

CNI-SBSS FINANCE MANUAL

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**THE SYNODICAL BOARD OF SOCIAL SERVICES
THE CHURCH OF NORTH INDIA
A General Guideline on **Financial Management****

1. INTRODUCTION

CNI SBSS has gone through many changes in its overall functioning in last 2 years. We have developed and adopted new systems and concepts. As an accompanier of all the processes, which are going on in the fields and communities, the reporting and documentation is very important. Therefore we thought seriously about developing a new Finance Manual, which is relevant to the present context.

We are trying to highlight certain points regarding the finance policies besides the financial management for the better understanding and smooth finance management in every level. During the last two years, we have conducted a series of workshop on Book keeping and financial management for the finance and documentation staff at all levels and discuss in details on the findings/recommendation/suggestion by the external evaluation (Finance), Cost reimbursement model and its relevance, the present book keeping system, the monitoring instruments and the Role of document & finance Assistant in the finance facilitation.

To finalize the manual we referred the Suggestions & Recommendations from different Finance workshop (SBSS), Previous Finance hand book and Working manual of Financial Procedures – SBSS. We also referred the Legal & Finance Handbook for voluntary Organizations and the Manual of Financial Management & Legal Regulations-FMSF.

We adopted cost reimbursement model as our key tool of fund management. This is different from giving money/grant to each Diocese for various programs, it also takes the over all responsibility of the successful implementation of programs. This manual intends to guide every partner organization for its accompaniment, reporting and documentation.

2. THE FINANCE POLICIES

2.1 Project proposal from DBSS/Partner Organization:

In the beginning, the CNI SBSS invite proposal from the DBSS/Partner. The DBSS/partner Organisation while submitting the proposal, the vision, mission and policies as well as the perspective for the decade of SBSS are kept as parameters.

2.2 Accompaniment Services:

After approval of the project and signing of the AoC and AA (Audit Agreements), financial support would be provided as per cash flow and approved budget. Appropriate training arrangements would be made to enhance the capacity of the community & DBSS staff and induction of new elected Board member.

2.3 Financial support to the Dioceses/DBSS/ Partner Organisation:

- Funds are released to the DBSS through the FC A/c as per Cost reimbursement model.
- A photocopy of the FCRA account number allotted to be Diocese/DBSS by the Ministry of Home Affairs is required to be submitted to the SBSS.
- To make the financial support more functional and effective, the DBSS/Partner Organisation has to become more active and keep the accounts updated.

2.3.1 COST REIMBURSEMENT MODEL:

The Concept

The Cost Reimbursement Model (CRM) is a mode of fund flow to DBSS/Partner Organization. This is different from Grant approach; instead of giving grant for the program for a particular period, the Diocese/ Partner Organisation will receive an advance at the beginning of the Project period. From the 1st month onwards expenditure can be made, as per program calendar and submitted cash flow, subsequently the actual amount spent will be reimbursed to the DBSS/Partner Organisation. At the end of the reporting period the amount can be utilized as per cash flow.

The Process

- Each of the Diocese/ DBSS will be given a seed money which equal to the amount of Two months average cost for the programme with 10% buffer on the basis of 6 monthly Cash flow submitted by the DBSS/PO.
- The Dioceses, which are receiving fund for the DBSS programs through their “Diocesan FCRA”, are requested to transfer the fund to DBSS Bank (Linked a/c) at the earliest.
- In every month as soon as expenditure is incurred, the DBSS has to prepared the statement of expenditure from the books of

accounts as per the prescribed format (**Annexure -II**) and inform by Email to CNI RCOSA as well as CNI SBSS head quarter. At the same time the DBSS need not to wait till total expenditure of Funds.

- The Cost reimbursement to the Diocese (DBSS) would be based on actual expenditure, which endorse by the RCOSA.
- The expenditure report must be accompanied with the statement of Work advances (if any) and if necessary the Bank statement or Xerox copy of Bank pass book needs to be supplied.
- Expenditure incurred on activities not provided in the budget or no prior permission from the SBSS need to recovered and proof of recovery to be attached/mentioned with the financial report.
- In the month of March & September (closing month; financial year) and last month of the project period no reimbursement for the expenses incurred for February, August and last one month (previous month) of project period will be made. In these months, the DBSS may meet out the expenses from the available seed money with DBSS.
- The DBSS needs to close its all-financial transaction on or before 25th day of March, September and last month of the project period, and the Balance money available with the DBSS should be returned to SBSS.

Advantages

- it ensures continuous availability of fund
- it ensures timely implementation of all planned activities
- it ensures effective & efficient fund management
- it enhances transparency & accountability
- it ensures timely reporting at all levels

Important points to be followed

- All programme advances must be settled within the month as the reimbursement is made on actual utilization.
- All the programme activities should be done in consultation with the concerned Programme Associate/RCOSA
- The DBSS Chairman & Treasurer should be kept informed about the activities and fund position
- The fund received in the FC account of the Diocese must be transferred to the local account of the DBSS at the earliest.
- The statement of expenses may be faxed/mailed with to the head quarter as well as RCOSA with a copy of bank statement at the earliest

2.4 Financial Facilitation & Accompaniment (SBSS)

2.4.1 Visitation & Facilitation: The Finance team of the SBSS will visit and help the Diocese in proper fund management and its optimum utilization of fund at DBSS level. (FAI) (**Annexure-VII**)

2.4.2 Half yearly review & approval:

- i) Before presenting the program budgets/reports, it needs to be approved by the DBSS Board.
- ii) The Budget and Reports need to be signed by the Bishop of the Diocese as Chief Functionary of the programme.
- iii) At the half yearly Regional forum, the budgets and reports are discussed, reviewed and approved collectively in a participatory manner.

2.4.3 Financial allocation for OMC: In all the programs, the Own means of Contribution (OMC) should be clearly spelt out.

2.4.4 Check Audit: Each year the DBSS would be randomly selected for check audits by the SBSS Resource team.

2.4.5 Financial Review:

To strengthen our financial accompaniment services, the facilitation team including program, finance and resource will undertake quarterly review of the program and finance process of the partner organization. (**Guideline for Finance review-Annexure - VIII**)

3. FINANCIAL MANAGEMENT

3.1 The Budget

Budget is defined as planning in financial terms for a specific period of time.

The amount of money needed or available for a purpose in a set period of time is called budget.

- it is prepared in advance
- it is prepared for a definite period
- it based on future plan of action
- it relates to future objectives to be achieved
- it help in future policy and decision making about its priority
- it defined specific limits to incur expenditure

Preparation of Budget

Budget should be prepared well in advance. It should be realistic and accurate, providing for certain unforeseen or abnormal expenditure.

The Importance for preparing budgets:

The budget is prepared to efficient allocation of limited resources, the sources and its effective utilization by coordinate activities for achieving the set objective in a given period of time.

- Plan & Co-ordinate activities
- Calculate estimated income/expenditure
- Communicate the plans
- Motivate staff to achieve the objective
- Monitoring & Evaluation

The process:

Once the resources necessary in achieving the organization's objectives have been identified, these are then translated into monetary terms. The process involves stating the various sources from which money is to be raised during a particular period and the activities on which the money will be utilized.

All budgets have two aspects:

- The sources of funds (Finance plan)
- Activities and expenses (Cost plan)

The Activities & Expenses	The sources (Income)
<ul style="list-style-type: none">• List out the broad of action (objectives/ Programs)• List the activities under the each lines of action (objective)• List out the expected administrative expenses (Salaries, Rent, Vehicle maint., Travel & Conveyance, Electricity, Audit fee, Office up-keep, etc.,)• List out the capital items (assets; building, land, vehicles, equipt.,) required for the various programs and the organization• Put the financial value (cost) required for each program activities, Administrative exp, and the capital items.• If the capital items/costs are allocable to a particular line of action. It may be taken under that line of action. Otherwise it may be shown under overall administration costs of the organization as a separate item.	<ul style="list-style-type: none">• Calculate the own means of contribution (contribution by the beneficiaries and by the project partner; institutions, organization, society, etc)• Amount to be raised from the Donor/funding agencies.• Any other source of funding

Project budget:

If any specific project was planned for certain purposes out of the core project. Or, if the donors like to support a certain percentage of the core budget/project costs, the project budget is prepared.

The preparation of project budget

- list out the activities under the program
- calculate the cost for each activity
- list out the capital items required for the project and the costs
- identify the administrative costs attributable to the project
- Identify the sources of financing the project.

Things to keep in mind while preparing budget...

- Involvement of field staff, community representative and all the stake-holders in the preparation of budget
- The ratio of Administration VS Program budget
- Budget & Price increases, Provision for unforeseen or abnormal expenditure
- Budget should be prepared in a draft form, the draft budgets should be placed before the decision making body, where the feasibility of various individual budgets is discussed upon and a decision is made. On the basis of approval, a final budget should be prepared.
- In case the donors/funding partner are not able to meet the total requirement, rework on the budget and you may drop certain activities which may not be the priority
- Never implement a budget which is not fully met the donors' approval

3.2 MAINTAINING ACCOUNTS & PREPARING FINANCIAL STATEMENTS

3.2.1 BOOK- KEEPING

Simply, Book-keeping means keeping the books. Book-keeping can, as such, be defined that branch of knowledge which tells us how to keep records of financial transactions in a regular and systematic manner.

3.2.2 The objectives of book keeping are mainly two:

- To have a permanent record of each transaction and of its financial effect; and

- To show the combined effect of all the transactions made during a particular period upon the financial position of the concern as a whole.

3.2.3 Account

An account is the proper presentation of the transaction pertaining to an item or person or an income or expense. An account is generally, prepared in “T” form, wherein the left hand side is called debit side and right hand side the credit side.

3.2.4 Accounting period

Accounting period is a period of 12 months, normally a financial year (starting from 1st April of first year to 31st March of the next year) for which the accounts are compiled.

3.2.5 Types of Accounts

There are basically three types of accounts- Real, Personal and Nominal.

Real accounts relate to the accounts of real items, which are tangible, such as fixed assets, goods, cash, bank, etc.

Personal account relate to the accounts of persons (individuals debtor, creditor, companies/firms/societies/trust, Bank, etc)

Nominal account the transaction of business relating to incurring of expenditure or loss and earning of income or gain are classified into the Nominal account.

3.2.6 Basic principle of accounting

Real Accounts: The basic principle of recording transactions in case of Real Accounts is Debit what comes in and Credit what goes out.

For example, if an Organization purchases some material it represents receipts of goods and purchases of goods should be debited. Whereas, sales represent going out of stocks and other materials hence sales are credited in books of Organization.

Personal Accounts: Under personal accounts a person either receives something or gives something to the other. The rule for recording such transaction is: Debit the Receiver and Credit the Giver.

For example, if A has paid something to another person B, in books of A, B will be debited since B is a receiver and in the books of B, A will be credited since A is the giver.

Nominal Accounts: the basic principle for recording transactions in a Nominal Account is: Debit all Expenses and Losses and Credit all Incomes or Gains.

For example, if an Organization has spent Rs.500 on payment of salary to his employee for one month the amount represents expenditure and it should be debited, in books of the Organization, like wise receipt of commission or interest represents income and it should be credited in books of accounts.

3.3 Financial records and documents

- ❖ The Diocesan Board of Social Services/Partner Organizations shall maintain systematic records of the transaction of both Receipts and Payments, through Cash/Bank. The books of accounts shall be maintained on “Double Entry System” of accounting concept.
- ❖ The following books of accounts and subsidiary records/register should be maintained by the project partner.
 - Cash/Bank book
 - Cheque Book
 - Journal
 - Vouchers
 - Ledger book
 - Receipt book
 - Work advance register
 - Bank reconciliation Statement
 - Salary Register
 - Fixed asset register
 - Vehicle Log book
 - Telephone Log book
 - Dispatch register
 - Inward mail register
 - Proceedings of the DBSS meetings (Minutes Register)

3.3.1 Cash book;

A Cash book is a record of all cash receipts and payments kept and maintained from day to day and giving the cash balance in hand at the end of each day or at the end of a specified period not exceeding a month.

A cash book is normally divided into two parts;

- The left hand side (debit- side) is used for recording all receipts of cash on day-to-day basis whether it is loan or income or the members’ subscription received by the organization.

- The right hand side (credit-side) records all payment, whether payment for expenses or repayments or loans or withdrawals of funds by the organization for the office uses.
- At the end of the day the total of receipts side together with opening cash in hand is greater than the total of payments side and the difference between the two, is closing cash balance in hand.

3.3.2 Bank book

When a separate book is maintained for recording transactions relating to bank such account book is called Bank Book. While the cash book records events and transactions involving cash, the Bank Book records events and transactions through Bank.

3.3.3 Cash/Bank book;

(Normally recommended to the DBSS in case of manual book keeping)

In any organization the large number of transactions of one nature must relate to cash and bank. The Cash/Bank book is a primary book of entry; it is used for recording all transactions involving cash or bank receipts and payments. A separate column is provided in the cash book (single column) for recording bank transaction. There are two columns for recording receipts on left hand side, one for recording receipts in cash and other for recording receipts in Bank through cheque, bank draft, cash deposit or any other form. Also on the payment side two columns are maintained, one for recording all payments in cash and other for recording all payments made through bank or withdrawals of cash from bank account in chronological order. (**Annexure - III, Specimen of Cash book with Bank column**)

Entries recorded on the receipt and payment side of the Cash/bank book as posted into the General ledger, except “Contra Entries”.

Contra entries

When cash is deposited in bank or cash is withdrawn from the bank, entries both for receipt and payment will appear in the cashbook itself (cash & bank column). This is indicating by a contra sign (C) in the folio column indicating thereby that the double entry aspect of this transaction complete and there is no requirement of posting to the ledger

3.3.4 Chequebook

A written order/authorizing to the Bank with signs by the signatories/person in which name the bank account is, to pay a certain sum of money. The order is known as cheque.

Cheques are drawn on printed forms made up into books and are supplied by the bank to the customer whenever required.

There are three parties to a cheque:

1. **Drawer.** The person who draws the cheque is known as the drawer. The person in whose name the account stands is the drawer.

2. **Drawee.** The bank on which the cheque is drawn is known as the drawee. A cheque is always drawn on a bank.

3. **Payee.** The person in whose favor the cheque is made payable is the payee. If the cheque is drawn payable to self, the drawer himself would be the payee of the cheque.

Bearer and Order cheque:

A bearer cheque may be made payable to the bearer, it can be encashed by any person who presents it to the bank for payment.

An order cheque on the other hand is made payable to a particular person or order. An order cheque can be transferred only by endorsement and delivery.

Crossing Cheque:

The crossed cheque cannot be encashed at the counter; it is only collected by a bank. Crossing thus provides a protection and safeguard to the owner of the cheque as by securing payment through a banker it can be easily detected to whose use the money is received.

Crossing the cheque means two parallel lines are drawn across the face of the cheque (left side corner), crossing cheque may take any one of the following forms:

3.3.5 Journal

A journal is also called the 'Book of Original Entries'. This book is used for recording all non-cash transactions such as transfer between accounts, non-cash contributions, debit notes from funding agencies, rectification/ correction entries, adjustment entries, etc.

3.3.6 Vouchers

It is very important that every transaction recorded in books of accounts is properly supported by documents evidencing the transactions called as vouchers. Thus, a voucher is documentary evidence in support of transaction. It is also the written authorization for any transaction. Vouchers are generally printed forms consecutively numbered. (**Annexure – IV specimen of voucher**)

Type of vouchers:

Payment voucher or Debit voucher

This voucher is used to record all payment and other expenses paid in cash. In cash of expenses the relevant support of expenses such as cash memo or bill etc. should be attached so far as possible.

Bank voucher

Sometimes a separate voucher is maintained for recording bank payment. The form of a bank payment voucher is almost the same as cash payment voucher but the information regarding cheque No., date and name of bank from where the payment has been made should also be recorded on the voucher.

Receipt Voucher

This voucher is prepared for recording all receipts of money whether by cash or by cheque and on whatever accounts. Sometimes an additional copy of receipt issued to the payer is used as voucher for recording in cashbook.

Journal Voucher

A journal voucher is prepared to record transactions other than those involving cash. Journal voucher is prepared to ensure that each approved liability is recorded as incurred. Apart from recording liabilities, it also records recoverable and other transfer and adjustment entries. The entries in a journal are recorded on the basis of journal voucher. (**Annexure – V**)

Example:

Suppose the DBSS/ Organisation gives advances Rs.5000/- to XYZ People Organisation for CME program.

The entries will be in Cashbook:

Advance to XYZ PO A/c Dr 5000 (in the payment side)

When the accounts submitted (bills on CME program Rs.5000) by XYZ POs as Advance settlement, the entries will be passed through the Journal as follows:

CME Prog A/c	Dr	5000	
Advance to XYZ PO A/c			Cr 5000

3.3.7 Ledger book

Ledger is the main book of account which also known as the 'principal or chief' book of accounts. In ledger the financial information is classified by its nature and relevance. That is, all the transactions relating to expense/income of different nature are recorded in different accounts so that expenses/income of a particular type are reflected at the same place.

The basis for recording entries in ledger is the cashbook and journal. (**Annexure - VI, Performa of ledger**)

Ledger posting

The debit and credit values of all transactions recorded in the Cash/bank/journal book are transferred to the proper accounts in a ledger. This transferring process is called posting.

Ledger Balancing

After transactions pertaining to an account have been recorded, it is necessary to ascertain the final position. In ledger, balances of all counts are ascertained periodically and written in 'Balance' column with debit or credit as the case may be.

3.3.8 Receipt book

For every funds received in money or money's worth including cheque/drafts etc., a receipt should be issued. There must be a printed receipt book in every organization. One receipt book is to be started and used from beginning to end of it and next would be used. Serial numbers in the receipt book is needed. The original receipt should either be handed over to person from whom the cash/cheque/draft is received or sent by post. The duplicate copy of receipt should be used as a supporting document of recording entries in the Cash Book. The receipts are either signed by the project in chare/accountants or by a person authorized by him in writing.

3.3.9 Work advance register

Separate ledger accounts in the General Ledger should be maintained for various categories of advances. Where there are a large number of transactions, the DBSS should maintain a separate Advance Register to know the advances status for each staff/program.

Every time an advance is made, it should be charged to the respective advance account head in the General Ledger as well as the respective ledger(personal) in the Advance register, the credit being to the Cash/Bank account maintained in the Cash Book. When the recoveries are made or accounts are rendered, the cash account/bank account or the relevant expense accounts shall be debited and the advance account shall be credited in both the General Ledger as well as the respective account (personal) of Advance Register.

As advance payment is merely an outgo and not an utilization of grants, the same should be treated as part of closing cash and bank balances at the end of the respective reporting period.

3.3.10 Bank reconciliation Statement

Principally speaking, the balance in the bank account (or bank column in the cash book) as on a particular date should tally with the balance in the customer's/Organization's account maintained by the bank, as per bank pass book/statement. However, very often they do not tally; there are differences even if there is no mistake, for the following reasons:

- Cheques received and deposit in bank for collection, but not yet collected by the bank. In this case the Bank balance as per ledger shall be more than balance as per bank statement.
- Cheques issued to third party and recorded in the Bank A/c, but not presented by the third party in the bank for payment. In this case the Bank balance as per ledger shall be less than balance as per bank statement.
- Bank charges debited by the bank but not recorded in the bank account. The collection of cheque or interest charges for overdraft facilities is recorded only after receipt of the bank statement.
- Interest credited by the bank but not recorded in the account books.

In order to check the accuracy and correctness of the bank account it is important that the bank balance should tally with the bank statement. A bank reconciliation statement is therefore prepared

to ascertain the causes of difference. A Bank reconciliation statement is thus an important control technique.

The technique of preparing a Bank Reconciliation statement is very simple. Start from the cash book or the pass book balance, and then see what has been done or not been done in the other book.

Thus, if one starts from the cash book balance, he has to follow the pass book entries. The cash book balance is worked out as if the entries passed in the pass book has also been passed in the cash book and entries not passed in the pass book had been removed from the cash book.

Specimen of Bank Reconciliation Statement:

Bank Reconciliation Statement as on (the date and year)

Balance as per Cash Book

Add: Cheques issued but not presented:

	Cheque No	Date	Party	Amount
1.	_____	____	_____
2.	_____	____	_____
			

Add: Interest credited in the pass Book but not yet recorded in the Cash book
.....

Less: Cheques received and deposited Into bank but not yet cleared

	Cheque No	Date	Party	Amount
1.	_____	____	_____
2.	_____	____	_____
			

Less: Bank charges debited in the pass Book/Statement but not yet Recorded in the Cash book
.....

Balance as per Pass Book/Bank Statement.....

3.3.11 Salary Register

The Salary and wages register is maintained for recording the details of the salary/wages paid to the staff. The register is prepared on monthly basis, showing name of the staff, their designation, basic pay, DA, EPF (employer share), allowances if

any, total dues. In deduction side (deduction from salary): PF, Advances, deduction if any (Specific), total deduction, Net amount payable need to be maintained and the acknowledgement of receipt (signature) by the concerned staff. **(Annexure- XIII, Proforma of Salary and wages register)**

Before disbursement of salary/wages, the net amount payable should be passed for payment by the competent authority (the Coordinator, the account assistant and the Treasurer), If cash payment exceeds Rs.500/- to an individual, acknowledgement on a revenue stamp of Rs.1/- should be obtained. It is always advisable to pay the salary by 'cheque'. Make sure that the cheque is 'A/c payee and Not negotiable

3.3.12 Fixed asset register

A Fixed asset register is a record of all the tangible assets owned by the organization. It includes all movable and immovable assets owned by an organization. The register shows the quantity, value, location, serial number etc. of things like Building, Equipment, Furniture, Machinery, Vehicle etc. This register will also help to verify the possession of these assets and their value can be cross-checked with the Ledger & Balance sheet.

The Fixed Asset Register will have the following columns:

Description of item, invoice/voucher no., date of purchase, quantity, units, value of asset, inventory number, Location/identification, Date of sale or disposal, Sale price, Remarks. **(Annexure- XIV)**

This register is available in the market, incase the required format is not available; the DBSS can make the Asset register for it self.

3.3.13 Vehicle Log book

Every DBSS must maintain a vehicle log book, highlighting the distance traveled and the purpose for travel. A separate log book is kept for each vehicle.

Normally, log book has the following columns:

- Year, month and date
- Time (from to)
- Name and designation of the user
- Places visited
- Purpose of Journey (Private/Official)
- Meter reading (Start/Finish)

- Kilometer Covered
- Signature of the user

Please note that;

- The DBSS vehicle should only be used for DBSS
- The vehicle should have the ‘DBSS, Diocese of _____’ identification mark
- The vehicle must be recorded with the fixed assets.
- The vehicle Logbook must be verified with the monthly bills of petrol/diesel consumption with the credit, slips/cash memos duly signed by the competent authority.

3.3.14 Telephone Log book

A telephone log book is maintained to show particulars of calls made, i.e. date of call, purpose of call, party called, duration of the call, etc. the telephone bills received are verified with reference to entries made in the log book.

The Phone Log book will have the following columns:

Date, Name of the Caller, Telephone No Called, Station, purpose, Signature of the Caller

The purpose of the Call is very much needed to maintain in Telephone Log book.

The Telephone Log book is available in the market, in case the required format is not available; the DBSS can make the Log book for itself.

3.3.15 Dispatch register

A Dispatch register is maintained wherein particulars of all outgoing mails correspondences (i.e. date of dispatch, name and address to whom letter has been sent, postage incurred) are recorded. This register should also be checked by some responsible person in order to ensure its correctness.

3.3.16 Inward mail register

An Inward Register is maintained to record serially and chronologically all incoming mails/ correspondences showing particulars of date of receipt, sender’s name, address, file no, remarks, etc.

**3.3. 17 Proceedings of the DBSS meetings
Minutes**

Minutes are the written record of the decisions taken at the Governing Body or the general body of members. An organization should keep fair and correct minutes of the proceedings of every meeting.

The minutes should contain the following information:

- The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat
- The appointment of officers at any meeting should be included in the minutes of that meeting
- The names of the executive members present at the Board meeting and also the names of the members agreeable or nonconforming from any resolution passed at the meeting.
- The date, time and place of meeting
- It is advisable to have separate minute books for Board meeting and Staff meeting

Minute Books

The minutes should be recorded in the Minute Book which should be serially numbered and kept in bound form. The minutes of a Board meeting may be signed by the Chairman of that meeting or the Chairman of the next meeting. Each page of the minute's book shall be initialed or signed and the last page of the proceeding shall be dated and signed.

3.4 Procedure of Writing Accounts

Now days there are many computer software/accounting packages available in the market, for book keeping in computer accounting package, the preparation of voucher and recording the transaction in respected entries is sufficient for getting the trail balance, receipt & payment account, income & expenses account also the Balance sheet. How ever, if any organization did not have any computer accounting system the following process is advisable for writing accounts.

The total process of accounting can be summarized as under:

- i. Preparation of Voucher- that may be cash voucher, bank voucher, journal voucher, etc.
- ii. Recording Entry in Cash Book/Journal- the transactions involving cash and/or bank is generally recorded in the Cash Book in the respective columns, and other transactions are recorded in the journal.
- iii. Contra entries; when cash is deposited in bank or cash are withdrawn from the bank, entries both for receipt and payment

will appear in the cashbook itself (cash & bank column). This is indicating by a contra sign (C) in the folio column indicating thereby that the double entry aspect of this transaction complete and there is no requirement of posting to the ledger.

- iv. Ledger Posting- Accounts for each item are maintained in Ledger and the entries in the ledger are posted from Cash Book and journal.
- v. Ledger balancing – At periodic intervals all accounts in the ledger are balanced. An account may have a debit balance, a credit balance or nil balance.
- vi. Trial Balance- a list of all the accounts with their balances is called a trial balance. The total of all debit balances should always tally with the total of all credit balances.
- vii. Financial statements- from the Trial Balances prepares the receipt & payment account as well the Income & expenses and the Balance sheet.

3.4.1 Refunds of donation:

Where any amount is due for refund or refunded, due to non fulfillment of conditions or any other reason, same shall be shown as deduction from the balance of respective grant.

3.4.2 FUND ACCOUNTING

Fund accounting is a system of accounting, which is irregular to NGOs or not-for-profit organizations. In brief the separate records for funds created for certain specified purposes, which may be restricted or unrestricted in nature is know as Fund accounting.

For instance, if an NGO/Organization is engaged in several projects simultaneously, fund accounting will provide clear-cut information with regard to each and every project at any point of time. Such information could be

- Available cash and bank balance under that particular project
- Investment held under that particular project
- Any surplus or deficit in the project
- Loan given or taken from other project
- Administrative component of that project, etc

Fund accounting is not an accounting system influenced by donor or anybody else. It is an unconditioned tool available, which the

NGOs/NPOs can use. It may be for preparing individual donor-wise statements; it may also be used for preparing individual activity-wise or function-wise financial records and statements.

For example: fund accounts may be maintained for “Drought Relief”, in such a case fund accounting will be done for all the expenditure made for a particular cause rather than for all the funds received from a particular donor. In such fund account, grant received from all the donors for “Drought Relief” shall be accounted.

3.5 OWN MEANS OF ACCOUNT

3.5.1 Own means contribution

Own means is the commitment or contribution of various stakeholders to the project other than the funding agencies.

It is important to understand the context in which we are assessing and accounting own means.

An example of the finance plan of DBSS:

<u>Sources</u>	<u>Contribution</u>
Funding partner (through SBSS)	75%
Partner Organizations	
Diocese - 10%	
WFCS - <u>2%</u>	12%
Donation from a School	3%
Government subsidy	5%
Beneficiary (direct contribution)	<u>5%</u>
Total	100%

In technical sense, only the contributions made by the partner organizations (15%) could be considered as OMC, because legally whether the funds were generated locally or through beneficiaries or through donor agencies, they are all external sources. In other part, the own means for the beneficiaries is only 5%, as rest of 95% is external grants. But as per the funding partner the local contribution (Own means) is 25% as they contribute 75% and rest of 25% is from outside sources.

Generally, the need for assessing own means arises out the requirement of the funding agencies and therefore it’s dependent upon the policies of that particular funding agency.

So, in the above example, for the reporting purposes the Own means contribution is 25%.

3.5.2 Accounting for Own Means of Contribution

OMC are two types:

- Cash and
- Non-cash (Kind)

It should be ensured that the contribution is directly relevant to the project. Even genuine contribution received outside the project plan should not be considered in that particular project.

When the contribution is received in cash, there is no problem in accounting. In the case of non-cash contribution it becomes important for the proper assessment of the value of the contribution is made.

Examples of Own mean contribution in kind:

- Free labour for construction work
- Donation of materials for contraction
- Food/physical arrangement provided by the people during meeting
- Free use of facilities/infrastructure

The basis of valuation should be reasonable and acceptable. For instance, contribution of labour should always be related with actual work done. The cost of materials and other capital items should be taken at the accepted market value.

3.6 COMPUTERIZE ACCOUNTING

In present days, the demand from various stakeholders for easy assessing of accounting and its management the NGO/NPO/Volunteer organizations need to concentrate more on computerized accounting. So, along with the practice of manual accounting, computerization of accounting is very much useful and looks essential for providing the financial information. The main benefits resulted out of practicing the computerize accounting are such that it increases the better management of limited resource ad time; it helps the partner organizations and the funding agencies for easier assessment of the financial implementation and management; it reduce the duplication in feeding the financial transactions. Looking in the above advantages it is more encouraging for the partners' organization to start the computerize accounting.

4. INTERNAL CONTROL SYSTEM (DBSS)

- The Individual Diocese should develop its own system/ rules & regulation regarding budgetary control, accounting records, expenditure controls, purchase controls, Bank accounts, Cash transaction, advance controls, allocation of duties, leave rules /suspension or re-instate of the staff, etc. keeping in the following points:
 - Physical Custody: Physical custody and safe keeping of Cash in hand, Vouchers, cheque books, bank statements, Cash book, Bank book, ledger book, Salary register and all the financial documents of the DBSS shall be the responsibility of the Document & Finance assistant/Accountant and/or Coordinator.
 - Expenses: It shall be the responsibility of the Document & Finance assistant/Accountant to ensure that all expenses are duly supported by bills, cash memos, invoices and authorization of competent authority.
 - Authorized Signature: the Treasurer and Coordinator must sign all payment jointly.
 - Physical verification: The Program & Finance staff-SBSS shall carry out random physical verification of Cash in Hand and other financial documents of the DBSS at least once in six months.
 - Bank account operations: The Bank account shall be operated jointly by the Coordinator & Treasurer or any one appointed by the DBSS.
 - The arrangement of signatories should be clearly decided and based on practical requirements (signatories must be available).
 - Blank cheque should never be signed
 - The unused Cheque leaves should be kept in safe custody.
 - For all cash received, receipts must be issued immediately; Cash & Cheque received should always record immediately.
 - Only one person must be responsible for handling cash.
 - Policy about use of organizational asset by staff should be in place.
 - Clear procedure for approval of advances must be there.
 - Next advance should not be sanctioned if there are advances pending settlement
 - If it is too long, then the salary must be attached/other disciplinary measures taken.
 - All adjustments from payroll on account of new appointments, leave, all allowances, recoveries, deductions, termination, suspensions etc., shall be made only after receiving proper authorization from the competent authority.

- The information relating to the payroll is confidential and care must be taken to maintain confidentiality.
- The Finance Accompanier Instruments and the Auditors recommendations must be followed-up
- The DBSS ensure to maintain the prescribed monthly monitoring format for both FC (SBSS) as well as Own means of Contribution to know the actual financial position and plan for optimum utilization of funds. (**Annexure- (IX &X)**).
- The internal monitoring format must be filled and prepared variance report should be share with the DBSS board as well as the whole DBSS staff for better work plan/future strategy for achieving the sets objectives at the right time. (**Annexure -XI (i) &XI (ii)**)

5. FINANCIAL REPORTING:

- Preparation of Financial Reports from Financial Accounts as per prescribed norms and standards.
- It reflects the state of affairs in financial terms for a specified period/on a given date.

Type of financial Report

- **Internal Reports**
- **External Reports**

5.1 Internal Reports-

Internal Reports are crucial in decision making processes to the Governing Board, Project Staff, Finance Staff and the General Management and help in compiling external reports.

5.1.1 Cash flow (mile stone) for each Six months (Annexure-I)-
Once the budgets are approved the partner organization needs to prepare & submit a detail Cash flow for each Six-month.

5.1.2 Monthly statement of expenditure;

- The monthly statement of expenditure for Cost reimbursement must reach to the CNI RCSA as well as Head quarter CNI SBSS by 5th of each succeeding month.(**Annexure -II**)
- The expenditure report must be accompanied with the statement of Work advances (if any) and if necessary the Bank statement or Xerox copy of Bank pass book needs to be supplied.

5.1.3 Budget & Variance report: The Variance report must be prepared by explaining differences and action taken, it should be shared with the Board and the staff periodically for better work plan/future strategy for achieving the set objectives at the right time. (Annexure -XI (i) & XI (ii))

5.1.4 Internal Audit Report: Analyses in depth the effectiveness and compliance to the internal control systems and processes in the organization should be followed by an action taken report.

5.1.5 Inter-project Adjustment & Allocation statement: Indicates the amount used from other projects and if the donor/funding partner approves it. Should also inform about when it is to be adjusted or settled.

5.1.6 Six monthly Report & Budgets: The six monthly activities reports and program design for the next six months should be sent to the CNI RCSA at least two weeks prior to the six monthly Regional forums.

5.1.7 Legal compliance report: States if the legal compliances are met with on time. In case of any delay or deviation, the report needs to reflect the reasons. A Copy of F.C.-3 filed with the Ministry of Home Affairs should also be submitted to SBSS every year.

5.1.8 Management letter by Auditor: States about the reviling internal systems of the organization and suggests the ways to improve them.

5.2 External Reports

External Reports reinforce the trust and accountability to stakeholders like Donors, Legal Bodies, and beneficiaries and to the Society at large.

5.2.1 Receipts & Payments Account:

- The Receipts and Payments Account reflects the movement of funds.
- It is nothing but a summary of cash book (the entire transactions of Cash book under various broad heads),

which helps to know where the funds come from and how the funds are utilized.

- All the receipts, by cheque or by cash are entered on the debit side (as in cash book) whereas all the payments (both by cheque and by cash) are shown on the credit side.
- Its start with the opening balance of Cash and Bank on the debit side and closes with the closing balance of Cash & Bank on the credit side.
- It is prepared on actual receipts and actual payment; irrespective of the period to which it relates (previous year: current year or future) and the nature (whether capital or revenue).

Steps to prepare Receipts and Payments Account:

- Put the 'Opening Balance' of cash and bank as the first item on the debit side of the account and closing balance of cash & bank as the last item on the credit side of the account. If one of the two balances is not given, it will have to be ascertained as the balancing figure of the Cash & Bank book.
- Show all payments made during the year on the credit side of the account whether capital or revenue, whether relating to the year for which the account is being prepared or past or future.
- Show all receipts of the year on the debit side of the account whether capital or revenue, whether relating to current year or past year or future year.

5.2.2 Income & Expenditure Account:

- The Income & Expenditure Account is a summary of the income and expenditure of the relevant period including provisions such as depreciation and outstanding.
- Items pertaining to previous or future years are not considered.
- It considers only revenue items and no capital transactions are reflected.
- The expenditure is recorded on the debit side and income is recorded on the credit side.
- The difference represents the excess of income over expenditure or vice versa.
- The surplus/deficit in the Income & Expenditure Account is transferred to the Balance Sheet and adjusted to the Capital fund.

Steps to prepare Income and Expenditure Account out of Receipts and Payments Account

- Ignore opening and closing cash and bank balances of the Receipts and Payment Account.
- All items of capital nature recorded in the receipts and payments account should be excluded.
- Any income and expenditure of the previous year or next year must be excluded
- Income earned during the year but not received during the year should be accounted for as income of the year; similarly all expenditure incurred but not paid should be recorded in. this will not be known from Receipts and Payments Account but only from Ledgers maintained or Journal entry register.
- Items like depreciation, bad debts etc., which are not paid in cash, must be taken only in Income & Expenditure A/c.
- All items of capital nature appearing in receipts and payments account but not shown in the income & expenditure account should be shown in the Balance sheet.

5.2.3 Diff. between “Receipt and Payment Account” & “Income & Expenditure A/c”

Receipts & Payments Account	Income & Expenditure Account
<ul style="list-style-type: none"> • It is the summary of cash book, all actual receipts and payment during the accounting period. • It starts with opening cash and bank balances, unless it is prepared for a new project/program/organization. • No distinction is made between revenue and capital items. • Receipts are shown on the debit side and payments on credit side. • It might include items relating to past as well as future. • The difference between two sides of this account represents closing cash balances. • This account is generally accompanied by statement of affairs. • It is based on “Cash basis” of accounting system. • It belongs to the category of real accounts. 	<ul style="list-style-type: none"> • It is the substitute of profit & loss a/c in the case of Not Profit Organisation. It records all the incomes dues and expenses incurred during the accounting period whether actually received/paid or not • No opening balance appears in this account. • Only revenue items are shown in this account. • Incomes and gains are shown on the credit side and expenses, losses on the debit side. • It include only those items are shown in this account • The difference between two sides represents excess of income over expenditure or Vice-versa. • This account is always followed by a Balance sheet. • It is based on “accrual basis” of accounting. • It belongs to the category of nominal account.

5.2.4 The Balance Sheet with relevant schedules

Balance sheet

A Balance sheet reflects the financial status of the organization in terms of assets, liabilities and its net worth (corpus fund, other funds, reserves and surplus) on a particular date.

There are two sides In Balance sheet; Assets & Liabilities

The assets and liabilities in the Balance sheet are usually classified into the following major categories:

Liabilities

General Fund (Unrestricted)
 Restricted Fund (Specific project fund)
 Un-utilized grants
 Loans & Advances taken
 Currents liabilities

Assets

Fixed Assets (Classified)
 Investments
 Loan & advances given
 others current Assets
 Cash & Bank balances

Excess of income over
Expenditure: (to be carried over)

Excess of Expenditure over
Income: (to be carried over)

Schedules:

- The financial statements are only abstracts and the same shall be supported by details in the form of Schedules and by other statements wherever required.
- **Schedule of Assets** including those created during the year and amount of depreciation provided during the year.
- **Schedule of Grants/Subsidies** and other income received under distinctive heads (including foreign contributions received) and showing the expenditure incurred under each.
- **Schedule of interest Earned** on funds kept in Banks

5.2.5 AUDIT

The books of accounts has to be audited every six monthly (30th September and 31st March) of every year and last month of the project period. The audit report and the statement have to be submitted in the Performa enclosed as **Annexure-XII**).

Auditors' Report

Must be covered the following:

- The maintenance of the relevant books of account
- The regular reconciliation of Cash & Bank balances
- The status of advances taken/to be repaid
- The reports & return of other legal requirements such as FCRA, PF, etc.
- Significant decisions/staff schemes (PF, Gratuity, Mediclaim, Accidental insurance etc.) taken by the Board directly implicating the financial reports.
- Major programs undertaken by the organization
- Major capital purchase, if any, such as Land, Building etc.
- Follow up action on last Audit report, if any.

5.2.6 ANUAL RETURN (FC-3)

All the organizations receiving foreign contribution are required to file an annual return to the FC(R) A authorities in Form FC – 3. This form is required to be filed every year irrespective of the fact that foreign contribution are received or not. In cases where foreign contributions are not received, a nil return is to be filled.

Annexure to FC-3 : Along with the Form FC –3, Balance sheet and Receipt & Payment Account should be annexed in duplicate.

Due Date of Filling FC – 3 : The year for which the details are required to be filed comprises period beginning from 1st April to the 31st of March and return under FC-3 should reach the FCRA department within 31st of July, each year.

6. SOCIAL SECURITY MEASURES

In order to strengthen the social security measures for the Diocesan (DBSS) employees, the SBSS proposes to support the Provident Fund scheme and the Mediclaim Insurance in the following manner.

- (a) A resolution of the Diocesan Executive Committee approving and adopting the above schemes for DBSS staff for implementation is required.
- (b) Provident Fund Scheme: The SBSS will pay 12% of (Basic plus DA) as PF Contribution.

6.1 EMPLOYEE PROVIDENT FUND (EPF) & MISC. ACT-1952

It is a scheme established by the Government of India for the management of resources of employees for their future needs. It is a social legislation meant to insure employees against old age and infirmity. The scheme is covered by an act known as EMPLOYEE PROVIDENT FUND AND MISC. PROVISION ACT 1952.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 comprises of following three Schemes:-

- Employees' Provident Fund Scheme 1952
- Employees' Deposit-linked Insurance Scheme 1976
- Employees' Pension Scheme 1995 (earlier the Family Pension Scheme 1971)

The primary objective of these three Schemes is to provide social security and to inculcate amongst the workers a spirit of savings while they are gainfully employed and to make provision for benefit after they retire from service and for their family members after their death.

Who can join this scheme?

In an establishment where there are 20 or more Employees the EPF Act is applicable. Every employee in the establishment to which this scheme applies shall be entitled and required to become the member of the Fund. Person even engaged on daily wage to be brought under the purview of EPF coverage.

The condition of three (3) months' continuous service or 60 days of actual work for membership of the scheme has been done away with w.e.f.1.11.1990. Workers are now eligible for joining the scheme from the date of joining the service.

Rate of Contribution:

Contribution by the Employee

12% of the salary should be paid by the employee as the share.

Here salary is calculated as Basic Salary plus Dearness Allowance. The employee's contribution should be deducted by the employer from the wages payable to the employee. The contribution shall be calculated on the basis of actual salary drawn during the month paid on weekly, fortnightly or monthly basis. Each contribution shall be calculated to the nearest rupee.

Employer's Contribution

The contribution payable by the Employer under this scheme shall be equal to the contribution payable by the employee (12% of Basic & DA).

With the Employees Pension Scheme, 1995, 3.67% of the employer's contribution goes to Employee's Provident Fund and 8.33% goes to the Employee Pension Fund. (As per revised rules maximum contribution in Pension share is Rs.541/- or this formula for Pension (8.33%) is applicable for maximum salary up to 6500/-, than a fixed amount of Rs.541/- will be deposited in Pension A/c and rest of the amount will be credited to Provident Fund A/c)

OTHERS CHARGES

Along with the Provident Fund Contribution, the employer should deposit the following other charges with the Regional Provident Fund Commissioner's Account through the Challan:

Administrative Charges for PF	1.105 %
Linked Insurance (EDLI)	0.5 %
Admn. On Linked Insurance	<u>0.01 %</u>
Total	1.61 %

When to Deposit

The contribution of both employee and employer (24%) along with other charges (1.61%) of the total staffs' wages (Admn. on PF, Employees' Deposit Linked insurance scheme and Admn. on EDLI), should be deposited with Employees Provident Fund Organisation or with registered Provident Fund Trust with in 15 days of every month.

Penalty for delayed payment

If an employer makes default in the payment of any contribution to the Fund in time is liable to pay the penalty at the rates given below:

<u>Period of default</u>	<u>Rate of damages (%)</u>
1. Less than 2 months	17 %
2. 2 months and above but less than 4 months	22%
3. 4 months and above but less than 6 months	27%
4. 6 months and above	37%

EPF interest Rate

The rate of interest is fixed by the Central Government in consultation with the Central Board of Trustees, Employees' Provident Fund every year during March/April. The interest is credited to the members account on monthly running balance with effect from the last day in each year.

6.1 (I) EMPLOYEES' DEPOSIT-LINKED INSURANCE SCHEME 1976

Employees' Deposit-linked Insurance (EDLI) Scheme was notified with effect from 01.08.1976.

Applicability

Scheme is applicable to all the members of the Employees' Provident Fund Scheme 1952.

Membership

All members of Employees' Provident Fund Scheme are deemed to be the members of Employees' Deposit-Linked Insurance Scheme 1976, unless exemption has been obtained for Employees' Deposit Linked Insurance Scheme, in favour of Life Insurance Corporation policy as approved.

Contribution

Employees are not required to contribute under Employees' Deposit-Linked Insurance Scheme.

The employer is required to contribute at the rate of 0.5% of the wages of the members on which the Provident Fund has been paid.

Benefits

Benefits under the EDLI Scheme, 1976 are payable to the person who is entitled to receive the provident fund of the deceased member. On the death of the member of the Employees' Provident Fund, the claimant is paid an amount equal to the average balance in the account of provident fund during preceding 12 months or during the period of membership whichever is less, except where the average balance exceeds Rs.25000/-, the amount shall be Rs.25000/- plus 25% of the amount in excess of Rs.25000/- subject to a maximum of Rs.35000/-.

Application for claiming benefits under Employees' Deposit-Linked Insurance Scheme may be made in Form No.5 (IF)

6.1 (II) EMPLOYEES' PENSION SCHEME, 1995

Employees' Pension Scheme 1995 has been made applicable on 16.11.1995 retrospectively with effect from 1.4.1993. This new Scheme replaces the previous Family Pension Scheme 1971.

Membership

- All Employees' Provident Fund subscribers (including those employed in exempted establishments) contributing to the Employees' Family Pension Scheme, 1971 and
- All new entrants to the Employees' Provident Fund Scheme, 1952 from 16.11.1995 onwards, automatically become eligible to join the employee's Pension Scheme.

Contribution

Employee is not required to contribute separately under the Employees' Pension Scheme 1995. Employer share of Provident Fund Contribution at the rate of 8.33% is diverted to Pension Fund every month.

Service for Pension

- A person is entitled for pension after completing the age of 58 years with minimum service of 10 years.
- Six months or more shall be treated as one year and the service less than six months shall be ignored.

Benefits of Pension Scheme

The Employees' Provident Scheme, 1995 provides the following benefits:

Eligibility	Type of Pension
1. On attaining the age of 58 years whether in service or not	Superannuation
2. On attaining the age of 50 years but below 58 years and left services	Reduced Pension
3. Left Service on account of total and permanent disablement	Disablement Pension
4. On the death of the member	Widow-Children Pension
5. On the death of the parents or on re-marriage of the spouse, after the death of the member	Orphan Pension
6. On the death of the member and in the absence of spouse and eligible children below 25 years on the date of death of the member	Nominee Pension

Summary of Benefits:

1. A member can receive pension after putting in 10 years of eligible service. This period of minimum service is not applicable in the case of Widow Pension/Disablement Pension/Children Pension/Orphan Pension.
2. One month contribution by member is sufficient to pay Widow Pension. Children Pension and Orphan Pension & Disablement Pension.
3. Provision for getting Pension Scheme Certificate, in case of leaving organization before completion of pension-able services; 10 years.
4. A member can opt for discounted/reduced pension before the age of 58 years. But not earlier than 50 years.
5. If a member opts for reduced pension, member and his/her nominee or the widow/widower can get benefit of capital return to 100 times of monthly pension in lump-sum along with pension.
6. Provision for nomination in the absence of the member's family is available
7. Family pension cover for widow/widower for life or until her re-marriage and to two children up to 25 years of age, upon death of the member, is in service, out of service or after receiving the pension on retirement.

Welfare of Employees Pension Scheme, 1995

If any member death, only after one month of pension-able service, his/her widow/children below 25 years or the Nominee of the member will be entitled to get the respective pension.

6.2 PUBLIC PROVIDENT FUND (PPF) SCHEME - 1968

The Public Provident Fund (PPF) Scheme is a statutory scheme of the Central Government framed under the provisions of the Public Provident Fund Act, 1968

The PPF A/c can be opened in any branch of the State Bank of India and its subsidiaries or in any Head Post Office or any selection grade sub post office or in any of the nationalized banks detailed in the (Annexure- XV)

Subscriber:

- Any individual who makes subscription to the Fund under section 4 and where such subscription is made by an individual on behalf of a minor, or whom he is the guardian, such minor.

- The PPF account cannot be opened in the joint names. Further such accounts cannot be opened in the name of artificial/juridical person.
- Those having General Provident Fund or Employees' Provident Fund account can also open a Public Provident Fund Account.
- The subscription can be made in cash, by crossed local cheque or draft or postal order in favour of the Accounts Office. Outstation cheque cannot be accepted.

Limit of subscription:

- Any individual can subscribe any amount in multiples of Rs.5/- not less than Rs.500/- and not more than Rs.70000/- in a year in all the accounts taken together.
- The subscriptions can be deposited in lump sum or in convenient installments. Not more than 12 installments can be deposited in a year.
- It is not necessary to deposit subscription in every month of the year. The amount of subscription can also be varies to suit the convenience of the subscriber subject to multiples of Rs.5/.

Interest

The balance in the fund earns interest at the rate fixed by the Government from time to time. The interest will be allowed for calendar month on the lowest balance at credit of an account between the close of the 5th day and the end of the month. The interest rate is as same as the EPF Scheme.

Withdrawals:

- A subscriber can make one withdrawal during any one year. The First withdrawal can be make at any time after the expiry of 5 years from the end of the year in which the initial subscription was made.
- The amount of withdrawal will be limited to 50% of the balance at credit at the end of the 4th year immediately proceeding the year in which the amount is withdrawn or at the end of the preceding year, whichever is lower.
- The amount of withdrawals is not repayable.
- The facility of withdrawals will not be allowed to the account in which subscriptions are discontinued for any reason.
- Subscriber shall be entitled to withdraw the entire balance standing to his/her credit in the fund after the expiry of a period of 15th years.

Nomination facilities:

- ❖ A Subscriber may nominate one or more persons to receive the amount standing to his credit in the event of his death.
- ❖ In the event of death of the subscriber, the amount standing to his credit can be repaid to his nominee or legal heir, as the case may be, even before the expiry of 15 years.
- ❖ The nominee cannot continue the account of the deceased subscriber in his name.

Change in name of subscriber on account of marriage:

The female subscriber can change her name in her PPF account in the event of her marriage on the basis of affidavit and newspaper cutting submitted by the subscriber.

Closure of account

- The account can be closed on maturity i.e. after the expiry of 15 years from the close of the financial year in which the initial subscription was made.
- The account, in which subscriptions are discontinued for any reason, will be treated as discontinued account and cannot be closed before maturity. It will be continue to earn interest till it is maturity.
- To continue the account with usual annual deposits for one or more block periods of 5 years without any loss of benefit. For this purpose he should give his option in writing to the Accounts Office in **Form H** within one year from the date of maturity of the account.
- The subscriber can retain his/her account after maturity for any period without making any further deposits. The balance in the account will continue to earn interest at normal rate admissible in PPF account till it is closed. The subscriber can make one withdrawal in each financial year or any amount with the balance. For this purpose it is not necessary to give option in writing. It is automatic.
- **Tax Concession:**
- Subscriptions to Public Provident Fund qualify for rebate under Section 80 C of Income Tax Act. Like contributions to Provident Fund, Life Insurance, etc.
- The interest credited to the fund is totally exempt from income tax.
- The amount standing to the credit of the subscriber in the fund is totally exempt from wealth tax.
- Contributions paid out of the assessee's taxable income of the relevant year into the PPF account(s) standing in the name of the assessee, his children (minor and major) and the spouse qualify

for rebate under Section 80 C of the Income Tax Act subject to the limit of Rs.100000/- in a year.

6.3 MEDICLAIM & ACCIDENTAL INSURANCE

Mediclaim Coverage: The employees may be got insured under Mediclaim. The SBSS will encourage the Partner organisation to enroll in Accidental insurance schemes.

There are many insurance Companies such as United India Insurance Co. Ltd, The Oriental Insurance Company Ltd, Golden trust financial services, etc who offer Mediclaim as well as Accidental Insurance scheme. The DBSS suggested to enrolled their staffs as suitable as per the availability and coverage of the Company and inform SBSS through proper channel for the reimbursement.

6.4 GRATUITY

“Gratuity” is a retrial benefit. It is a lump sum payment made by an employer to an employee in consideration of this past service when the employment is terminated. In the case of employment coming to an end due to retirement or superannuation, it enables the affected employee to meet the new situation, which quite often means a reduction in earnings or even total stoppage of earnings. In the case of death of an employee, it provides much needed financial assistance to the surviving members of the family. Gratuity schemes, therefore, serve as instruments of social security and their significance in a developing country like India where the general income level are low cannot be over emphasized.

When is gratuity payable?

According to Section 4(1) of the Payment of Gratuity Act, 1972, gratuity shall be payable to an “employee” on the termination of his employment after he has rendered continuous service for not less than five (5) years.

- a) on his superannuation, or
- b) on his retirement or resignation, or
- c) on his death or disablement due to accident or disease

Note: the completion of continues service of five (5) year is not necessary the termination of the employment of any employee is due to death or disablement.

To whom is gratuity payable?

It is payable normally to the employee himself/herself. However, in the case of death of the employee it shall be paid to his/her nominee or to the next of kin.

Payment of gratuity:

The payment of the gratuity is done within 30 days of retirement, resignation or death. The amount has to be calculated by the employer and inform the employee even if he/she has not applied for it.

Amount of gratuity payable – method of calculation

Gratuity is normally calculated at 15 days wages based on the rate of wages last drawn by the employee for every completed year of service or part there of in excess of six months. The monthly wages is multiplied by 15 and divided by 26.

For example:

If the service period of a person is 10 years and his last salary is Rs.5000/- p.m. the calculation is as follows:

Salary last drawn (Rs.5000/-) multiplied by number of years (10) and again multiplied by 15 and divided by 26.

Here 26 days are used as the average working days in a month is considered as 26 days.

$$\frac{5000 \times 10 \times 15}{26}$$

So, the person is entitled for Rs.28846/- as Gratuity.

Non-Entitlement of gratuity:

Employees are not entitled to gratuity under the following circumstances.

- a) If the employee is dismissed because of willfully or negligently causing loss/damage to the organization, in such case the loss/damage will be forfeited from the gratuity.
- b) If the employed is dismissed for violence or riotous or disorderly conduct, in such a case the entire gratuity will be forfeited.

Nominations

Each employee who has completed one year of service is required to make a nomination for the purposes of gratuity in case of his death.

7. LEGAL COMPLIANCES

Registration of Voluntary Organizations

A voluntary organization needs to get registered for its legal entity and for enjoying the certain advantages of its activities. Normally voluntary organizations are registered as a society or trust. A voluntary organization can also be registered under the Companies Act, 1956 under section 25.

Registration as Society

A voluntary organization can be registered under the “Societies Registration Act, 1860”. Most of the NGOs are registered under this legislation.

How to register as a society?

The registration is made with the office of the Registrar of Societies of a particular state. A minimum number of seven members are required to form a society. An organization should be in the nature of charitable, literature, scientific etc.

Section 20 of “Societies Registration Act, 1860” specifies the purposes of for which a voluntary organization can be registered.

Following documents are required for the registration of a voluntary organization under Societies Registration Act, 1860.

1. Certified copy of the constitution or deed.
2. Bye-laws as certified the members.
3. Affidavit on non-judicial stamp paper sworn by the President / Secretary and it should be attested by a Magistrate or Notary Public.
4. Documentary evidence of the premises of the registered office.
5. Covering letter along with requisite fee, requesting the Registrar for registration.

The Registrar of Society will scrutinize the documents mentioned above to make sure that all the documents are correct and as per the provisions of the Act. The registration certificate will be issued in his full satisfaction after all legal processes.

A registered organization has to file the annual return to the office of the “Registrar of Societies” every year with the details of incoming and out going members. Enclosing the certified annual accounts of the organization is desirable with the annual return.

Registration of Voluntary Organization under Income-Tax Act, 1961

Every society or trust has to be registered under section 12 A of the Income-Tax Act, 1961 to enjoy certain benefits of Income-Tax.

How to apply?

Application of registration should be made in Form 10 A with following documents to the Chief Commissioner or Commissioner of Income-Tax.

- Certified copy of constitution or deed or any other instrument under which the organization is created.
- Two copies of certified annual accounts of the organization for the latest three years, if the application is made after few years of its creation.
- If the application of registration is filed belatedly, the reasons for late submission (Application for condonation of delay).

After checking the documents and the genuineness is convinced, the concerned authority will pass the order in writing.

The organization has to file the annual return to the commissioner of Income-Tax in form ITS-3A with following documents by 31st October of every relevant assessment year.

- Audit report with form 10-B as certified by a Chartered Accountant.
- Balance Sheet
- Income & Expenditure Account
- Receipts & Payment Account
- Computation of Income
- Copy of registration certificate under section 12 A
- Details of activities undertaken during the previous year (desirable).

Registration under section 80 G of Income-Tax Act, 1961

A voluntary organization in the field of charitable or welfare services can apply for this registration. Registration under this section is mainly for the purpose of fund mobilization within the country of an organization as it attracts the donors. The donor will get a deduction of 50% of amount donated from his/her taxable income.

Process of Registration

Application in Form 10 G (Rule 11 AA) has to be submitted to the Director of Exemptions, Income-Tax Department with a covering letter. Following documents has to be enclosed with application:

- Registration Certificate of the Organization

- Bye-laws or constitution of the organization.
- Details of the objects and the geographical area over which the activities are undertaken.
- Names and address of the members of the organization.
- Copy of the Registration Certificate under section 12 A
- Details of Income-Tax assessment and Permanent Account Number (PAN)
- Details of modes of fund invested.

Apart from this, certified copy of past three years accounts statements, past three years Assessment Order, Past three years Annual Reports Should be attached with the application. The application and the documents should be filed in triplicate.

The concerned authority will issue the Registration Certificate in written after scrutiny and full satisfaction. Normally this registration is granted for a limited number of years.

Foreign Contribution (Regulation) Act (FC(R) A), 1976

A voluntary organization having any definite programme of cultural, economic, educational, religious or social nature needs to register itself with FCRA department under Ministry of Home Affairs to receive foreign contributions. Foreign contribution can not be accepted by a candidate for election; correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered news paper; judge, government servant or employee of any corporation; member of any legislature; political party or office bearer thereof. Any organization promoting politics also can not accept Foreign Contribution.

How to apply for FCRA Registration?

An application in Form FC-8 along with documents, which are listed below, has to be filed with FCRA department.

- Form FC-8 duly filled in triplicate.
- Audited accounts statement for the past three years.
- Annual report specifying activities of past five years.
- Details of activities and beneficiaries and the socio-economic factors of the region in which the NGO is working.
- List of geographical details of the state, and districts proposed for work.
- Certified copy of Registration Certificate.
- Certified copy of the instrument by which the NGO is created.
- Copy of certificates of exemption or registration issued by the Income-Tax Department u/s 80-G and 12A, if any.

- Copy of any prior permission granted to the organization.
- Copy of resolution of Governing Body of the organization, authorizing the registration under FCRA.
- Copy of Power of Attorney or the resolution of Governing Body by which the Chief Functionary is authorized to submit FC-8.
- List of present office bearers and members of the organization.
- Copy of any publication of the organization.

Important to note

An organization once registered with FCRA has to follow certain mandatory obligations which are given below:

- **Separate Bank Account:** A separate bank account has to be maintained for receiving and utilizing Foreign Contributions. Any local income of the organization can not be deposited in to Foreign Contribution Account, for this purpose a local bank can be maintained. No fund can be transferred to any organization which has no FCRA registration.
- **Separate Books of Accounts:** For the transactions of Foreign Contribution Funds, organization should maintained separate books of accounts. Combined form of books of accounts for Domestic and Foreign Contributions are not allowed.
- **Utilization within the Country:** No Foreign Contribution is allowed to utilize for any programme out side the country.
- **Annual Return:** An annual return in Form FC-3 has to be filed to the FCRA Department by 31st July of every year with certified Balance Sheet, Receipts & Payments Account. The details of office bearers also should be attached with annual return.

Note: Foreign Contribution (Regulation) Act (FCRA) may be replaced by Foreign Contribution Management & Control Act (FCMC) in near future as this new bill is in the Parliament for necessary ordinance.

Decuction of tax for Contractor, Taxable Salary & calculation

In regards to the NGO/Voluntary Organisation, section 200 of the Income tax Act following are the important payments in respect of which tax must be deducted at source:

<u>Nature of Payment</u>	<u>Taxable amount (Net income (Rs))</u>	<u>Rate of Deduction (Tax rate)</u>	<u>CESS</u>
(Education)			
Salary*	above 150000/- Men Above 180000/- Women above 225000/- Senior Citizen	Average Rate	3%
Contractor/ Sub contractor	for single payment Rs.20000/- or Rs.50000/- For a financial year	for Advertising 1%, other 2%	3%
Interest	-	-	3 %
Rent **	above 120000/-	20%	3%
Professional fee/ Technical Services	above 20000/-	10%	3%

* 10% surcharge will be applicable if payments exceeds Rs.1000000/- in case of individual and HUF and Rs.10000000 for partnership & companies.

** 15% if the payee is an individual or HUF.

5. CONCLUSION

The above guidelines on “Financial management” have evolved from time to time, through Synodical board, Governing body and Regional Resources Forum of SBSS. Since these decisions are made in a participatory manner, there is always scope for further amendments, modifications and additions as per the emerging need and requirements.

ABBREVIATION

AA	-	Audit Agreement
A/c	-	Account
AoC	-	Agreement of Cooperation
CNI	-	Church of North India
CRM	-	Cost Reimbursement Model
Cr	-	Credit
DBSS	-	Diocesan Board of Social Services
DELI	-	Employee's Deposit Link Insurance
Dr	-	Debit
EPF	-	Employee Provident Fund
FAI	-	Finance Accompaniment Instrument
FC	-	Foreign Contribution
FCRA	-	Foreign Contribution Regulation Act
FMSF	-	Financial Management Service Foundation
NGO	-	Non-Government Organisation
NPO	-	Non Profit Organisation
OMC	-	Own Means of Contribution
PAN	-	Permanent Account Number
PPF	-	Public Provident Fund
PO	-	Partner Organisation
PO s	-	People Organisation
RCSA	-	Resource Centre for Social Action
SBSS	-	Synodical Board of Social Service

ANNEXURE - I
(CASH FLOW FORMAT) (A milestone)

DIOCESAN BOARD OF SOCIAL SERVICES
DIOCESE OF (_____ Name of the Diocese _____)
CASH FLOW FOR THE PERIOD; _____ (Month) _____ TO _____ (Month) _____

SL NO	NAME OF THE PROGRAM/ACTIVITY	Month (1)		Month (2)		Month (3)		Month (4)		Month (5)		Month (6)		Total	
		SBSS	OMC	SBSS	OMC	SBSS	OMC	SBSS	OMC	SBSS	OMC	SBSS	OMC	SBSS	OMC
	GRANT TOTAL														

To be prepared for every 6 month, after making project proposal, program design and budget.

- SL NO – the serial number of Activities/program
- Name of the Programs- Name of the Activities/program objective wise (all the activities of each objectives, issues and crosscutting theme must be in 4 A Approach i.e Analysis, Assistance, Advocacy & Action)
- Month - the schedule time (month) in which the respective program/activity/event is planned for implemented
- SBSS- the fund required from SBSS for respective activities/event/program (as per submitted planned)
- OMC – Own Means of Contribution planned for generating in respective activities/event/program
- Total (SBSS) - the total amount of required for each activities in 6 month.
- Total (OMC) – the total amount projected for Generative Own Means of Contribution for each activity in 6 month.
- The amount required or OMC generated for each month must be total in last row as Grant total, simultaneously the bifurcated amount for every objectives/issues/cross cutting themes and program administration must be reflected as a sub total.

ANNEXURE - II
(STATEMENT OF EXPENDITURE)
COST REIMBURSEMNT

DIOCESAN BOARD OF SOCIAL SERVICES
DIOCESE OF (_____ Name of the Diocese _____)

FOR THE MONTH _____

PARTICULARS	SBSS	LOCAL	TOTAL
Opening Balance:			
Cash in hand xxx			
Cash at Bank xxxxx			
Sub total	XXX		XXXX
Received during the month/period:			
Sub total	XXXXX	XX	XXXXXXXX
Program expenditure:			
Sub total	XXXX	XXX	XXXXX
Expenditure/cost to be reimbursed	XXXX		XXXX
Closing Balance:			
Cash in hand xxx			
Cash at Bank xxxxx			
Sub total	XXX		XXXX

Sd/-
Treasurer
DBSS

Sd/-
Coordinator
DBSS

Sd/-
Finance Assistant
DBSS

This statement needs to submit through Fax/Email to the respective CNI RCSA as well as CNI SBSS Head quarter along with the statement of Advance if any, with-in 5th day of each succeeding month.

Details of Advances

SI No	Name of the Staff	Opening Balance	Adv. Taken		Adv. Refund		Balance	Remarks
			Dt.	Rs.	Dt.	Rs.		

ANNEXURE - IV

(Specimen of VOUCHER)

(_____ NAME OF THE ORGANISATION _____)

PAYMENT VOUCHER

Voucher No. _____

Date _____

Main Account Head _____

Sub- Account Head _____

Bill/Cash Memo No.	PARTICULARS	Amount (Rs)
	TOTAL	

Paid by Cash/Cheque/D D No. _____

Dated _____

Nature of Payment _____

Prepared by

CO-ORDINATOR

TREASURER

I have acknowledged receipt of this statement together with remittance mentioned therein.

Received Payment in full

(Signature of the Payee with date)

Revenue
Stamp

ANNEXURE - V
(Specimen of JOURNAL voucher)

(NAME OF THE ORGANISATION)

JOURNAL VOUCHER

Voucher No: _____

Date: _____

PARTICULARS	Debit (Dr)	Credit (Cr)
(Name of the Account)	*****	*****
(Name of the Account)		
Total	XXXX	XXXX
Narration:		

Prepared/Posted by

Approved by

ANNEXURE - VI
(Pro forma of LEDGER)
(Name of the Organization)

ACCOUNT OF _____

Date	Particulars	CB Folio	Debit	Credit	Dr/Cr	Balance

Treasurer

Co-coordinator

Prepared/Posted by

ANNEXURE - VII
(Finance Accompaniment Instrument (FAI))

Name of the Diocese/Partner Organisation:

Date of visit:

Venue:

Team of Accompaniment:

Purpose of Visit:

Areas to be covered

Financial Governance

- Finance Committee
- Role of the Board/ treasurer
- Budgeting process

Book keeping Accounting System

- Vouchers preparation
- Cash basis/Accrual basis
- Computerize/Manual Accounting

Books of Accounts Maintained

- Foreign Contribution
- General/Own Mean Contribution

Subsidiary books

- Salary Register
- PF Register
- Mediclaim
- Gratuity
- Advance
- Inventory
- Vehicle & Phone Log books, etc

Fund flow

- Funding Agencies to Community/People Organisation

Utilization of Fund

- (Program Vs Administration) Ratio Analysis
- Advance and settlement of advance
- Program planned and variance analysis

Mandatory Compliance

- Monthly Report
- Audit (Balance Sheet, Letter of Management, Auditor Report)
- FC-3
- Provident Fund
- Mediclaim
- Gratuity
- Staff Service rule

Follow – up Action

- Action taken
- Suggestion & Recommendation

The FAI report should be always address to the Chairman, DBSS and copy mark to The Treasurer/Program Coordinator, DBSS and Team Leader/Finance & Resource Manager, SBSS.

ANNEXURE - VIII
(Finance Appraisal/Review)

Name of the Partner Organisation:

Date of visit:

Venue:

Team Member:

The Review report should include:

- Purpose of Review/Appraisal
- Methodology adopted for the Review
- The financial governance/structure
- Accounting system (Cash basis, Accrual basis, fund accounting, etc)
- Budgeting process
- Fund flow/disbursement procedure
- Process of Fund withdrawal from Bank
- Utilization pattern (Administration Vs Program)
- Transaction system (Cash Vs Bank payment)
- Closing balance (monthly) (Cash in hand Vs Cash at Bank)
- Reporting system (Internal, External)
- Internal monitoring system
- Legal compliances
- Role of Board members and others Functionary
- Action taken (in regards to the FAI, Management letter from Auditor, etc)
- Capacity and strength of finance persons
- Overall recommendations

ANNEXURE - IX
(MONTHLY MONITORING FORMAT (SBSS FUND))

DIOCESAN BOARD OF SOCIAL SERVICES
DIOCESE OF (_____ Name of the Diocese _____)
FOR THE PERIOD; _____ (Month) _____ TO _____ (Month) _____

SL NO	NAME OF THE PROGRAM/ACTIVITY	Month (1)		Month (2)		Month (3)		Month (4)		Month (5)		Month (6)		Total	
		BUGD	UTLD	BUGD	UTLD	BUGD	UTLD	BUGD	UTLD	BUGD	UTLD	BUGD	UTLD	BUGD	UTLD
GRANT TOTAL															

This format will be filled every month after making monthly statement of a/c to know the actual financial position and plan for optimum utilization of funds

- SL NO – the serial number of Activities/program/event
- Name of the Programs- Name of the Activities/program objective wise
- Month - the schedule time (month) in which the respective program/activity/event was implemented
- BUGD- the amount Budgeted for respective activities/event/program (as per submitted planned)
- UTLD – the amount Utilized (actual spend) for respective activities/event/program
- Total (BUGD) - the total amount Budgeted for each activity for the 6 month.
- Total (UTLD) – the total amount Utilized for each activity for the 6 month.
- The amount Budgeted or Utilized for each month must be total in last row as Grant total; simultaneously the bifurcated amount for every objectives/issues/cross cutting themes and program administration must be reflected as a sub total.

ANNEXURE - X
(MONTHLY MONITORING FORMAT (OMC))

DIOCESAN BOARD OF SOCIAL SERVICES
DIOCESE OF (_____ Name of the Diocese _____)
FOR THE PERIOD; _____ (Month) _____ TO _____ (Month) _____

SL NO	NAME OF THE PROGRAM/ACTIVITY	Month (1)		Month (2)		Month (3)		Month (4)		Month (5)		Month (6)		Total	
		BUGD	GNTD	BUGD	GNTD	BUGD	GNTD	BUGD	GNTD	BUGD	GNTD	BUGD	GNTD	BUGD	GNTD
GRANT TOTAL															

This format will be filled every month after making monthly statement of a/c to know the actual financial position and accordingly plan for generated funds.

- SL NO – the serial number of Activities/program/event
- Name of the Programs- Name of the Activities/program objective wise
- Month - the schedule time (month) in which the respective program/activity/event was implemented
- BUGD- the amount Budgeted for respective activities/event/program (as per submitted planned) for OMC
- GNTD – the amount Generated (in monetary value) for respective activity/event/program
- Total (BUGD) - the total amount Budgeted (OMC) for each activity for the 6 month.
- Total (GNTD) – the total amount Generated as own means of contribution for each activity for the 6 month.
- The amount Budgeted or Generated for each month must be total in last row as Grant total; simultaneously the bifurcated amount for every objectives/issues/cross cutting themes and program administration must be reflected as a sub total.

ANNEXURE - XII
(AUDIT REPORT Format)
(Phase; Speaking out 2008 – 2011)

Form No.1

Receipt & Payment Account of (_____ Name of the Organization/DBSS _____)

For the Period From _____ to _____

RECEIPTS:

		Total Budgeted for the project (Total project period) (Rs)	<i>Actual Receipts</i>		
			Previously reported (Rs) (2)	During the period (Rs) (3)	Total to Date (Rs) (4)
		(1)	(2)	(3)	(4)
	Remittance from SBSS	xxxxxxxx	xxxxxxx	xxxxxx	xxxxxxxx
	Interest		xxx	xxxx	xxxx
	Sub Total	xxxxxxxx	xxxxxxx	xxxxx	xxxxxxxx
	Own Means Contribution	xxxxx	xxx	xxxx	xxxxx
	Sub Total	xxxxx	xxx	xxxx	Xxxxx
	GRANT TOTAL	xxxxxxxxxxx	xxxxxxxxx	xxxxxxx	xxxxxxxxx

(Account/office Assist)

Coordinator

Treasurer

Auditor

PAYMENTS:

		Total Budgeted for the project (Rs)	Actual Receipts		
			Previously reported (Rs)	During the period (Rs)	Total to Date (Rs)
		(1)	(2)	(3)	(4)
1.	<u>Strengthening people movements</u>				
1.1.1	Strengthening the existing organization	xxxxx	xxxx	xxxx	xxxxx
1.1.1	Sustaining peoples organisation	xxxx	xxx	xxx	xxxx
1.1.3	Community study centre for leaning& Advo	xxx	xx	xx	xxx
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
1.2	<u>Control over life and livelihood</u>				
1.2.1	Right to food	xxxxx	xxx	xxx	xxxxx
1.2.2	Securing livelihood	xxxx	xxx	xxx	xxxx
1.2.3	Land to landless	xxx	xxx	xxx	xxxx
1.2.4	Breaking the culture of silence	xxxx	xxx	xxx	xxxx
1.2.5	Life with dignity (Dalit rights)	xxx	xxx	xxx	xxxx
1.2.6	Campaign on water	xxx	xxx	xxx	xxxx
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
1.3	<u>Congregation in solidarity with poor</u>				
1.3.1	The congregation as an change agent	xxxxx	xxx	xxx	xxxx
1.3.2	Neighborhood community	xxxx	xxx	xxx	xxxx
1.3.3	Solidarity with poor	xxx	xxx	xxx	xxxx
1.3.4	Breaking the boundary	xxxx	xx	xx	xx
1.3.5	Leadership for social entrepreneurs..	xxx	xxx	xx	xx
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
1.4	<u>Gender & women issues</u>				
1.4.1	Integrating gender concern in issues	xxxxx	xxx	xxx	xxx
1.4.2	Promote the rights of women	xxxx	xxx	xxx	xxx
1.4.3	Promote women leadership	xxx	xxx	xxx	xxx
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
1.5	<u>Integrity of creation</u>				
1.5.1	Climate change	xxxx	xxxx	xxxx	xxxx
1.5.2	Disaster mitigation	xxx	xxx	xxx	xxx
	Sub Total	xxxxx	xxxx	xxxx	xxxxx

1.6	<u>Learning movement for building movement</u>				
1.6.1	Enhancing partner organisation	xxxxx	xxx	xxx	xxxxx
1.6.2	Organizational capacity (SBSS)	xxxx	xxx	xxx	xxxx
1.6.3	Developing resource centre	xxx	xxx	xxx	xxxx
1.6.4	Developing communication	xxxx	xxx	xxx	xxxx
1.6.5	Resource management	xxx	xxx	xxx	xxxx
1.6.6	Innovations support programs	xxx	xxx	xxx	xxxx
1.6.7	Enhancing coordination & review	xxx	xxx	xx	xxx
1.6.8	Partnership building	xxx	xxx	xxx	xxx
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
1.7	<u>Salaries for program personal</u>				
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
2	<u>Administration & coordination</u>				
2.1	Salary for Administration personal				
2.2	Office expenditure				
2.3	Local travel				
2.4	Vehicle maintenance				
2.5	infrastructures				
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
	<u>Own means contribution</u>				
	Right to Livelihood & Food Security		xxx	xxx	xxxx
	Right to Land		xxx	xxx	xxxx
	Right to Identity & Social Equity		xx	xx	xxx
	Lobbying, Advocacy & Networking		xx	xx	xxx
	Church Mission Engagement		xx	xx	xxx
	Gender Concern		xx	xx	xxx
	Sub Total	xxxxx	xxxx	xxxx	xxxxx
	GRANT TOTAL	xxxxxxx	xxxxx	xxxxx	xxxxxxx

(Account Assist)

Coordinator

Treasurer

Auditor

ANNEXURE - XIII
(Pro forma of SALARY & WAGES Register)

(Name of the Organization)

SALARY & WAGES REGISTER

For the Month _____,

Page No. _____

SL. No.	Name of the Staff	Designation	Basic Salary	D A	Allowances (Specify)			Gross Salary	Deductions (specify)		Total Deductions	Net Salary	Cheque No./Date	Staff Signature
					(1)	(2)	(3)		(1)	(2)				

Prepared by

Approved by

ANNEXURE - XIV
(Pro forma of FIXED ASSETS Register)

(Name of the Organization)

FIXED ASSETS REGISTER

Page

No

SL NO	Name/description of Assets	Invoice Number Date	Date of Purchase	Unit No.	Value of Assets	Inventory No	Location	Value after Depreciation		Date of Sale/ Disposal	Sale Prices
								Up to (date)	W.D. Value		

Prepared by

Approval Authority

ANNEXURE – XV
BANKS AUTHORIZED TO ACCEPT PPF DEPOSIT

In pursuance of clause (b) paragraph 2 of the Public Provident Fund Scheme, 1968, published with the Notification of the Government of India in the MOF (DEA) No. GSR 1136, dated 15th June, 1968 the Central Government hereby authorizes the branches engaged in the collection of direct taxes under the collection scheme of Central Board of Direct Taxes of the nationalized banks specified in the below, also to receive, with effect from 1st January, 1988 subscriptions under the said scheme.

1. Central Banks of India
2. State Bank of India and its Associated Banks
3. Bank of Maharashtra
4. Dena Bank
5. Punjab National Bank
6. Syndicate Bank
7. Canara Bank
8. Indian Bank
9. Indian Overseas Bank
10. Bank of India
11. Bank of Baroda
12. Union Bank of India
13. Allahabad Bank
14. United Bank of India
15. United Commercial Bank

- The PPF A/c can be opened in any Head Post Office or any selection grade sub post office.

ANNEXURE – A
IMPORTANCE FORMS & ITS USES (PPF)

<u>Form No</u>	<u>Its uses</u>
A	- Application for opening a PPF A/c under PPF Scheme, 1968
B	- Challan for deposit of money into Government account
C	- Application form for withdrawal under the PPF Scheme, 1968
D	- Application for a Loan under the PPF scheme, 1968
E	- Nomination under the Public Provident Fund Scheme, 1968
F	- Cancellation or Variation of nomination previously made under the PPF Scheme, 1968
G	- Application for withdrawal by Nominees/Legal heirs under the PPF Scheme, 1968
H	- Application for continuance of account under PPF Scheme, 1968 beyond 15 years
I	- Application for Transfer of Account

ANNEXURE – B
IMPROTANCE FORMS & ITS USES (EPF)

The Periodical returns to be sent by an Employer to the PF Office.

These returns will include details required under the three schemes namely, Employees Provident Fund Scheme, 1952, Employee Deposit Linked Insurance Scheme, 1976 and Employee Pension Scheme, 1995.

- a) Form – 9 (Revised):
The details of employees enrolled as members of EPF-1952, EDLI – 1976 and EPS- 1952 on coverage of the establishment. This is to be submitted immediately after coverage, within 15 days of coverage.
- b) Form – 12 A:
The details of the contributions recovered from the members & paid along with details of employers' contribution & administrative charges. This is to be submitted monthly by 25th of following month.
- c) Form -5:
The Details of employees enrolled newly to the Provident Fund. To be submitted along with Form – 12A every month within 15days of the following month.
- d) Form – 10:
The details of the employees leaving service during the month, To be submitted along with form -12A.
- e) Challan:
The triplicate copy of challan in token of having remitted the PF dues in the bank, To be submitted along with form 12A every month.
- f) Form – 2 (Revised):
Nomination form, To be submitted along with form -5/9.
- g) Form – 3A:

The details of wages & contributions in respect of each member, to be prepared financial year wise. To be submitted to be PF office by 30th of April every year.

h) Form – 6A:

Yearly consolidated statement of contributions- to be forwarded yearly along with form - 3A, it should be ensured that all the form – 3A are entered in Form - 6A, irrespective of whether the form -3A was forwarded for the broken period and the total dues as per the form 12A for the whole year agrees with the total of form 6A within 30th April.

i) Form -5A:

Return of ownership of the establishment- to be forwarder immediately after coverage & whenever there is a change in the ownership; it has to be intimated within 15 days of change.

Instructions for a member while sending application to Employees' Provident Fund.

1. Use the appropriate form for claiming Provident Fund Pension, Withdrawal benefit/Scheme Certificate, Employees' Deposit Linked Insurance benefit, etc. as given below:-
 - Form – 19: to be claim final settlement of provident Fund by a member
 - Form – 20: to claim PF by nominee/legal heir on death of the member
 - Form – 10 D: to claim Pension. (in duplicate: if within state, in triplicate: if outside state)
 - Form – 10 C: to claim withdrawal benefit/Scheme certificate under Employee's pension scheme 1995.
 - Form – 5/F: to claim assurance benefit under Employees' Deposit Linked Insurance 1976 by nominee/legal heir of a member.
 - Form 31: to claim temporary withdrawal/advance under Employees' Provident Fund Scheme 1952.
2. Ensure that all columns of the application are filled completely
3. Information in the application form relating to name, account no, etc, should agree with the details available with EPF Organization; which were furnished by the employer at the time of enrolling to Provident Fund.
4. Application should be signed by the member/claimant
5. The former employer should attest it. In case attestation by the former employer is not possible, any other authorized official specified with application form should be attested it.
6. Application for final settlement can be sent by a member on completion of 2 months form the date of leaving service, if the reason for leaving service is other than superannuation, medical ground, retrenchment and V.R.S/Female members getting marriage etc.
7. Desired mode of payment can be given legible, if the amount involved is more than Rs.2000/-. The amount will send by deposit in

payees' bank a/c. to facilitate this, Bank a/c no., Name and address of the bank should be furnished. An advance stamped receipt should also accompany this application.

8. Application may be supported by the returned Form – 10, showing the details of leaving service and details of contribution for the year in Form – 3A, if not sent earlier by the employer.

Specific additional requirements:

A) Death Cases:

- Nominee/legal heir should apply in form – 20/Form – 10 D/Form-5/F
- If the member has not executed any nomination, application should be supported by certificate of family members issued by employer/ revenue official/shorn in an affidavit by the family/member/legal certificate form a court of law.
- Death certificate of the member (Certificate of the employer stating whether the death was in service of the member or not)

B) Pension cases:

- Joint photograph of member/spouse or the claimant should accompany the application
- Option for return of capital/commutation should be specified clearly.
- Details of non-contributory period during the service, wages/salary for last 12 months should also accompany, if not already sent.
- Details of the branch of the specified bank may be given legible.
- Date of birth certificates of children
- In case of death away from service, an undertaking by the claimant to the effect that, the member was not working/had not worked in any other covered establishment after exit from the establishment on the basis of which pension is being claimed.