediately, whereas the bank will enter it in the bank passbook or statement only on realisation of the cheques.
- c) When cheques are being issued, Tezpur Social Service Society (TSSS) will record it as payment, but until each party presents the cheque for payment, the bank will not debit it.
- d) Errors may be committed in the books by the bank and/or by Tezpur Social Service Society (TSSS).
- e) Standing instructions given to the bank to make payment or collect receipts are entered in the bank books, but the entries in the books of Tezpur Social Service Society (TSSS) are passed only after receipts of the bank advice.

**4.9.A** The Finance Department shall maintain an Inward Remittance List exclusively for foreign contributions received in the given format:

**Format 8**

Tezpur Social Service Society (TSSS)

**INWARD REMITTANCE LIST FOR .....**

VR.NO.	DATE	CR ADVICE	PURPOSE	DONOR	CURRENCY	TOTAL	RATE

**4.10 Cash Flow Projection / Cash Flow Statement**

The Finance Department should prepare a cash flow projection report at least every month to serve the following triple purpose:

- To make the best investment decisions for the funds of Tezpur Social Service Society (TSSS)
- To ensure that there is a smooth flow of cash receipts and payments
- To avoid any cash crunch/deficit situation

To prepare a scientific cash flow projection report, the Finance Dept may take the assistance of other departments like the Programmes Dept or HR & Admin. The Cash flow statement presents the flow of funds of the reporting period that has just expired. The purpose of this statement is to compare the actual transaction with the projection referred to in the previous month and to make any such adjustments as may be required in the coming months. The Cash flow projection report of the departments shall be in the form provided on the next page.

## Format 9

Tezpur Social Service Society (TSSS)

### CASH FLOW FOR THE YEAR .....

RECEIPTS	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
From Agency1													
Agency 2													
Agency 3													
LESS:													
PAYMENTS													
BALANCE													

The pattern of disbursements of the previous months or the same period in the last year or past years may be considered. The administrative expenses to be incurred shall also be taken into account.

#### 4.11 Maintenance of Financial Records and Documents

Maintenance of proper financial records and documents daily is a good accounting system. Any transaction must be supported by certain valid documents, e.g. vouchers, receipts, etc. These are known as supporting documents, and they are an integral part of any accounting system.

#### 4.12. Maintenance of Files

A good filing system is an integral part of the accounting systems of any organisation.

**The following files should be maintained in the Tezpur Social Service Society (TSSS):**

- 1) Voucher file for cash book
- 2) Voucher file for the petty cash book



- 3) Voucher file for journal registers
- 4) A separate bank file for each bank account
- 5) Receipts file/book
- 6) Fixed Asset file/register
- 7) Fixed deposit file
- 8) Management reports (monthly/quarterly)
- 9) Financial statements
- 10) Audited accounts
- 11) Budget file
- 12) Separate files for each Project Centre
- 13) Income Tax Files
- 14) Programme files for different grants
- 15) Salary files/Staff file

#### **4.13. Fixed Assets- Purchase/ Disposal Procedure**

##### **Purchase Procedure**

1. There shall be a purchase and sale committee consisting of the Project Director, the Project Coordinator/Manager, the Finance Officer/Accountant and two more senior members from the management team.
2. Assets, which have to be purchased, should be approved in the budget.
3. In case it is not budgeted, a rationale/justification for the urgency of such a purchase has to be given.
4. Three quotations to be obtained from different vendors to ensure cost effectiveness and utility for value above Rs. 5,000/- (cost benefit analysis).
5. Identification of vendors from whom to purchase and their terms of reference, such as payment terms, delivery details, guarantee period, services available, AMC, etc.
6. Proper authorisation/approval for purchase from the Governing Body.
7. After purchase/installation, a proper identification mark (asset number) should be put on the asset by the finance department.
8. The asset purchased shall be inspected for the specifications and quality, and an inspection report shall be prepared and kept along with the original papers of the asset.



9. The minutes of all the decisions of the purchase and sale committee shall be kept in a register.

### **Sale Procedure**

1. Reason for disposal/ write off the assets, possibility for further utilisation at a different location or with some modification/repair, etc.
2. Approval for the disposal/write off from the Governing Body.
3. Calculate the estimated present value of the assets and compare with the Written Down Value (WDV).
4. Fixing the reserve price.
5. Calling/ scrutiny for tenders/ auction of assets.
6. Collection of sale value.
7. Depositing the sale proceeds in the Tezpur Social Service Society (TSSS) account.

#### **4.14. Documentation of Fixed Assets:**

Fixed assets can be classified into two types

1. Immovable, e.g., Land, Buildings
2. Movables, e.g., Vehicles, Furniture, Equipment

The following documents relating to Fixed Assets have to be properly preserved:

#### **Immovable Assets:**

##### **a) Land (Freehold)**

- Original Sale Deeds
- Mutation certificate
- Parent documents
- Sketch of the property
- Encumbrance Certificate
- Legal opinion as to the title of the property
- Land Tax receipts, if any
- Patta / katha

In the case of leasehold land, the lease agreement document should be preserved.

**b) Building**

- Purchase of Building
- Original Sale Deed
- Parent documents
- Sketch of the land and building
- Encumbrance Certificate
- Legal opinion
- Patta / katha
- Property tax and land tax receipts

**c) Constructed Building**

- Building plan approved by the Government
- Valuation report from an approved valuer as to the value of the building
- Municipal assessment records.
- Property tax and land tax receipts

**Movable Assets:****a. Vehicle**

- Invoice
- Registration document of the vehicles
- Road Tax
- Insurance
- Log book

**b. Other assets**

- Cash bills
- Invoice
- Cash Receipts

**4.15. Allocable Interest**

All the interest earned/received by the Society on its investments is collected in a Pool Account called "Allocable Interest Account" and subsequently allocated quarterly to different Funds proportionately on the basis of their monthly closing balances.



#### **4.16. Preservation of Financial Records**

The financial records must be preserved and made available for verification by the Governing Body, members of the organisation, the funding agencies, auditors and Government authorities.

## CHAPTER 5

### REPORTING AND MONITORING

#### 5.1. Reporting

Reporting is a process through which Tezpur Social Service Society (TSSS) presents a reflection of its current status, especially the financial situation. Reporting is important because it enables not only those in authority but also the public at large to know whether or not activities which had been planned have been carried out, whether there have been any deviations, and whether there are high standards of efficiency and accountability or not.

A good reporting and monitoring system ensures transparency in the accounting of Tezpur Social Service Society (TSSS).

Reporting and monitoring are two important functions that are complementary to each other for the effective functioning of the finance department. The reporting function enables the management to obtain certain key information required to ensure that the financial system is working smoothly and is intact. The monitoring function facilitates taking note of any deviation from what has been planned or budgeted and enables corrective action before it is too late.

There are several ways of reporting depending on the different types of organisation and the sort of information they need. The following are some of the ways of reporting by Tezpur Social Service Society (TSSS)

1. Reporting to the GB/Donors
2. Reporting to the Programme Director
3. Reporting to the Government
4. Reporting to the public at large, e.g., by publishing an annual report.

##### 5.1.1. Reporting to the Governing Body/Donors

The following are the common reports submitted to the Board:-

- a) Quarterly Financial Report
- b) Annual Financial Report
- c) Legal Compliance Status Report





- d) Project Status Report
- e) Budget Comparison Report
- f) Investment Status Report
- g) Donor Agency Status Report
- h) Management letter from statutory auditors.

**a) Half-Yearly Financial Report**

Boards of Tezpur Social Service Society (TSSS) meet at least quarterly during the fiscal year. This is a healthy practice.

In such a quarterly meeting, the following reports should be prepared and presented by Tezpur Social Service Society (TSSS) for the review of the Boards:

- i Receipts & Payments Account
- ii Income & Expenditure Account
- iii Balance Sheet
- iv Legal Compliance Status Report
- v Project Status Report
- vi Budget Comparison Report
- vii Investment Status Report

**b) Annual Financial Report**

Normally, it is a legal requirement that Tezpur Social Service Society (TSSS) should present its audited financial statement in the Board meeting after the end of the fiscal year and adopt the same before filing it with the appropriate Government Authorities.

The Board may then like to review the following reports:

- i) Audited Financial Statement including:
  - b) Receipts & Payments Account
  - c) Income & Expenditure Account
  - d) Balance Sheet
- ii) Utilization Status Report for Income Tax (85%)
- iii) Legal Compliance Status Report

- iv) Annual Budget Comparison Report
- v) Project Status Report
- vi) Investment Status Report

**c) Legal Compliance Status Report**

This is a report that informs the Board whether Tezpur Social Service Society (TSSS) has complied with the necessary laws, e.g., filing the Income Tax Returns, reporting to the Ministry of Home Affairs under FCRA, requirements under Societies Act, Provident Fund Act, etc.

If there is any action against Tezpur Social Service Society (TSSS) by the Government, it should be reported to the Board. Information should not be purposely concealed from them. If there is any violation of the law, then it will have serious implications and will cause immense damage to Tezpur Social Service Society (TSSS).

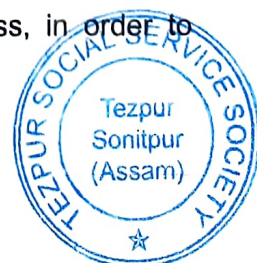
**d) Project Status Report (Project Placement Planning)**

Tezpur Social Service Society (TSSS) often implements many projects simultaneously. Therefore, it is important for the Chief Functionary as well as the Board to understand the status of the stage of completion of each project. This report, therefore, gives clear details about each program at any particular point in time.

Reconciliation between agency balances must be carried out through a proper system. Further, a report on administrative expenditure in each project or programme shall be submitted.

**e) Budget Comparison Report**

A budget is a financial plan, and hence it needs to be compared with the actual financial statement periodically (monthly, quarterly, half-yearly, or annually). A Budget Comparison Report is a tool to assist in the above process, in order to monitor systematically.



**f) Investment Status Report**

Tezpur Social Service Society (TSSS) is making different types of investments. Funds are invested creatively and then measured in terms of capital appreciation, safety, liquidity, and rate of return, thereby improving the resources of Tezpur Social Service Society (TSSS) effectively and efficiently.

**g) Donor Agency Status Report**

Donor agencies prescribe different types of reports. It is for the Board to ensure that the reports prescribed by the donor agencies are complied with.

It is advisable to develop a calendar for reporting to donors and incorporate the same with the financial calendar in practice.

Quarterly monitoring is done in order to ensure a regular review of the activities of Tezpur Social Service Society (TSSS). It enables Tezpur Social Service Society (TSSS) to take the necessary corrective action for any deviation from the actual plan before it is too late. It will be too late to take any corrective action at the end of the fiscal year, and a review after the end of the fiscal year serves no purpose at all.

**h) Management Letter from Statutory Auditors**

The statutory auditors shall provide a management letter with advice and give recommendations for improving the financial practices of the organization. The Board of Tezpur Social Service Society (TSSS) shall ensure that the recommendations are discussed and a specific time plan is drawn for implementation.

A recommendation closure document shall also be prepared as to the number of recommendations implemented, which is also intimated to the statutory auditors and the Financial Advisor.

**Grant Completion Report to Donor Agency**

Once the project period is over, within a period of 3 months, the Completion Report should be sent to the Donor Agency.

**For finalizing the completion report, the following documents are required:-**

- a) Audited Statement of Accounts for the whole project period or Utilization certificate for the completed programme.
- b) Completion Report of the project by the Legal Holder.

### **5.1.2. Reporting to the Secretary and Programme Director**

While it is the Board that frames Broad policies, it is the Secretary and the Programme Director who implement such policies and take care of the day-to-day affairs of Tezpur Social Service Society (TSSS). Therefore, these reports will be required by them more frequently than they are required by the Board.

### **5.1.3. Annual Financial Statements Separately for Foreign Contribution and Local Contribution and Consolidated Statements**

Tezpur Social Service Society (TSSS) has to prepare a separate set of financial statements for submission to the FCRA Department of the Ministry of Home Affairs as follows :

- a. Receipts and Payments Account
- b. Income and Expenditure Account
- c. Balance Sheet
- d. Form FC 6

Tezpur Social Service Society (TSSS) shall also prepare another set of financial statements of Local contributions as follows:

- a) Receipts and Payments Account
- b) Income and Expenditure Account
- c) Balance Sheet

Tezpur Social Service Society (TSSS) shall also prepare another set of financial statements, including the foreign contributions and local contributions, as follows:

- a) Receipts and Payments Account
- b) Income and Expenditure Account
- c) Balance Sheet





The consolidated financial statements shall be used for the following purposes:

- a) Submission to the Income Tax Department
- b) For filing returns to the Registrar of the Society
- c) For obtaining various Income Tax Exemption U/S 80 G, 10 (23) ©, 35AC etc.

## 5.2 Monitoring

Reporting and Monitoring are two sides of the same coin. Monitoring ensures that one side of the coin, namely, control, is adequately exercised. Monitoring is a process by which people who are connected in various capacities to Tezpur Social Service Society (TSSS) ensure that the project or activity is carried out according to the planned objectives.

There are various levels of monitoring depending on the relationship of the people connected to Tezpur Social Service Society (TSSS), e.g., the Board is the first level of monitoring authority, being the legal body which is accountable and fully responsible for all the good deeds and misdeeds of Tezpur Social Service Society (TSSS).

Similarly, the Government, both at the State and Central levels, monitors the activities of Tezpur Social Service Society (TSSS) through various laws which cover Tezpur Social Service Society (TSSS), e.g., FCRA, taxation, etc.

Reporting and monitoring are closely linked processes. The authority to whom reports are submitted also performs monitoring, typically using the same reporting tools. For instance, the Finance Department submits monthly financial statements, which are then used by the Governing Body to monitor financial performance.

## CHAPTER – 6

### INVESTMENT OF FUNDS

#### 6.1 Introduction

Tezpur Social Service Society (TSSS) deals with funds received for carrying out its various objectives and goals. They received funds for various purposes:

- a) for operating expenses
- b) for specific or designated purposes or projects
- c) Corpus Funds

#### 6.2 Planning for investments

It is important that Tezpur Social Service Society (TSSS) has a good investment policy in order to ensure that the funds are invested in the most effective and efficient investment options. Interest earned from these investments is re-allocated to the respective funds at the end of every quarter based on their proportionate average monthly balances.

For this purpose, Tezpur Social Service Society (TSSS) should draw an investment plan keeping reference to Section 11(5) of the Income Tax Act based on the following factors

- a) nature of funds available for investment in short-term deposits and long-term deposits
- b) Time plan for implementation of the projects for which funds are received

Tezpur Social Service Society (TSSS) has to

- a) ensure conformity and stability
- b) avoid a financial crisis
- c) avoid high independence and insecurity

##### 6.2.1. Investment Policy

Tezpur Social Service Society's (TSSS) Investment Policy should be framed on the manual lines of the following example:



"Tezpur Social Service Society (TSSS) has an investment of Rs..... crores/million approximately as on 31.03.20..... These are in the form of fixed deposits with the banks for periods ranging from ..... days to one year, depending on the nature and the requirements of the funds for disbursement. The investments are with the Nationalized banks and the reputed Private Banks."

Investments of funds should be carefully studied and then invested in the guarantee of high returns and safe investments from the banks.

***Note by the Managing Committee of TSSS:***

*The committee feels that this section need not be adopted at this stage.*

## MODALITIES OF INVESTMENTS

1. The terms of investments are indicated as follows:

Long term	-	2 to 6 years
Medium term	-	1 to 2 years
Short term	-	up to 1 year

2. Short-term investments should be kept flexible for liquidity required for the working fund. It will be proposed and recommended by the Accountant and decided by the Secretary and Treasurer quarterly, and will be informed to the Governing Body for their comments.

3. Long-term and medium-term investments will be sent to the Society Treasurer for his recommendation based on the following criteria, always subject to compliance with the requirements of law.

- a) Safety
- b) Liquidity
- c) Return on investment
- d) Ethics
- e) Terms about the purpose of the fund.

4. The statement of investments will be presented to every Finance Committee with its recommendation to the Governing Body.

5. The investments will be in the following modes, depending on the safety from time to time:

- ❖ Fixed deposits
- ❖ Bonds

6. Investments should be made properly, identifying the investible funds in such a manner that it will not cause any delay for program implementation or administrative operations.

7. Tezpur Social Service Society (TSSS) **shall not invest in any fund that is speculative and/or relates to the equity market where there is any risk of depletion of the original investment amount.**





### 6.3 INVESTMENT REPORTS

The finance department shall prepare investment Reports (fund-wise and bank-wise) every month and present the same to the Treasurer and the Secretary along with the monthly management report.

The format includes the following information, besides having the name of the Fund for which the amount is available for investment:-

#### Format 10.

SI No.	Name Of Bank	FD No	Date of Deposit	Due Date	Rate of Interest	Period	Amt. Deposited	Interest	Amt. on Maturity

An annual investment report shall also be prepared, and the same shall be presented to the Governing Body after a periodic audit.

## CHAPTER – 7

### LEGAL COMPLIANCE

#### 7.1. Foreign Contribution (Regulation) Act, 2010

The provisions of the FCRA 2010 govern Tezpur Social Service Society (TSSS). This is an important legislation, which can have far-reaching repercussions on Tezpur Social Service Society (TSSS) if the provisions are not strictly adhered to. Among other provisions, this Act requires Tezpur Social Service Society (TSSS) to comply with the following

##### a) Registration under the Act

Tezpur Social Service Society (TSSS) is duly registered under the FCRA. Registration no is 020620012 dated 18/02/2010

##### b) Maintenance of Bank Accounts

This Act requires that Tezpur Social Service Society (TSSS) maintain only one bank account specified in the Certificate of Registration for Receipt and Utilization of foreign contributions Tezpur Social Service Society (TSSS) maintains the above bank account with Federal Bank Tezpur, bearing Account no. 11870100117921 Tezpur Social Service Society (TSSS) also maintains different subsidiary bank accounts with Federal Bank Tezpur for various projects.

##### c) Disbursement to the Project Holders

While making disbursements to the project holders, Tezpur Social Service Society (TSSS) should ensure the following:-

- i) The Recipients/project holders are duly registered with the Ministry of Home Affairs under FCRA
- ii) The Recipients/project holders agree to encash the disbursement in the approved bank account for receiving the foreign contributions
- iii) The recipients/project holders agree to provide such returns to Tezpur Social Service Society (TSSS) as may be required
- iv) The objectives for which the recipient is receiving funds from Tezpur Social Service Society (TSSS) are not different from the objectives of Tezpur Social Service Society (TSSS) itself.

Tezpur Social Service Society (TSSS) and the project holders agree upon the above terms and conditions in a duly documented contract agreement named Letter of Offer.

### **Reporting to the Ministry of Home Affairs through the Annual Report in Form FC-6**

- ❖ The Annual Report in the form prescribed by the Government, viz. Form No.FC-3 shall be prepared for the fiscal year ending 31<sup>st</sup> March of each year and shall be filed with the Ministry of Home Affairs on or before 31<sup>st</sup> December after the end of the fiscal year.
- ❖ Change of name of the Organization, address, its registration, its nature, its aims and objectives have to be informed to the Ministry of Home Affairs within 30 days of the change taking place
- ❖ Change of designated bank account needs prior permission of the Ministry of Home Affairs.
- ❖ If at any point in time total change in the governing body members reaches 50% or more as compared to the original members, the organization should not accept foreign contributions till the Ministry grants permission for the above change. In the meantime, if the organization wants to accept foreign contributions, it can do so after obtaining prior permission.

The annual report stated above shall contain the following:

- Form FC-6 prescribed by the Government, signed by the Chief Functionary, and Certified by the Auditor.
- The Audited Receipts and Payments Account
- Audited Balance sheet.

#### **7.1.1 Respond to any of the queries from the Ministry of Home Affairs**

After submitting a timely report to the Ministry of Home Affairs, it is possible that Tezpur Social Service Society (TSSS) will receive some communication requiring certain explanations and clarifications. In the event of any receipt of such communications, the Head of the Department of Finance should immediately take note of the issues, promptly respond, and after the approval of the Secretary, file the same with the Ministry of Home Affairs before the due dates.

Any delay in filing the annual report or responding to the queries shall entail great risk.

### 7.1.2 Income Tax Act

Tezpur Social Service Society (TSSS) is a charitable and non-profitable organization having exemption from the Income Tax Act, 1961 under Section 12A and the Regn. No is 22/12A(a)/CIT/GHY-1/2011-12. w.e.f. 16.01.2012 PAN No. AACAT4455F has to file the annual return on or before the 30<sup>th</sup> of September of the calendar year for the fiscal year ending March of each year.

### 7.1.3 Annual Return to the Income Tax Department

The following documents have to be filed along with the return of income

- a) Form ITR 7 provided by the Income Tax Department
- b) Audited Financial Statements
  - Receipts and Payments Account
  - Income & Expenditure Account
  - Balance Sheet
- c) Audit Report in Form 10B, certified by the Auditor
- d) Computation of Income
- e) Copy of certificate of registration under section 12A
- f) List of original subscribers to the MOA
- g) Latest Governing Body Members List
- h) Copy of PAN Certificate

The Finance department should be alert to do the filing to the Income Tax Department on time; otherwise, non-filing of the Income Tax returns attracts a penalty. **Also, the exemption u/s 12A can be cancelled if returns are not filed.**

### 7.1.4 Tax Deducted at Source

#### From Salaries, etc.

The Income Tax Act requires Tezpur Social Service Society (TSSS) to deduct tax at source from salaries paid to the staff.



Such tax deducted at source shall be paid to the Central Government on or before the prescribed date.

Annual Return for tax deduction from salaries shall be filed in the prescribed form on or before the prescribed date.

Tezpur Social Service Society (TSSS) has to issue to those staff, a certificate for the deduction of tax in the prescribed Form within the prescribed time.

### **Tax Deduction at source on payment to contractors**

Payments to contractors and sub-contractors include payment for any work, including the supply of labor for carrying out any work in pursuance of a contract between the contractor and Tezpur Social Service Society (TSSS). Payment also includes the advances made towards bills and the mobilization advance. Payments to contractors can be from any source, whether a local or foreign contribution. However, payments do not include the amounts paid for materials like cement, bricks, etc., if the bills for the material are in the name of the institution.

### **Rate of Tax**

Tax has to be deducted at the prescribed rate on the payment to the contractors and subcontractors.

Tax has to be deducted only from payments exceeding the prescribed limit to a particular contractor in a financial year.

Such tax deducted at source shall be paid to the Central Government on or before the prescribed date.

Quarterly Return for tax deduction from contractors shall be filed in the prescribed form on or before the prescribed date.

A Certificate of TDS has to be issued to the deductee.

### **Tax deduction on payment of fees for professional services/technical services**

Payment of fees to professional or technical services exceeding the prescribed limit per year is subject to tax deduction at the prescribed rate.

Professional services include professions such as legal, medical, engineering, architecture, accountancy, technical consultancy, interior decoration, advertising, and such other professions identified from time to time.

Such tax deducted at source shall be paid to the Central Government on or before the prescribed date.

Quarterly Return for tax deduction shall be filed in the prescribed form on or before the prescribed date.

A Certificate of TDS has to be issued to the deductee.

### **Tax deduction on payment of rent**

Tezpur Social Service Society (TSSS) is also liable to deduct tax at source on all the rent paid exceeding the prescribed limit per year. After deducting the tax, the same has to be remitted into a bank through a challan provided by the Income Tax Department to the credit of the Central Government. Therefore, a certificate to the contractor in the prescribed form has to be issued.

### **Annual Returns**

The annual return in prescribed form has to be filed on or before the prescribed date for the fiscal year ending 31<sup>st</sup> March of each year in the case of TDS deducted on the payments made to contractors, professional, technical services, and rent payments.

### **7.1.5 Notice from the Income Tax Department**

Any notice received from the Income Tax Department regarding the income tax hearing by the income tax officer, income tax appeals, income tax appellate tribunal, or high court, or any other tax authority has to be taken seriously.

The Head of the Finance Department shall take charge of any such notice on issue and contact the Auditor or Tax consultant and attend to the issues till the appropriate completion and end results. Any violation or non-response to the Income Tax Department shall entail great risk to Tezpur Social Service Society (TSSS).

### **Societies Act**

Tezpur Social Service Society (TSSS) is registered under the Societies Registration Act XXI of 1860 and the Society Registration No. RS/SPR/242/C/02 of 2005-2006 dated 04.04.2005 Renewal dated 20.02.2012.



### **7.1.6 Annual Return**

Tezpur Social Service Society (TSSS) is required to furnish the annual return to the Registrar of the Societies, giving details of the governing body and office bearers of the Organization.

### **7.1.7 Intimation of changes in members/office bearers**

This shall be the responsibility of the Secretary.

### **7.1.8 Maintenance of Minutes Book**

This shall be the responsibility of the Secretary of the Society.

### **7.1.9 System for Tracking Legal Compliance**

The Finance Department should introduce and maintain a register to record the various notices received from the government Departments like Income Tax, FCRA and Societies, Provident Fund, etc., wherein details for compliance shall also be recorded by the Finance Department for efficient work and tracking.



## CHAPTER 8

### AUDIT

#### Definition of an Audit

An Audit is a systematic review of the financial transactions. It involves an examination of the validity of supporting documents and the certification of:

- a) The Financial Statements
- b) The various reports for legal compliance, such as FC-6 for FCRA, Audit Report in Form 10B under the Income Tax Act, etc.

The auditor normally also presents a report to the management in order to help them improve the accounting standards and practices.

#### 8.1. The purpose of an Audit

An audit acts like a watchdog. It safeguards the accountability standards of Tezpur Social Service Society (TSSS). An audit certifies the authentic financial status of Tezpur Social Service Society (TSSS) and points out if there are any deficiencies, malpractices, or fraud. It thus builds confidence in the minds of the people connected with Tezpur Social Service Society (TSSS), whether they are Board Members, beneficiaries, or the public. An audit is also a means for legal compliance.

#### 8.2. Definition of an Auditor

An auditor is a person who is qualified as a CHARTERED ACCOUNTANT within the meaning of the CHARTERED ACCOUNTANTS Act 1949. Only a person who is approved by the Institute of CHARTERED ACCOUNTANTS of India as a practicing auditor can certify the financial statement of Tezpur Social Service Society (TSSS).

A person who is qualified but not approved by the Institute of CHARTERED ACCOUNTANTS to practice cannot be a practicing auditor.

Any certification to the Government or funding agencies has to be obtained only from a qualified and practicing auditor duly appointed by the General Body for the organisation.



### 8.3. External Auditor versus Internal Auditor

An external auditor is an independent person or firm specifically appointed to audit the accounts of Tezpur Social Service Society (TSSS). The Auditor's report is used for filing returns and compliance with legal requirements. The internal auditor is normally appointed by the management to guide the management.

### 8.4. Responsibilities of the Auditor towards Tezpur Social Service Society

Generally, Tezpur Social Service Society (TSSS) should ask for the certification of the following from the auditor:

- Certified Financial statements
- Receipts & Payment accounts for the financial year ending
- Income and expenditure Account for the financial year ending
- Balance sheet as at the end of the year
- Utilisation certificates of project grants.

### 8.5. Preparation for Audit

The auditor shall be appointed by the General Body as provided in the constitution of Tezpur Social Service Society (TSSS) every year to audit the accounts of Tezpur Social Service Society (TSSS)

The auditor shall be provided with a specific scope of work, and the same shall be agreed upon and documented.

#### Time Plan

A proper time plan should be discussed and agreed upon by the management with the auditor so that the audit work is completed most effectively.

#### Books, Records, and Statements

Tezpur Social Service Society (TSSS) is to submit the appropriate books, records, and reports for audit.

Among other things, the following must be submitted for audit:

- a) Books of accounts updated and closed
- b) Vouchers and other supporting documents
- c) Tallied Trial Balance

- d) Tallied Financial Statements - Receipts and Payments Accounts; Income & Expenditure Account; Balance Sheet
- e) Bank Reconciliation Statement
- f) All relevant files
- g) All relevant registers

## Certificates

Tezpur Social Service Society (TSSS) should also provide the following certificates:

- Certificate for cash in hand at the end of the financial year, i.e., 31<sup>st</sup> March
- Certificate for investments like fixed deposit held at the end of the financial year, with complete details
- Certificate for closing stock, if any, at the end of the financial year, with complete details
- A banker's certificate at the end of the financial year confirming the cash in the bank
- A certificate that the fixed assets of Tezpur Social Service Society (TSSS) have been physically verified and any discrepancies have been dealt with by Tezpur Social Service Society (TSSS)

## 8.6. Issue of Management Letter

After completion of the audit of a particular audit period, Auditors issue a letter to the management of Tezpur Social Service Society (TSSS) highlighting the main area of focus in which the attention of the management is required. In this report, any pending work, non-compliance, or any other suggestions by the auditors to the management is given.

## 8.7. Audit Report

The auditor shall provide Tezpur Social Service Society (TSSS) with the following reports:

- ❖ A quarterly, six-monthly report as required by Tezpur Social Service Society (TSSS)

- ❖ An Annual Report as of 31<sup>st</sup> March of every year
- ❖ The Audit Report shall consist of Balance Sheet, Income & Expenditure, and Receipts & Payments Account, Management Letter.

### **8.8. Review of the Audit Report / Management Letter/Secretariat Comments**

The Finance Department shall review the Audit Report and prepare such replies/comments to be placed before the Governing Body.

### **Meetings and the Auditor**

#### **A. Annual General Meeting / Governing Body meeting**

It is a healthy practice to invite the auditor to attend these meetings, present the audit report, and clarify any queries raised by the members. This practice will instill confidence in the minds of people connected with Tezpur Social Service Society (TSSS)

#### **B. Quarterly Governing Body Meetings**

It is preferable to conduct frequent meetings of the GB, at least on a quarterly basis, where quarterly financial statements should be presented. The auditor should be invited to attend the meeting if necessary.

### **If the above practices are followed, then: -**

- ❖ The audit work will be completed in the least time with the highest quality.
- ❖ The required returns will be filed with the Government and its agencies within the required time limits.

### **8.9. Possession of Original Documents**

Tezpur Social Service Society (TSSS) must retain in safe custody all original documents, including the following:

- Memorandum of association and bye-laws
- Certificate of Registration of Society, etc.
- Certificate of Registration u/s 12A of the Income Tax Act.
- Certificate of exemption u/s 80G of the Income Tax Act, along with the statement of income

- Assessment orders issued by the Income Tax Department on completion of the assessment
- Certificate of Registration under FCRA
- FC-3 certificate along with the acknowledgement of having filed it with the Ministry of Home Affairs
- In the case of different deposits (rent, telephone, etc.) or cheque books/pass books of the Project Centre, these should be kept in the safe.

### 8.10. Change of an Auditor

There may arise a situation when Tezpur Social Service Society (TSSS) has to change its auditor. The procedure to be followed for the change of an auditor is as follows:

- a) Identify a new auditor with experience in the Foreign Contribution Regulation Act (FCRA), 2010
- b) Pass a resolution at the General Body Meeting / Governing Body Meeting or such other meetings of the appropriate body to appoint a new auditor
- c) Issue an appointment letter with a clear scope of work and the previous auditor's name and address, and obtain the acceptance of the new auditor.
- d) Inform the previous auditor.



SL.NO	FINANCIAL CALENDAR	DATE
1	Filing of Annual Return to the Registrar of Societies	January
2	Annual Budget 1 <sup>st</sup> Draft	15 <sup>th</sup> January
3	Annual Budget 2 <sup>nd</sup> Draft	15 <sup>th</sup> February
4	Annual Budget final draft	5 <sup>th</sup> March
5	Annual closure of Project Disbursements	25 <sup>th</sup> March
6	Annual Closure of Accounts	31 <sup>st</sup> March
7	Issue of TDS Certificates to Staff/Contractor/Professional/Renters	30 <sup>th</sup> April
8	Annual Audit	30 <sup>th</sup> May
10	Filing of Annual Returns – TDS on salaries	31 <sup>st</sup> May
11	Annual Return for TDS for contractors/professionals/Rent	30 <sup>th</sup> June
12	Half-yearly closing of accounts	30 <sup>th</sup> September
13	Filing of Income Tax Return	30 <sup>th</sup> September
14	Filing of FC-3 with MHA	31 <sup>st</sup> December

## CHAPTER 9

### RESPONSIBILITIES AND ACCOUNTABILITY

The responsibilities and accountability will be as follows:

#### PROJECT COORDINATOR (FINANCE DEPARTMENT)

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Overall, he/she is responsible for financial management, including budgeting, funds Management, compliance with reporting requirements, and audit of Projects and Tezpur Social Service Society (TSSS)

##### Major Responsibilities

- 1) Overall responsible for internal, statutory & review audit
- 2) The Project Coordinator has an overall responsibility for all finance and accounts procedures.
- 3) Develop financial capabilities and capacities in implementing the finance and accounting procedures
- 4) Liaise effectively with the Donor(s) on financial matters.
- 5) Advise the Board/Governing body on all financial matters, especially on financial policy and strategic issues
- 6) Keep the Project Director informed about the financial position and the financial performance of the project
- 7) Approval of budget and financial projections/ forecasts
- 8) Ensure the development of satisfactory financial and accounting policies and procedures for the project and its adherence to these policies and procedures
- 9) Ensure the development and operation of a satisfactory finance management system for the project
- 10) Ensure that an effective system of internal controls is operational
- 11) Ensure effective cash management, including short-term forecasting

- 12) Responsible for overall project financial management and operations of the project account.
- 13) Oversee the functioning of project accountants in performing their duties.
- 14) Authorizing payment of bills and invoices, program settlements, office admin expenses, and staff claims.
- 15) Prepare periodic financial statements and reports for the donors.
- 16) Consolidate the expenditures of the projects from the books of projects with the Accountant.
- 17) Oversee all project purchase requirements and maintain the system in the procurement of project equipment and assets.
- 18) Ensure sufficient flow of funds in bank accounts and maintain cash availability for routine management of the projects.
- 19) To oversee the conduct of internal audits and annual (external) audits of the projects.
- 20) Ensure all payments are as per the contract documents (e.g., TOR/MOU/Lease Agreement, etc.)
- 21) Complying with reporting requirements
- 22) Make sure the timely reconciliation of project accounts to claim disbursement
- 23) Prepare budgetary provisions required for the implementation of the project
- 24) Implementation of the Finance and Account System.
- 25) Any other work assigned by the Project Director.

## ACCOUNTANT

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### Major Responsibilities

- 1) Verify incoming quotations, purchase invoices, and order bills submitted by Admin.
- 2) Check petty bills, challans, receipts, memos, and related supporting documents.
- 3) Receive and check program settlements, admin expenses, and staff travel claims.
- 4) Responsible for maintaining the office cash box and keeping it under safe custody in a locker.
- 5) Preparing vouchers for all payments made by cash, bank, and journal vouchers.
- 6) Issue Receipts for all cash inflows, such as refunds of advances, grants received from Donors, donations received from the public and well-wishers, etc.
- 7) Maintain a monthly register of payments for office utilities and services bills-such as telephone & mobile phones (staff & office), electricity bill, broadband charges, Data cards bills, etc.)
- 8) Responsible for monthly staff salary payments by cash/cheque through Account transfer.
- 9) Responsible for overseeing the daily petty cash requirement. Seeing the completeness in the availability of supporting documents before making payments.
- 10) Verify bills, invoices, challans, and all other payment requirements before actual payment of cash.
- 11) Check that the payee details are correct and make the payment.
- 12) Ensure that the correct amount has been authorized and particular expenditure was necessary and due.





- 13) All payments to be made only after taking authorizations/approvals from the authorized person(s).
- 14) Data entry of all financial transactions in the book of accounts, either manually or by accounting software.
- 15) Daily updates of books of accounts and ledgers.
- 16) Ensure that expenses are charged to the correct expenditure/accounts heads under the appropriate project accounts.
- 17) Responsible for the collection of cheque books, dropping/delivery of bank challans, requisitions, inter-account/bank transfer, pass books updates, and other bank transactions.
- 18) Shall be willing to perform other duties whenever assigned by the management through the concerned Reporting Officer.
- 19) Preparing cheque payments and maintaining the Cheque Register for project bank accounts.
- 20) Prepare monthly bank reconciliations statement (BRS) and weekly cash reconciliations.
- 21) Maintain all finance documents in the relevant files and folders.
- 22) Verify bills for all purchases made and expenses incurred for the project.
- 23) Prepare tax deduction at source from staff salaries, contractual payments, and consultancy fees if the total amount for payments attracts tax deduction.
- 24) To deposit the monthly TDS amount in the bank account of the Income Tax Department within 7 days from the date of deduction.
- 25) Prepare and maintain a monthly TDS register and TDS challans.
- 26) Prepare and maintain records of employees' provident fund, staff gratuity, and payments/deposits of monthly staff PF contributions.
- 27) To oversee that all the financial transactions and operations are in line with the Accounts & Financial manual of Tezpur Social Service Society (TSSS).
- 28) To oversee the operations of project bank accounts and maintain separate books of account for each bank account.

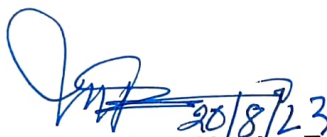
- 29) Responsible for preparing final monthly ledgers of project(s) and printing monthly ledgers.
- 30) To support the management in maintaining accounting records and providing financial information.

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**Revised and Approved by the Governing Body of TSSS / Chairman of the Society**

## FINANCE MANUAL


This FINANCE MANUAL has been revised and approved by the Governing Body of TSSS and duly signed in the presence of all Managing Committee Members:

  
**Bishop Michael Akasius Toppo**  
President

**Chairman**  
**Tezpur Social Service Society**  
**Bishop's House, Tezpur**  
**Sonitpur, Assam**

  
**Fr. Biswajit Ekka**  
Secretary

**Director**  
**Tezpur Social Service Society**  
**Bishop's House, Tezpur**  
**Sonitpur, Assam**

  
**Fr. Christoraj Lakra**  
Treasurer

**Treasurer**  
**Tezpur Social Service Society**  
**Bishop's House, Tezpur - 784001**  
**Sonitpur, Assam, India**