



Financial Manual

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FINANCIAL MANUAL

Accounting Procedures

It is the responsibility of the management to clarify to all staff that accountability is a joint responsibility and does not rest solely with the accountant.

Accounting Guidelines to be followed

- ARPAN follows the Accounting Standards of the Institute of Chartered Accountants of India, issued from time to time.
- All cheque books are kept under safe custody and no unauthorized person(s) has access to cheque books.
- All expenditures under FCRA and NON FCRA are booked separately in two separate books of accounts.
- No transfer of funds will be allowed from FCRA to Non FCRA books.
- All vouchers are in the name of the organisation mentioning Project. All payment and receipt vouchers are serially numbered, commencing from the beginning of the accounting year and ending at the close of the accounting year and all vouchers and supporting pertaining to payments made shall be stamped "PAID". Vouchers shall be duly checked and authorized before payment and receiver's signature obtained. All vouchers shall contain a proper narration, including cheque number and date, where payments are made by cheque
- Appointment letters, attendance records and salary sheets shall be properly maintained and all salaries/ honorarium shall be paid by cheques/direct deposit to bank account, as far as possible.
- All capital expenditure, one-time expenditure is supported by three quotations. Quotations should have proper name, address, Sales Tax /VAT numbers., PAN phone numbers, etc. (shall be applicable to quotations up to a limit of Rs. 5000/-
- Head-wise details of accounts/expenditure incurred as per sanction/budget shall be provided for every project (With all bills, vouchers and supporting in original along with a report).
- The travel reports for field related work should be submitted by 1st of every month. And for out-station travel with three days of return from travel.
- In case of meetings and Workshops, a list of Participants and Resource persons is prepared separately. This has to be submitted with the accounts. Signatures of participants and Resource persons is compulsory.
- If organisation hires a vehicle or a staff using own vehicle for organisation work, they should mention the km reading. The approved rate for four wheelers will be Rs.20



per Km and for two wheelers will be Rs. 05 per Km. subject to submission of travel/tour report and form.

- It is compulsory to use revenue stamp on payments of Rs. 5000/- and above. The receipt has to have a revenue stamp attached to it and duly signed by the receiver.
- All receipts for any activity shall be accounted for in the Books of Accounts.

The accountant's job is to ensure that

- The payment is properly authorized,
- Ensure that it is charged to the correct expenditure head,
- Check that payee details are correct and make the payment.
- The person Initiating the payment will ensure that the correct amount is authorized
- And that the particular expenditure was necessary and due.

Maintaining Accounting trail

Every transaction would need to be traced back and forth since the account books are maintained in a set pattern.

The trail has following steps

1. Cash memo/ supporting document
2. Verification by project coordinator
3. Expense claimed by staff
4. Verified by accounts department and approved by secretary
5. Summaries Voucher
6. Entered in tally

DA (food allowance):

Local areas DA (Pithoragarh district) 100 rupees only. This will be paid as per the travel report submitted along with the travel form Areas till Rudrapur, Khatima, Sitarganj & Nainital (up to 200 km) -150 rupees only, 200 km to 600 km distance 200 rupees only. 600 km & above distance- 250 rupees only.

Cash Account and Transactions

In emergency, Cash transaction up to a limit of Rs. 5000.00 can be made but above Rs. 5000.00 only through cheque

Daily Cash Balance

The denomination of the closing balance of the cash should be entered below this and signed by the Accountant. This register to be maintained from the beginning of the financial year and a fresh register at the beginning of every financial year.
Maximum and minimum cash limits have been fixed as (Maximum Rs. 10,000 and minimum Rs. 5,000)



Cash Payments

- The Payee must sign the voucher for having received the payment.
- All cash payments above Rs. 5000 is receipted with a revenue stamp as per the provisions of the stamp act
- The number of cash payments has to be reduced by converting settlements through cheque payments.

Cash Verification

- The competent authority / accountant should physically verify the cash balance on a daily basis.
- The Cash Account record should be signed by the person handling the cash and the person in charge of finance as and when the physical verification of cash is carried out.
- Any discrepancy noticed during the physical verification should be recorded and reported in writing to the person concerned immediately.

Controls to be exercised

- Cash is handled by only one designated person who is responsible for it.
- Accounting of cash receipts/payments is done on a daily basis.

Advances

Staff obtains advances mainly for the following expenses:

- Travel
- Purchase of goods from the market
- Conference and Workshop

All such requests should be made in the prescribed format within 3 days before the programme date and duly approved by account department and secretary.

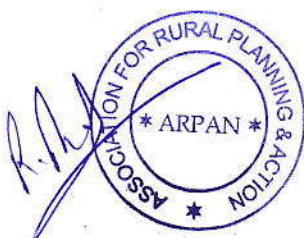
Controls to be exercised

1. Requests submitted should be complete in all respects and the purpose clearly mentioned. In case of staff traveling the period and dates and purpose should be specified.
2. The amount outstanding against a staff member should be settled within a week, before taking another advance.
3. It is compulsory that there are no advances outstanding as on 31 st March the end of the financial year.

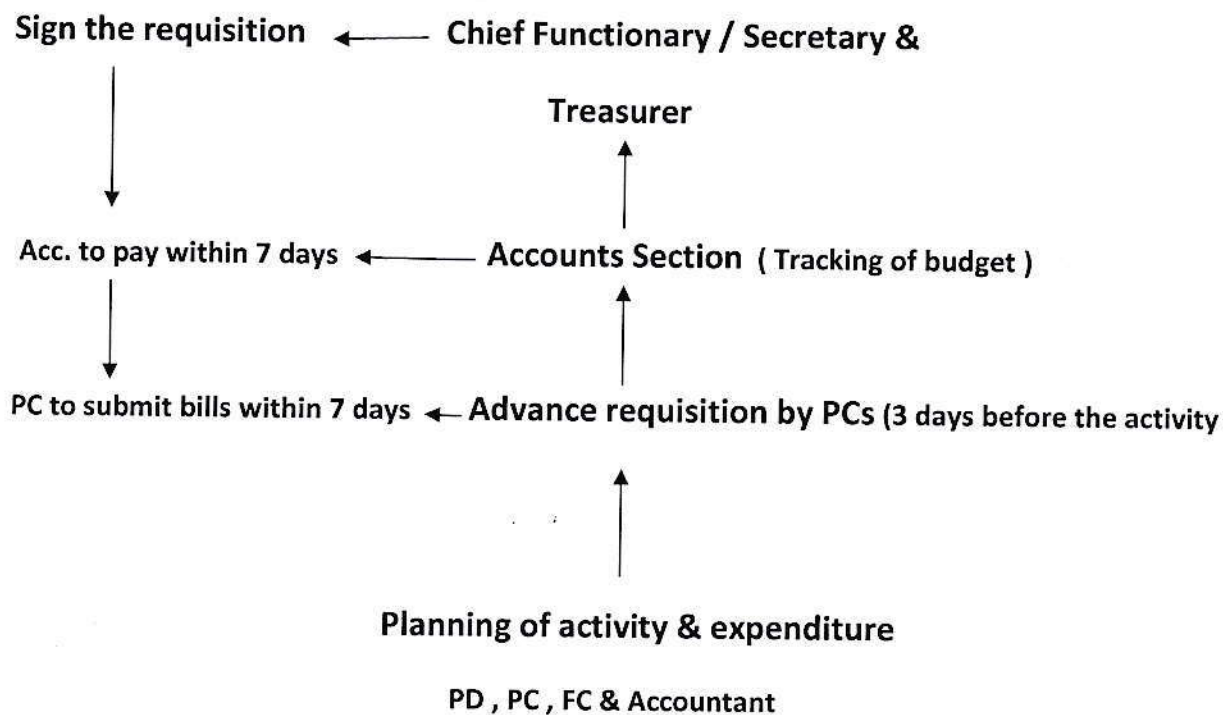
BANK RECONCILIATION STATEMENT

This has to be done on a daily basis to ensure the balances as per the bankbook and the passbook tally.

Honorarium and travel reimbursement to staff will be subject to receiving of fund for the said project.



FLOW CHART



- PD Project Director
PC Project Coordinator
FC Field Coordinator
Acc. Accountant

