



bachpan  
bachao  
andolan

An Initiative of Association for Voluntary Action (AVA)

# FINANCIAL MANUAL



## **Financial Manual**

The Financial Manual, April 2017 of Association for Voluntary Action as approved by the Board of AVA, is promulgated herewith.

**sd/-**

**(R S. Chaurasia)**

**General Secretary**

**Association for Voluntary Action**



## **Background and History of the Organization:**

Association for voluntary Action or AVA is a registered society under the Society's Registration Act, 1860. It works to protect children from all form of exploitation, abuse and ensures education for all. Some of the core activity of AVA includes:

1. Managing and running Bachpan Bachao Andolan.
2. As a grassroot people's initiatives to prevention of exploitation of children including from Child Labour, Child Trafficking, any form of physical and sexual exploitation, Slavery or practices similar to slavery.
3. Ensuring holistic and overall development of children by providing them with meaningful, compulsory and quality education.
4. Ensuring access to legal aid and assistance for children and their families who may be victims of trafficking or any other form of exploitation including rescuing them from situation of exploitation and providing necessary rehabilitation services.
5. Sensitizing stakeholders, including children, policy makers, enforcement agency and general public about right of children and how to really protect it.
6. Working towards a robust policy and institutional environment for child protection.

### **Vision of the Organization:**

To create a child friendly society, where all children are free from exploitation and receive free and quality education.

### **Mission of the Organization:**

Identify, liberate, rehabilitate and educate children in servitude through direct intervention, child and community participation, coalition building, consumer action, promoting ethical trade practices and mass mobilisation.

## A. GENERAL

1. Transactions will be accounted on cash basis only. Therefore only on actual receipt or payment will transactions be accounted. No provisions will be made for expenses and other payables and similarly for receivables. Purchases and expenses will be accounted only when actually paid for and incomes when actually received and not on incurrence/accrual. In following cash method of accounting, the past practice and the provisions of the Income Tax Act (ITA) and Foreign Contribution (Regulation) Act (FCRA) are given due consideration. That provisions in the technical guide issued by the Institute of Chartered Accountants of India are not yet mandatory is also noted.
2. Accounts will be maintained through standard computerized accounting software package i.e. tally and all the supporting records shall be maintained through manual mode as well as computerized mode as suitable to the organization.
3. The books of account and related documents to be maintained are :

	<u>Books/Documents</u>	<u>To be maintained by/at</u>	<u>To be authorised by</u>
3.1	Cash payment and receipt vouchers with supports/bills including advance requisition forms	Finance	Head of Finance
3.2	Daily cash book	Finance	Head of Finance
3.3	Bank payment and receipt vouchers with supports/bills including advance requisition forms	Finance	Head of Finance
3.4	Journal vouchers with supports/bills	Finance	Head of Finance
3.5	Monthly project/donor wise utilisation statements	Finance	Head of Finance, Management Committee
3.6	Bank Reconciliation Statements	Finance	Head of Finance

4. The other books and registers to be maintained are :

<u>Books/Documents</u>	<u>To be maintained by/at</u>	<u>To be authorised by</u>
4.1 Fixed assets register	Administration	Head Administration
4.2 Inventory register	Administration	Head Administration
4.3 Investment register	Treasurer	General Secretary
4.4 Vehicle log books	Drivers	Head of the Administration, Ashrams, Project
4.5 Salary register	HR	Head, HR
4.6 Purchase order form register.	Administration	Head, Administration
4.7 Training and meetings statement	Projects	Project Director

5. While delegating the accounting and related duties the principle to be followed is that as far as possible the same employee will not transact/effect and account a transaction. Similarly employees in charge of assets will not account the transactions relating to that asset in the books of account. For example, the person in charge of the original investment receipts will not account (in the books of account) the creation, maturity, interest, etc., on the investments although he may maintain the investment register.
6. Any amount of loan or benefit (i.e. advance against salary or others) shall not be given to any member of the governing board or office bearers provided they are claiming the reimbursement against any expenditure made for the benefit of the organization including their remuneration package.

7. Under the provisions of the Foreign Contribution (Regulation) Act only a single designated bank account is to be maintained for receipt of foreign grants from foreign donors. Mix up of foreign and local bank accounts/grants even by temporary inter account funding is not permissible. The distinction is to be maintained downstream at project level.
8. This manual can be altered only by a committee of the management by unanimous assent after circulating the details of the changes to all members. The changes are to be ratified by the board.



## B. DELEGATION OF AUTHORITY AND CUSTODY OF ASSETS/ DOCUMENTS

1. The persons/designations who will authorise payments / transactions are :

	<u>Nature of payments/transaction</u>	<u>Quantum of payment</u>	<u>Person/Designation</u>
1.1	Cash payments	Upto Rs. 5,000	Head Finance
1.2	Cash payments	Rs 5000 to Rs. 10,000	General Secretary
1.3	Cheque payments (on the cheques)	Any	General Secretary / Any person authorized by the Board
1.4	Journal transactions	As per guidelines in annexure	
1.5	Receipts	Any	Head Finance
1.6	Weekly verification of physical cash balance and books of account		Head Finance
1.7	Purchase - capital assets - others	As per guidelines in annexure	
1.8	Immovable property - purchase - sale - construction  - works contract/repairs - lease / rental	   } As per guidelines in annexure  } Management committee/Head Finance	
1.9	Transfer of assets - inter-project - third party	 } }	

	<ul style="list-style-type: none"> <li>- employee</li> <li>- scrapping</li> <li>- sale</li> </ul>	As per in guidelines in annexure	
1.10	Advances		
	<ul style="list-style-type: none"> <li>- programme</li> </ul>		Head Finance and respective head of the department or programme
	<ul style="list-style-type: none"> <li>- staff</li> </ul>	Salary advance upto two months salary	General Secretary
1.11	Employees		
	<ul style="list-style-type: none"> <li>- appointment</li> <li>- termination</li> <li>- disciplinary proceedings</li> <li>- increments</li> <li>- promotion</li> <li>- leave of absence</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>General Secretary</li> <li>Officer designated by the general secretary</li> </ul>
1.12	Bank accounts		
	<ul style="list-style-type: none"> <li>- opening of accounts</li> <li>- loans</li> <li>- signatories</li> <li>- closure of accounts</li> </ul>	<ul style="list-style-type: none"> <li>-</li> </ul>	AVA Board
1.13	Other general contracts like annual maintenance contracts, consultancy etc.		
	<ul style="list-style-type: none"> <li>- approval</li> <li>- cancellation</li> <li>- execution</li> </ul>		General Secretary/Head Finance
1.14	Donors		
	<ul style="list-style-type: none"> <li>- correspondence</li> <li>- narrative report</li> </ul>	<ul style="list-style-type: none"> <li>-</li> </ul>	Project Director
	<ul style="list-style-type: none"> <li>- financial report</li> <li>- utilisation statements</li> <li>- budgets</li> </ul>	<ul style="list-style-type: none"> <li>-</li> </ul>	Finance Head
	<ul style="list-style-type: none"> <li>- contracts</li> </ul>	<ul style="list-style-type: none"> <li>-</li> </ul>	General Secretary/ED//Head Finance

- 1.17 Travel agent
- appointment
  - termination
  - booking of tickets and hotel
  - cancellation of tickets
  - receipt of tickets
- Head, Administration

No transaction shall be split or broken up to circumvent the monetary limits specified anywhere in the manual.

2. It is the duty of the authorised signatory to ensure that all the requirements contained in this manual are met before authorising any payment/voucher/entry.
3. Alternative authorised signatories are designated so that non availability of one due to travel or work, leave, etc., does not hamper the natural flow/conduct of transactions.
4. The persons (designations) in charge of the various assets/documents are :

	<u>Safe custody of</u>	<u>Person/designation</u>	<u>To be maintained at</u>
4.1	Cheque book	Treasurer/ Head Finance	AVA Central office
4.2	Fixed deposit and other investment receipts – originals	Treasurer / Head Finance	Bank locker / AVA Central office
4.3	Documents of title relating to immovable property	General Secretary	Bank locker / AVA Central office
4.4	Fixed assets	Person designated by head administration	
4.5	Key to bank lockers (specific instruction with respect to specific	General Secretary or designated person	AVA Central Office

lockers to be separately issued)

4.6	Cash box/balance	Treasurer & Head Finance / Person authorised by them	AVA Central Office
4.7	Accounting records including cheque book, vouchers, books of account and other registers both current and past	Head, Finance or person designated by GS	AVA Central Office

## C. PAYMENTS

1. Payments whether by cash or cheque should be made only after obtaining the necessary authorisations (after attaching the relevant supports/bills to the voucher) and meeting all requirements of this manual.
2. Payments will normally/as a rule be by account payee cheques or account payee demand drafts. Account payee cheques/demand drafts should be a rule and cash an exception. Very small payments to suppliers who do not hold bank accounts and those that are not practically payable by cheque may be made by cash. Even small suppliers should be encouraged to accept account payee cheques. This will help inculcate the banking habit in them. However, for any payment above Rs.5000/- paid by cash, the reason for not having paid by account payee cheque must be documented on the face of the voucher and authorised by the authorised signatory.
3. All payments whether by cash or cheque will be made to the payee only between 11 am and 4 pm on working days so that enough time is available after the payment hours (after 4 pm) to complete the daily accounting work like closure of books and checking balances, printing the vouchers and daily books, etc.
4. Cheques should be issued only in serial order i.e., without leaving any unused cheques in between. Only one cheque book per bank account should be in use at any point. A new cheque book should be used only after the last cheque of the old book has been issued. That the previous cheque book has been fully used will be evident to the authorised signatories from the cheques issued register.
5. After making the payment a 'paid' seal must be affixed on the voucher and all the supports attached to the voucher. The seal could also contain provision for voucher number and date so that when affixed on the supports/bills, the voucher which the bill/support relates to is specified.

6. No payments shall be made against the credit card dues of any employee unless they are supported by original bills. No payment shall be made just on the basis of the statement of the card issuer. Where the person is on a long tour and the statement is to be paid for during his absence, the payment is to be debited as advance and charged to revenue only on receipt of the bills.
7. In the event of loss of original bill(s), the voucher must be supported by adequate proof to substantiate the loss. Duplicate bills must be obtained from the vendor/supplier and attached to the voucher.
8. Any amount which is reimbursable or advance payment made to the organisation shall not be charged to revenue. These amounts shall be booked to the relevant receivable or payable account till settlement.
9. Payments will be made only after deduction of income tax at source as per the Income Tax Act and Rules there under. The tax so deducted should be remitted to the account of the Government within the time limit provided under the Act/Rules. TDS certificates should be issued with the payment to the party. All the related provisions under the Income Tax Act and Rules must be complied with.

## **D. RECEIPTS**

1. Preprinted numbered receipts should be issued on receipt of any amount whether by cash or by cheque. Separate receipt books are to be maintained for foreign grants, local grants as well as online grants received by the organization.
2. Only one receipt book/series should be in use at any point at one office/building for each mode of receipt i.e. physical as well as online mode.
3. The attributes to be present in every Physical receipt (payer's copy and office copy) are in paragraph 11.
4. Receipts should be issued for every inflow of cash or cheque whether they are from third parties like donors and return of advance balances by consultants or whether they are from the staff like return of advance balances, repayment of staff loans, etc.
5. Receipts should be in duplicate. The original receipt must be issued to the payer. The book copy could be retained as the receipt voucher.
6. Contra entries for withdrawal of cash from the bank need not be supported by receipts. However, the bank payment voucher for withdrawal should contain the acknowledgement by the cashier receiving the cash.

The cheque issued for withdrawal of cash should be debited to 'cheque in transit' account and credited to the bank account. On receipt of cash at the office/into the cash box, the cash account should be debited and the cheque in transit account should be credited.

7. If cash is deposited into the bank the contra voucher will be adequately supported with the bank receipt and signature of the cashier and authorised signatory.

8. All cash donations in excess of Rs.1000/- must be banked within the end of the week. However, cash receipts must generally be avoided, Cheque receipts should be the rule and cash receipts should be accepted only in exceptional cases.
9. In the case of cash donation receipts the permanent account number if any and the photocopy of the passport in the case of non residents/foreigners are to be mentioned/attached to the book copy.
10. Receipts must be accounted immediately on actual receipt itself.
11. Form of receipt - original - payer's copy – Attributes to be present



NAME OF THE ORGANISATION  
LOCATION

**RECEIPT**

ORIGINAL

Number \_\_\_\_\_  
(preprint)

Date \_\_\_\_\_

Received with thanks from (Name and Address) \_\_\_\_\_

\_\_\_\_\_ PAN \_\_\_\_\_

Rupees (in words) \_\_\_\_\_ by

cash/cheque/demand Draft No. \_\_\_\_\_ dated \_\_\_\_\_ drawn on

\_\_\_\_\_

Rs. \_\_\_\_\_

Accountant/Cashier

Accounts Officer

12. Form of receipt - Office copy – Attributes to be present

NAME OF THE ORGANISATION  
LOCATION

**RECEIPT**

OFFICE COPY

Number \_\_\_\_\_  
(preprint)

Date \_\_\_\_\_

Received with thanks from (Name and Address) \_\_\_\_\_

\_\_\_\_\_ PAN \_\_\_\_\_

Rupees (in words) \_\_\_\_\_ by

cash/cheque/demand Draft No. \_\_\_\_\_ dated \_\_\_\_\_ drawn on

\_\_\_\_\_

Rs. \_\_\_\_\_

Accountant/Cashier

Accounts Officer

## **E. VOUCHERS – CASH AND BANK PAYMENTS AND JOURNAL**

1. All details/columns of the vouchers must be exhaustively printed.
2. Only automatic series of vouchers should be in use at any point through the standard accounting software package. The number series should commence afresh every financial year.
3. Accounting is to be in the normal order of incurrence.
4. Vouchers must be supported with third party supports to the maximum extent. Self declarations, plain paper supports, rough handwritten sheets, etc., must be minimal. It is the duty of the person preparing the voucher and the authorised signatory to ensure this.
5. The signature of recipients receiving cash or cheque at AVA should be obtained on the voucher. The voucher should however not be sent (outside AVA) to them.

## **F. CASH BOOK**

1. The cash book must contain preprinted serial numbers. Missing pages if any must be noted and authorised before commencement of use of the book itself.
2. The cash book entry must be made immediately on making the payment/receipt.
3. The cash book entry must be based on a properly prepared and authorised receipt/voucher (as set out in this manual).
4. The cash book entry must be in the serial order of the vouchers/receipts only. Cancelled vouchers must be entered as cancelled so that the series is completely and continuously accounted/entered.
5. Every entry in the cash book should contain the voucher number and date, account head debited/credited, the amount paid/received, a detailed narration containing the nature and purpose of the transaction and the ledger folio into which posted.
6. The cash book must at all times reflect the actual inflow and outflow of cash into and from the cash box. No payments or receipt of cash, for whatever reason must be left unaccounted. Even if the payment is returned by the payee within a few hours both the outflow and inflow are to be reflected.
7. If the cashier maintains a cash scroll and the fair/final cash book is maintained by other staff, the entries, totals and balances in the two sets of books must be identical and must tally with each other.

8. At the end of every day the cash book and the scroll must be checked by the staff authorised for this purpose/authorised signatories, with the vouchers/receipts. The physical cash balance available in the cash box should be counted and tallied with that as per the cash book on a weekly basis. This physical verification must be documented on the cash book of that day itself by mentioning the denominations available that make up the balance and by the signature of the person verifying the cash balance/book and the cashier on all the pages of the cash book.
9. The daily totals and balances in the cash book (where not computerised and in cash scroll) must be in ink and the daily cash book must begin with the opening balance and end with the closing balance of that day.
10. If accounting is computerised, apart from the other procedures laid down, the daily cash book containing the opening balance for the day, receipts, payments and closing balance must be printed out. This print out should contain the documentation in para (8). The final cash book will comprise these daily print outs and must be bound periodically.
11. There should be no scoring out of entries (whether of the figures or other particulars including the account head), corrections, application of white fluid, rubbing, overwriting, etc. Any corrections to be made should be through properly authorised journal entries in the case of rectification of wrong account heads or through fresh cash vouchers (receipt or payment), which are again to be properly authorised.
12. Under the manual/non computerised accounting system an analytical/columnar cash book meeting all the requirements of this manual, may be maintained with the normally used account heads being given a column each. This makes monthly posting of totals to the general ledger under each account head possible instead of individual posting of every entry, thereby reducing the number of postings and consequently the scope for error.

13. Since cash payments are not possible when there is inadequate cash balance the cash book cannot ever show a negative cash balance at any point/on any day.

## **G. CASH BALANCE MAINTENANCE**

1. The cash balance should always be kept / available in the cash box only.
2. When the cash balance at any point crosses Rs.50000/- the excess should be immediately banked.
3. Personal cash should not be mixed with the office cash.

## **H. BANK BOOK**

1. The bank book must contain preprinted serial numbers. Missing pages, if any, must be noted and authorised before commencement of use of book itself.
2. The bank book entry must be made immediately on making the payment/receipt.
3. The bank book entry must be based on a properly prepared and authorised receipt/voucher (as set out in this manual).
4. The bank book entry must be in the serial order of the vouchers/receipts only. Cancelled vouchers must be entered as cancelled so that the series is completely and continuously accounted/entered.

5. The bank voucher numbers must follow and correspond with the cheque number series. There must be no chronological mismatch between cheque and voucher numbers. Cancelled cheques should be accounted as cancelled but no separate voucher is necessary for this. The cancelled cheques must be preserved.
6. For deposits into the bank account and bank receipt entries the stamped (by bank) pay-in-slips/deposit challans must be attached to the receipt or maintained as a separate bound book.
7. Every entry in the bank book should contain the voucher number and date, account head debited/credited, the amount paid/received, a detailed narration containing the nature and purpose of the transaction and the ledger folio into which posted.
8. No rough bank book in any form should be maintained.
9. The bank book should be made up/updated with every issue and receipt of every cheque.
10. At the end of every day the bank book should be totalled and balanced. Only the closing balance of the day should be carried forward to the next day.
11. The daily bank book including the totals and balances should be verified by the authorised signatory with the vouchers and cheques issued register/cheque counterfoils. This process must be documented by the authorised signatory and the accountant signing on all the pages of the bank book.
12. If the accounting is computerised, apart from the other procedures laid down, the daily bank book containing the opening balance for the day, receipts, payments and closing balance must be printed out. This print out should contain the documentation contained in para (11) above. The final bank book will comprise these daily print outs and must be bound periodically.

13. There should be no scoring out of entries (whether of the figures or other particulars including the account head), corrections, application of white fluid, rubbing, overwriting, etc. Any corrections to be made should be through properly authorised journal entries in the case of rectification of wrong account heads or through fresh bank vouchers (receipt or payment), which are again to be properly authorised.
14. Under the manual/non computerised accounting system an analytical/columnar bank book meeting all the requirements of this manual may be maintained with the normally used account heads being given a column each. This makes monthly posting of totals to the general ledger under each account head possible instead of individual posting of every entry, thereby reducing the number of postings and consequently the scope for error.
15. Based on the volume of transactions a pass sheet/pass book/ bank statement update must be obtained from the bank regularly/periodically. The entries in this must be reconciled with the entries in the bank book and a bank reconciliation statement (BRS) is to be prepared monthly. This BRS should be authorised by the authorised signatory.
16. Inoperative bank accounts must be closed. Till such closure monthly bank statements, year end confirmations and reconciliations if any should be obtained/made.
17. At the year end confirmations of all bank balances must be obtained from the bank.
18. A separate bank book must be maintained for every bank account.
19. No transfer must be made from banks without a cheque. This would apply even to standard payments like salaries.
20. All fresh cheque books should be crossed account payee. For bearer cheques the crossing will be cancelled by the authorised signatories under their signature.



## **I. JOURNAL REGISTER**

1. The journal register must contain preprinted serial numbers. Missing pages if any must be noted and authorised before commencement of use of the book itself.
2. The journal entry must be based on a properly prepared and authorised voucher as set out in this manual.
3. The journal entry must be in the serial order of the vouchers only. Cancelled vouchers must be entered as cancelled so that the series is completely and continuously accounted/entered.
4. Every entry in the journal register should contain the voucher number and date, account head debited/credited, a detailed narration containing the nature and purpose of the transaction and the ledger folio into which posted. In case of rectifications, the cross references of the basic documents/books/entries rectified must be given
5. There should be no scoring out of entries (whether of the figures or other particulars including the account head), corrections, application of white fluid, rubbing, overwriting, etc. Any corrections to be made should be through properly authorised journal voucher/entries only.
6. Under the manual/non computerised accounting system an analytical/columnar journal register meeting all the requirements of this manual, may be maintained with the normally used account heads being given a column each. This makes monthly posting of totals to the general ledger under each account head possible instead of individual posting of every entry, thereby reducing the number of postings and consequently the scope for error.

7. If accounting is computerised, apart from the other procedures laid down, the journal register must be printed out at the end of every week. This print out should be authorised by the designated authorised signatory. The final journal register will comprise these daily print outs and must be bound periodically.
8. Every journal voucher must be properly supported by third party bills. Every bill attached to a journal voucher must be stamped with the journal voucher number and date to which attached.

## **J. GENERAL LEDGER (GL)**

1. The general ledger pages will be preprint numbered under the manual system and automatically numbered under the computerised system. Missing pages should be identified/documentated and authorised.
2. The general ledger should have an alphabetic index indicating the page/folio number where an account head and code/cost centre will appear.
3. The general ledger should contain separate folios for separate account heads grouped as per the chart of accounts. The account code/cost centre must be mentioned along with the account head
4. The general ledger is to be maintained annually from 1 April to 31 March. A new general ledger should be maintained for every financial year starting from 1 April.
5. The closing balances in the assets and liabilities accounts from the immediately preceding balance sheet as at 31 March will be brought forward as opening balances in the ledger as on 1 April every year. This will be the starting point of the general ledger. The opening balances must be brought forward even if audit is not complete. On completion of audit necessary rectification entries can be passed.
6. The general ledger will be posted with entries from the cash book, bank book and journal register monthly - if analytical/columnar cash, bank and journal books are maintained and daily entry wise in other cases.

7. The general ledger will be totalled and balanced every month on the last day of the month or the previous day if the last day of the month is a holiday. The balances and totals will be in ink only. A trial balance will then be extracted.
8. There must be no scoring out of entries in ink or by using fluid, etc., and/or overwriting, etc.
9. The authorised signatory or heads of the regions will check the general ledger every month and sign against these monthly balances and compare them with the trial balance.
10. Computerised Accounts – general ledger
  - 10.1 Under computerised accounting apart from meeting the other requirements of this manual the general ledger must be printed quarterly, on the last day of every quarter, with the pages numbered automatically. The system of quarterly print outs should not be dispensed with on the plea that the data is available in the system.
  - 10.2 A alphabetic index must be available of the pages where account heads and ledger folios appear.
  - 10.3 The quarterly print outs of the various accounts in the general ledger will be taken on the last day of every quarter or the previous day if the last day is a holiday. Signed by the authorised signatory it will form part of the eventual/final annual general ledger.

## **K. TRIAL BALANCE, RECEIPTS AND PAYMENTS ACCOUNT, INCOME AND EXPENDITURE ACCOUNT, BALANCE SHEET AND DONOR REPORTING**

1. The independent and consolidated trial balances for foreign contribution and local contribution will be made up on the last day of every year containing the balances in the asset and liability accounts as on that day and the income and expenditure account balances from 1<sup>st</sup> April to the end of the relevant year i.e. 31<sup>st</sup> March.
2. Before printing the trial balances the staff incharge (paragraph A) should check its contents thoroughly.
3. The yearly receipt and payment account, income and expenditure account and balance sheet will be prepared from the trial balance on the last day of the financial year in the standard formats which is in any case is built into the chart of accounts and therefore into the trial balance.
4. All donor reports whether financial or narrative and whether audited or unaudited shall be sent within the dates set by the donor(s) in the project documents.

## **L. FUND BASED ACCOUNTING**

1. Every individual project whether funded by a single donor or more than one donor as a consortium or otherwise should be treated as a separate fund.
2. All the Incomes and Expenditures whether revenue or capital in nature with respect to every fund must be distinctly and separately accounted.
3. The books of account with respect to every fund should include the
  - fixed assets acquired with those funds
  - advances from/to other funds
  - income and expenditure of the fund
  - unutilised balance of that fund
4. A separate set of receipts and payments account should be prepared for every fund on monthly basis.
5. The audited fund based accounts should be sent to the respective donors as per their requirement in the agreement.
6. The figures in the utilisation certificates to the donors should be drawn from the audited fund based accounts only, if required as per the agreement with the donor.

7. Allocation of interest earned to donors/projects.

- 7.1. No interest will be allocated to donors/projects if there is no specified contractual stipulation to do so.
- 7.2. Interest will not be allocated to individual and other onetime/irregular donors.
- 7.3. The allocation will be made at the financial year end only as banks revise their interest rates periodically.
- 7.4. The rate and the basis have to be as per the bank to ensure that the allocation does not exceed the earning.
- 7.5. Interest on grants referred to in paragraphs 7.1 to 7.2 will be to the credit of AVA.
- 7.6. If fixed deposits are created out of a specific donor/project grants, the entire interest will be credited to the donor/project provided there is no deficit in their account otherwise.

## **M. ADVANCES TO STAFF - TRAVEL, PROGRAMME AND SALARY**

1. The documents/records to be maintained relating to staff advances are :
  - a) The advance payment bank/cash voucher
  - b) The advance requisition form which is approved by the designated authority.
  - c) All supports/bills attached to the advance requisition form (tour plan, quotations etc.,)
  - d) The entry accounting the settlement of the advance
  - e) All bills and supports attached to the voucher
  - f) The bank/cash voucher accounting the receipt or payment of the balance on advance settlement



2. The advance requisition form (performa) is given below:-

**Association for Voluntary Action**

**L-6, Kalkaji, New Delhi.**

**Advance Requisition form**

**Name of the person**.....

**Department**.....

**Purpose of advance**.....

.....

**Advance required**.....

**Previous balance( If any) .....**

**Unadjusted bills\* ( If any).....**

**Tour plan\*( If applicable)**

<b>Date of travel</b>	<b>Starting Place</b>	<b>Destination Place</b>	<b>Mode of travel</b>

**Estimate of advance\*:-**

<b>Particulars</b>	<b>Details</b>	<b>Amount</b>
<b>Travel</b>		
<b>Boarding &amp; lodging</b>		
<b>Local conveyance</b>		

**\* in case of salary advance, these heads are not applicable.**

**(Signature of requisitioner) (Authorised signatory)**

**Date -**

**For Accounts :-**

3. The form shall be signed by the person requisitioning the advance after taking approval from the authorized signatory and submit it to the accounts department not less than the 3 working days before the starting date of activity / programme / tour for which the advance is required for. The accountant should sign the form on payment/data entry.
4. A copy of the approved tour plan in the case of travel advances, quotations, etc., in the case of advances for purchases should be attached to the advance requisition form and should also be signed by the authorised signatory when approving the advance.
5. Advances are to be paid only if any previous advance taken by that employee is settled. This check should be made with regard to advances under all heads – travel, programme, salary, etc. This should be suitably documented in the advance requisition form. Where more than one event is managed simultaneously by an employee, this rule will not apply subject to the condition that each such advance and settlement are accounted separately under different sub-ledger accounts or in a manner that discloses each such advance and settlement distinctly to facilitate monitoring. In the case of salary advances, a second salary advance can be sanctioned by the general secretary on humanitarian grounds even when the earlier salary advance is outstanding subject to the total of both salary advances outstanding not exceeding the limits set out in 8 below and recovery of the second salary advance being effected out of the salary of that month.
6. Advances to the extent possible should be allowed through by account payee cheque only. Steps should therefore be taken to request for it in good time so that credit could be available to the payee at the time of the need.

7. All advances should be settled by submission of bills and return of unspent amounts (by cheque) within the following periods :

Travel advances - Within 7 working days of completion of the travel/tour

Programme advances:

a) for running a field office - Monthly before the 10th of the succeeding month

b) for others - Within 7 working days from the end of the event/transaction.

Salary advances - In six equal installments, by deduction from salary, starting with the salary payable immediately after the advance is availed of

8. Salary advances should not exceed two months net/take home salary.
9. Income tax should be deducted at source (where applicable) when salary advance is paid.
10. Programme advances must generally be avoided/minimised and the organisation should directly issue cheques to the parties concerned.
11. On submission of bills the settlement entry (other than the portion involving physical cash/Cheque inflow/outflow) should be through journal only and not through the cash book.
12. The reference (number and date) of the payment voucher accounting the advances should be mentioned in the advance adjustment voucher.
13. The journal, cash and bank vouchers in settlement of advances and the bills and supports should be authorised and signed by the authorised signatory laid down in paragraph B of this manual.

14. The advance requisition form along with the relevant supports should form the support to the cash/bank voucher accounting the advance paid.
15. All advances are to be accounted immediately on payment. No suspense advances or IOUs are permitted.
16. The paid seal/seal containing the voucher number to which attached and the date of the voucher should be affixed on all the documents relating to an advance as listed in para (1) above.
17. The advance ledger accounts must be category wise (separate for travel/programme and salary), donor/project wise and employee wise. Employee names should form part of the account head.
18. The aggregate of the advances as per the advance subsidiary ledgers must always tally with the control accounts in the general ledger referred to in paragraph (17) above.
19. Confirmations are to be obtained on yearly basis (on 31 March each year) in respect of all advances by getting the recipients' signatures on a copy of his/her ledger account.
20. Advances outstanding beyond the period allowed should be recovered from the salary.
21. The advance accounts and their balances should be monitored before every entry. Periodically, preferably fortnightly the staff designated in chapter B should monitor all the advances to ensure that recovery whenever required/possible is made.
22. Ashrams  
Needless to say the provisions of this manual are applicable to the Ashrams also. Additionally the ashrams are to send their monthly requisition forms in paragraph 23 below by the 7<sup>th</sup> day of the month. The finance department will release funds into the

Ashrams' bank accounts within 3 days of receipt of the requisition and the books of account, bills and vouchers, bank statement and bank reconciliation statement. The said reports with respect to local contribution will be separately sent.

23. Requisition form

Association for Voluntary Action

L-6, Kalkaji, New Delhi-110019

***Form for requisition of the Funds by Ashram for the month of .....***

***Name of the Ashram .....***

***Bank balance as on last day of the previous month.....***

***Cash in hand as on last day of the previous month.....***

***Total expenditure of the previous month.....***

***Budget for this month.....***

***Amount required.....***

***Expenditure statement of previous month submitted- Yes/ No, If yes on .....***

***Bank statement of previous month submitted - Yes/ No, If yes on .....***

***Date :-.....***

***(Requested by)***

***(Sanctioned by)***

***(Accounts Officer)***

## **N. TRAVEL EXPENSES – REIMBURSED/PAID TO STAFF**

1. The basic documents/records involved are :
  - An approved travel plan/tour schedule
  - If paid through advances chapter M of this manual also applies
  - The travel policy/guidelines as contained in AVA Human Resource Policy Manual
  - The outstation travel claim form
2. Travel advance should be limited to the estimated cost of travel based on the mode of travel, cost of tickets, stay and number of days involved.
3. Generally travel should be by the shortest route and cheapest mode of transport.
4. The expenses on travel, victuals, other related expenses and to the extent possible on local conveyance should be supported by original third party evidence/bills.
5. The limits with respect to stay, victuals and local conveyance are contained in the AVA Human Resource Policy Manual.
6. In the case of foreign travel the foreign exchange should be used in the manner and for the purposes laid down under the exchange control regulations. The foreign exchange should be obtained only from the authorised agency. Unutilised foreign exchange should be surrendered to the organization's immediately on return.
7. Any travel booking (taxi, air and trains) shall be through travel agencies approved by the organisation only.

8. Cost of air and train tickets booked by AVA shall be debited to advance account of the employee and shall be reversed to travel expenses only on the employee's return of the used tickets. In the case of train tickets photocopies of tickets shall be (where originals are surrendered) adequate. The administration may verify the travel with reference to the PNR.
9. Travel agents:
  - 9.1 Statements of account should be obtained from the travel agent quarterly and reconciled with the ledger account.
  - 9.2 Settlements should be by account payee cheque only.
  - 9.3 Only the authorised agency must be used.
  - 9.4 Credits on cancellation should be accounted in the ledger account of the agent.
  - 9.5 All payments should be debited to the agents' account and reversed to the respective revenue account on completion of the travel.
  - 9.6 Payments are to be made only on completion of travel.
  - 9.7 Only authorised person from the organisation should make bookings. The travel agent should be intimated in writing about this.
10. The procedures on drawl, settlement, confirmation, etc., relating to travel advances should be in accordance with the paragraph dealing with advances in the manual.
11. The outstation travel claim will be in the form given in the HR manual.

12. Every employee shall submit their original ticket and boarding pass as applicable in case of travel made by taxi, train or by air to the accounts department within 7 days from their successful returning from the outstation.

## **O. PURCHASES - PRODUCTS AND SERVICES**

1. The procedures relating to purchases (products and services) whether new or used (second hand) and whether consumables or otherwise contained in :
  - 1.1   Clauses   3 to     below     For all purchases below of Rs.20000  
                  6.1                               in value
  - 1.2   Clauses   4 to 13   below     From Rs.30000 and Rs.50000 in value
  - 1.3   Clauses   4 to 13   below     above Rs.50000 in value
- 2.1 For arriving at the value of the purchase referred to in paragraph (1) above differing individual items to be purchased will not be grouped as one purchase except when the individual items are so similar in nature. Cost and quality will be the deciding factors in selection.
- 2.2 Purchase of an item will also not be split into several smaller purchases to circumvent the ceilings prescribed in paragraph (1) above.
- 2.3 This chapter covers purchases of all items (including services) other than immovable properties.
3. The persons designated to decide on and authorise payments as contained in the section of the manual dealing with authorised signatories will also authorise in the normal course the purchase and payment for purchase of items contained in paragraph 1.1 above after getting the signed version of material requisition form Performa of which mentioned under paragraph 5.



4. The documents relating to purchase procedures are :

4.1 The material requisition form

4.2 Purchase order/ agreement

4.3 Quotations from suppliers

These documents will apply to the extent relevant based on the value of purchases.

5. The material requisition form (Performa) is given below:

NAME OF THE ORGANISATION  
LOCATION

**MATERIAL REQUISITION SLIP**

Date: \_\_\_\_\_

Department: \_\_\_\_\_

<u>Sl.N</u> <u>o.</u>	<u>Name of the Items</u>	<u>Quantity</u> <u>Required</u>	<u>Quantity</u> <u>Issued</u>	Remarks
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____

Required by

HOD/Approved by

Manager Admin

Issued by

6. The material requisition form when filled in signed and authorised shall:

6.1 in cases referred to in paragraph 1.2 above - the decision will be taken after reviewing of the quotations received from minimum of three suppliers for supply of the requisitioned items and it will be forwarded to the person higher than the authorised signatory (who has signed the material requisition form) in the hierarchy, for his approval. The actual purchase will then be affected by the latter that will organise the delivery of the item to the requisitioner on payment out of the budget governing the item and requisitioner.

6.2 in cases referred to in paragraphs 1.3 above - be forwarded to the chairman of the management committee.

7. Constitution of the management committee :-

The General Secretary shall be the ex-officio chairman of the management committee. The other members of the management committee shall be project director, executive director, director operation, Finance head, HR manager and Administrative manager.

8. The management committee will meet on receipt of the purchase requisition form as contained in paragraph (5) and (6) above. 2/3rds of the members of the management committee subject to a minimum of 2 members will form the quorum for any meeting. If the management committee is unable to meet for any reason the approvals can be obtained by circulation.

9. When the purchase is covered in clause 1.3 above the management committee will decide on and place a purchase order on any supplier which in its opinion is ideal under the circumstances.

10. The form of the purchase order (original and office copy) is in paragraphs 10.1 and 10.2 below :

10.1 Form of the original Purchase order

NAME OF THE ORGANISATION  
LOCATION

**PURCHASE ORDER**

ORIGINAL

Number \_\_\_\_\_  
(preprint)

Date \_\_\_\_\_

Name and address (Supplier) \_\_\_\_\_

<u>Sl.No.</u>	<u>Description</u>	<u>Quantity</u>	<u>Rate per item</u>	<u>Total value</u>
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____

Conditions :

Date of delivery :  
Location to which to be delivered :  
Person authorised to receive delivery :  
Date when payment will be released :  
Other conditions :

Advance paid Rs. \_\_\_\_\_/Date \_\_\_\_\_ Cheque No. \_\_\_\_\_ Bank \_\_\_\_\_

Chairman Management Committee

Finance Head

Project director

Administrative Officer.

NAME OF THE ORGANISATION LOCATION		
<b>PURCHASE ORDER</b>		OFFICE COPY
Number _____ (preprint)	Date _____	
Name and address (Supplier) _____ _____		
<u>Sl.No.</u>	<u>Description</u>	<u>Quantity</u>
1	_____	_____
2	_____	_____
3	_____	_____
Conditions :		
	Date of delivery	:
	Location to which to be delivered	:
	Person authorised to receive delivery	:
	Date when payment will be released	:
	Other conditions	:
Advance paid Rs._____/Date _____ Cheque No._____ Bank _____		
Ref.No./Date of		
	Purchase Requisition Form	:
	Purchase invoice	:
	Purchase Order Register	:
Chairman Management Committee		
Finance Head	Project director	Administrative Officer.

11. For purchases referred to in paragraph 1.3 above, the management committee will decide on a minimum of three suppliers to obtain quotations from, for supply of the requisitioned items.

The quotations must be obtained within two weeks of the meeting and within 7 working days of the receipt of all the three quotations, the management committee should meet and decide on the supplier. Thereafter the procedure laid down in paragraphs (9) and (10) above shall be followed.

12. In respect of normally used standard services, a standard cost will be evolved by the management committee and such standards are to be documented. In such an event there will be no need for quotations will not arise. However a standard will be evolved even for raid and resume missions to ensure that the costs do not vary too much from the normal.
13. In the case of purchases referred to in paragraphs (9) and (11) above, the authorised signatory will ensure that the original purchase requisition form and the book copy of the purchase order are annexed to the voucher accounting the payment and are referred to on the face of the voucher.
14. All purchases referred to in paragraphs 1.2 to 1.3 above read with paragraph (2) shall be entered in the inventory and fixed assets registers maintained under the relevant sections of this manual. The reference – number and date of the entry in these registers must be mentioned on all the documents relating to the purchase including the payment voucher. Purchases covered by paragraph 1.1 above shall be entered in the inventory register if the aggregate purchase value is likely to exceed or exceeds Rs.25000 in an year. The payment voucher referred to in paragraph (13) above should also contain the reference of folio in the inventory/fixed assets register where the item is reflected.

15. A purchase order register will be maintained containing the number and date of the purchase order form, date of delivery.
16. In the case of consultancies, contracts should be entered into with the consultants in the form in annexure 1. It should be based on a terms of reference.
17. All invoices will be certified for satisfactory supply/services by the official concerned before payments are made.

## **P. TRAINING**

1. An authorised master plan shall be prepared for every training. Training (master plan) statements must also be maintained. Every training statement should contain the names and addresses of the trainers and trainees, nature of training, period, location, control number, date, meals/transport facilities extended to trainees and fees to trainers. The statement should be in duplicate with perforation. The duplicate should be available with the accounts department.
2. The details of the actual cost incurred on the training will be entered voucherwise in the training statement.
3. The payment vouchers will be supported by acknowledgments from the trainees and certifications from the resource person involved for cost reimbursed to the trainees and third party bills/supports for the other costs incurred.
4. The training costs will be paid to the maximum extent possible by cheque.
5. All expenses will be on actuals and no transfer of funds on a per employee rate will be made to the organisation's or any other account except to the extent of costs reimbursed/allowances to the trainees.

## **Q. EMPLOYEES**

1. The employees shall be appointed through a contract or appointment order. In either case the recruitment and placement will be initiated and concluded by the central office only. No appointments shall be made at the project level by the project in charge.
2. Salaries shall be paid by crossed account payee cheques or by bank transfer only. In case the employee is illiterate or paid a monthly salary of less than Rs. 4,000, the general secretary can approve cash payment on the recommendation of the Head-finance.
3. All increments will fall due on 1 April annually for all employees.
4. A separate file shall be maintained for each employee and the file shall contain the appointment letter/contract, leave applications, letters of increment, etc., in a chronological order.
5. For payment of salaries and related benefits, a columnar project wise salary register should be maintained every month financial year wise. The register will contain the name of the employee, position, salary broken up into various allowances, provident fund, leave, medical and other benefits eligible and availed of, deductions under various heads, net amount paid. The entries in the cash book and other subsidiaries shall be reconciled with the totals under various heads for all employees every month.
6. A master list of all employees shall be available in a register with the name, address, designation and dates of joining and exit. The register shall be updated for every change.
7. The form of employment contract is given in the HR manual.



## **R. MANAGEMENT OF FIXED ASSETS**

1. The fixed assets will be purchased in the name of the organisation.
2. The purchase procedure to be followed is as listed under the 'procedure for purchases' section of this manual.
3. All purchases will be strictly of items provided for in the project document/budget only. Please refer paragraph (L) an accounting of assets acquired out of donor grants.
4. The fixed assets acquired will be accounted in the books of the purchaser and user and as a separate item (non recurring – capital costs) and should not be mixed up with any other (recurring) costs/account head/programme expenditure.
5. On receipt, the asset will immediately be paint numbered (alphanumeric) using a series of numbers which incorporates the funding source, the category of the asset (vehicle, furniture, office equipment), location and the number of the asset within the category.
6. The documents relating to the ownership of the asset (like registration certificates for vehicles) and the papers relating to the warranty will be kept in safe custody and the person responsible for this will be as contained/set out in the earlier sections of this manual.
7. A fixed assets register will be maintained at every location. The central office will have an updated list of assets as at the year end with respect to each location. The following details/characteristics must be available in the fixed assets register :

7.1      Numbered pages

7.2      Category under which the asset falls – vehicles, furniture, office equipment, land and building, etc.

- 7.3 Name and description of the asset
- 7.4 Number of pieces
- 7.5 Paint/identification number(s) as painted on it/them
- 7.6 Location and by whom used
- 7.7 Cost of the asset inclusive of taxes/duties
- 7.8 Reference of the bank voucher number and date through which purchase paid for/accounted
- 7.9 Name of the supplier
- 7.10 Name of the donor/project

In addition to this physical verification report will be a part of the Fixed Assets Register.

- 8. The reference of the fixed assets register (page number) and the paint number of the asset shall be mentioned on the voucher(s) accounting the payment/purchase of the asset.
- 9. The minimum value of items to be entered in the fixed assets register is as contained in the section dealing with the purchases. However, items which will be consumed/used up/distributed during the course of the project will not be a fixed asset but will be inventory. For such items the inventory register will be used.

10. Each asset will be entered on a separate page so that change of user/location, etc., can be noted. Every category of asset will be noted together in one section. Therefore a section of the fixed assets register must be maintained for each category (vehicle, furniture, office equipment, land and building, etc.) and within each section/category one page for every individual item within that category.
11. The fixed assets register must be indexed using their paint number so that an asset can be easily found within it.
12. A control account (category of asset wise) must be available in the beginning of the register so that every entry also finds a place there. The total of the control account will be the total of the assets listed within the register. The total of the control account will/should always tally with the total assets disclosed in the balance sheet.
13. Charging of depreciation on assets will be as per the decision of the board.
14. On 31 March every year fixed assets physically available will be verified by accounting and administrative staff. This verification will be documented in the register by the person verifying by affixing his signature on the fixed assets register. On his so affixing his signature he vouches for all the particulars entered therein.
15. Assets which are no longer useful will be scrapped after being so decided by the management committee. The reference of this committee's decision will be mentioned in the fixed assets register and the item will then be removed from the register and from the balance sheet by a suitable journal entry.
16. Any disposal of assets will follow the procedure in paragraph (15) above.

17. For purchase and construction of immovable property in addition to following the procedure for purchases the management committee and authorised signatory must ensure that :

- A lawyer's written opinion is obtained on the title to the property
- Organisation appointed engineers/architects certification of value is obtained before any payment , purchase of vacant land and after construction is completed.
- Detailed agreements and contracts are entered into for construction and are checked by lawyers.
- Photographs of construction at various stages with dates are available.
- All parent documents in original are collected from the seller.
- The transactions are approved by the board

## **S. INVENTORY REGISTER**

1. This register will be maintained for purchase of items as per the section of this manual dealing with purchases and for items which are not fixed assets and which will get consumed/used up/distributed during the course of the project.
2. There may be different registers for different items – like stationery, books, food articles kitchen items, building construction material, etc. However, an authorised master list of registers and books maintained must be available at every location.
3. The basic details needed in an inventory register are :
  - 3.1 Preprint numbered pages
  - 3.2 Nature of item
  - 3.3 Location of the inventory
  - 3.4 Date of purchase
  - 3.5 Number of items purchased
  - 3.6 Date and number of items issued
  - 3.7 Issued to whom and authorization with signature of person receiving and person issuing .
  - 3.8 Balance available in number after every issue receipt/entry
  - 3.9 Reference to the purchase order.

4. The balance available of the inventory if material will be included in the income and expenditure account and balance sheet as the closing balance represents unutilised amounts. The closing stock will be valued on first in first out basis.

## **T. CONTROLS IN COMPUTERISED ACCOUNTING SOFTWARE PACKAGE**

1. Entries should be permitted into the cash book, bank book and the journal register for any day only if the books of the previous day or the previous week (journal) as the case may be were printed.
2. The daily print outs must be punched in continuation serially from 1 April of every year to the 31 March following.
3. No insertion of entries must be allowed.
4. No corrections must be permitted to any entry once made. This is because all corrections must be accounted separately after preparing the appropriate vouchers and obtaining the necessary authorization's (as dealt with elsewhere in this manual).
5. Vouchers with the same number i.e. repetition of voucher numbers shall not be allowed.
6. Voucher numbers with the normal series with an additional character should also not be allowed. For example, insertion of voucher number 540 A between voucher numbers 540 and 541 should be rejected.
7. If cash entries are made when there is no adequate cash balance the entry should be rejected.
8. The control features in the accounting software should not be alterable.

## **U. BUDGETS AND VARIANCE ANALYSIS**

1. The annual organizational budget will operate from 1 April every year.
2. The budget for the ensuing years will be sent to the head/central office by 30 January by all ashrams, activists, field offices etc.,
3. Forms designed for the budgets by the head office and containing the head of account, activity, month of activity, budgeted expenditure etc., only will be used by all locations.
4. Every location component - that is every ashram, activist, field office etc., will be identified by a number with the numbers running consecutively so that all the components are included in the consolidated budget.
5. At the head office all the locational budgets (the head office will also be one such location) will be consolidated by 15 February every year to arrive at the annual budget for the coming financial year.
6. The consolidated budget will then be divided based on the donor funding the various activities to arrive at the donorwise annual budgets. Care should be taken to ensure that the entire budget is funded by donor(s).
7. The annual budgets (consolidated and components) must be approved by the board by the end of February or the beginning of March every year.
8. Division of common costs among various donors should be avoided to the extent possible. Donors should be debited with specific/whole costs even of the central office. This should be approved by the donors in their budgets. Allocation/apportioning of costs (even indirect) among donors should be avoided.

9. Every three years the annual budget exercise should include the preparation of a three year budget within which the annual budget should fall. The three year budgets should form the basis of the donor proposals. The three year budgets should however be prepared sufficiently early keeping in mind the time needed for donor approval a transfer of funds.
10. The yearly financial reports to be generated like the trial balance, receipts and payments account, income and expenditure account, balance sheet and donor/fund utilisation statements have been dealt with elsewhere.
11. The budget versus actual figures should be compared monthly and variance analysis (to be carried out quarterly) must contain remarks - reason, solutions and corrective steps by the authorised signatories after studying the issue – if the variance is more than 10%.



## V. OTHERS

### 1. **Vehicle log book.**

Log books should be maintained for each vehicle. The log book should specify the following:

- Date of travel
- Quantity of fuel filled, amount and the meter reading when filled.
- Repair and maintenance bills.
- Place visited and name of project
- Meter reading
- Name of person traveling
- At the end of each month the average fuel consumption should be calculated and entered in the log book.
- Authorised signatory

At the time of reimbursement of a fuel bill, the entries in the log book should be verified.

### 2. **Insurance**

All staff and assets (movables, immovables, stocks, vehicles etc) of the organisation should be covered at the head office through a comprehensive insurance policy. The list of items and the values are to be updated for every addition/deletion. On an yearly basis the assets are to be revalued. The cover in respect of sensitive electronic equipments should include specific electronic goods coverage to protect against loss due to power fluctuations etc. Cash should be covered for balance held and that in transit.

3. **Investments.**

Investments should be in accordance with the provisions of the Income Tax Act. Investments should be handled centrally at the head office. An investment register is to be maintained with columns for name of investee, tenor, interest rate, maturity proceeds, distinctive numbers of documents, verification of original documents/interest and location of original receipts .

4. **Preservation and disposal of records.**

The general ledger and subsidiaries shall be preserved for a period of ten financial years, while the other accounting records shall be preserved for a period of eight financial years after the end of the relevant financial year. On expiry of the period aforesaid, the records shall be destroyed after obtaining an approval from the board. Once the destruction was made, board shall be informed by the list of records destroyed and the name of the authorised person who was present at the time of destruction.

5. **Back up**

In the case of computerised accounts, the necessary back up in External Hard Disk shall be maintained apart from the printouts. The back up shall be updated on a weekly / monthly basis as suitable to the organization.

**Financial powers for various expenses as approved by the Board of AVA on 1st October'2018**

**Annexure:**

<b>S.No.</b>	<b>Approving Authority</b>	<b>Nature of Expenditure</b>	<b>Limit of Authority</b>
1.	Board of Trustees	Immovable Assets	Board of Trustee
2.	Management Committee	Movable Assets and other programme expenses	Rs.50,000 and above
3.	Executive Director	Movable Assets and other programme expenses	Upto Rs.50,000 per transaction as per the programme budget approved







bachpan  
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