



**ASK**  
**FINANCIAL MANUAL**  
**(Updated in October 2025)**

**Association for Stimulating Know How**  
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**Gurgaon -122002**

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## 1.1 Introduction to the Finance Policy Manual

This manual is intended to be a comprehensive guide on all financial policies, and practices which is designed to follow best practices in financial management for internal controls, and to meet statutory requirements. This manual provides an understanding of how the society complies with statutory requirements and discharges its duty of being financially accountable to partners, transparent and fulfilling statutory compliances of the country.

This manual will be updated from time to time as required, and will supersede any verbal policies, and in matters of conflict with these, will prevail over all of these and any written instructions prior to the date of this manual. Changes in policy will be effected through a written memo, incorporated into this manual at the appropriate place. Any suggestions regarding current or new content would be most welcome and should be directed to the Director. The changes and updates in policy will be effected or implemented by making an amendment in the Finance Manual with approval of the Director.

The change in the finance manual will be due to the certain amendments such as:

- i) Revisions to existing policies
- ii) Revisions in functional tasks
- iii) Change in government policies
- iv) Internal or external audit recommendations
- v) Internal decisions

## 2.1 OBJECTIVE OF FINANCE MANUAL

The objective of the Finance Manual is to articulate all financial policies of the Society including compliance requirements of the country and partners as appropriate. The objectives are specified as below:

- i) To provide effective utilization of Society's financial resources
- ii) To optimize resource allocation cross activities
- iii) To standardize finance and accounting procedures across all locations
- iv) To ensure adequate internal controls and financial systems
- v) To safeguard Society assets and records
- vi) To maintain highest standards of financial and accounting systems in the industry

## 2.2 Financial Year

As per statutory requirements of Government of India, financial year of ASK will be April to March every year.

Work responsibilities of Accounts & Finance Division are divided for ASK (GENERAL) & ASK (FCRA). The responsible of Officer includes both Finance and Accounts.

### 3. FINANCIAL MANAGEMENT SYSTEM

Financial management systems at the Society consist of the following:

- i) Compliance Framework
- ii) Resource Allocation Policy
- iii) Internal Control Policy
- iv) Budgeting Framework

#### 3.1 Compliance Framework

**Partner Agreement:** The agreement between partners and the Society, as specifically agreed between them, outlines all aspects regarding the management of the partnership and includes schedules for submission of reports, both narrative and financial as outlined specifically under the contract/agreement. These are listed as:

**Narrative Report:** The narrative report covers all activities completed for the reporting period in detail and is required to be submitted to the partners as per the prescribed timelines and format under the contract/agreement.

**Financial Report:** The financial report lists all expenses along with necessary details for the reporting period, and is required to be submitted to the partner as per the prescribed timelines and format under the contract/agreement.

**Other Reports:** These are reports which are prepared if mandated or required under specific agreements. This could be status of project expenses, variance with the budget, burn rate etc. It is prepared and submitted as and when required and appropriate.

#### 3.2 Resource Allocation Policy

The purpose of this policy is to establish a link between the outputs as laid out in the strategic plan of the Society and the provision of resources to establish a link between available resources for undertaking the activities as per resources allocated in the form of budgets for all operating expenditure as stipulated in the contract. The Resource Allocation Policy comprises of allocating resources for every activity through specific budgets aligned for the duration as required.

The primary tool to ensure optimum resource allocation will be budgeting and budget reviews, which are elaborated in more detail subsequently in this document.

#### 3.3 Internal Control Policy

Internal Control refers to a network of policies, procedures and systems adopted by the Society to assist in achieving the objective of ensuring, the orderly and efficient conduct of its operations. This also includes adherence to policies and procedures, safeguarding of assets, minimizing of risk of fraud and error, and providing a framework for establishing accuracy and reliability of accounting records and financial information.

The Internal Controls are put in place to manage risk and hence to help ensure that the Society's resources are used efficiently and effectively for purposes meant for. These controls help to ensure

that the financial management information provided is complete, accurate, and reliable. It ensures that the risks are continually assessed, and controls that are put in place ensures that the risks are minimized. Internal controls will not eliminate all risks, but efficient financial systems and rigorous internal controls allow for mitigating risks.

### **3.4 Internal Control Framework**

Internal control is a mechanism implemented by the Society's board, senior management and other personnel, to provide reasonable assurance regarding the achievement of objectives in four categories:

- i) Effectiveness and efficiency of operations
- ii) Reliability of financial reporting
- iii) Compliance with applicable laws and regulations
- iv) Safeguarding of assets

The internal control framework for the Society has five interrelated components:

- a) Risk Assessment
- b) Control Environment
- c) Control Activities
- d) Information And Communication
- e) Monitoring

Internal controls must be observed in the Society in context to control environment which must be established and led by the senior management. 'Risk assessment' follows the establishment and implementation processes and in turn is followed by 'control activities' which are expected to minimize risks. 'Information and communication' links all the components together and there should be continuous 'monitoring' to detect deviations and errors which must be reported to the management and the board. This is a continuous process that guides not only controls but also good accountability, management, and governance practices.

#### **a) Risk Assessment**

Risk in the context of the Society is defined as the threat that an event or action will adversely affect the Society's ability to achieve its objectives. Risk assessment therefore is the process of identification and analysis of risks considering their likelihood and impact and then determining how the identified risks should be managed.

Fraud and any other forms of corruption are explicitly considered in assessing risks and can be addressed through control activities. Other examples for risks are: risk related to procurement, currency and interest rate risk, political and economic risk, risk related to technology, natural disasters etc.

It is therefore important that all key processes are mapped out and their risks are identified in order to determine the appropriate controls needed to mitigate those risks. The culture of assessing risks must be embedded to ensure that risk management is built consistently and uniformly into all of Society operations at all levels. The objective in assessing risk is to ensure that risks are identified and there are mitigating strategies to reduce its occurrence and impact.

## **b) Control Environment**

The control environment of a Society encompasses the integrity, ethical values, and competence of the Society, its team members, management's philosophy and operating style, the attention and direction provided by the board of directors and the senior management. In short it captures how seriously a Society views internal controls, risks, and governance issues.

## **c) Control Activities**

Controls activities are conducted at all levels and in all functions of the Society and consist of policies and procedures that help to ensure that are carried out. Each employee/ consultant responsibilities are clearly defined. Control activities need to be performed by the employees/ consultants in order to ensure that risks are reduced to acceptable levels. Such activities/measures can be preventive, detective, directive and corrective.

In order to be able to apply the appropriate level of control it is important that we list our key processes and see how check & balances can be incorporated there for systemic improvement. Here is the suggested list of key processes:

- i) Procurement
- ii) Cash management
- iii) Fixed assets management
- iv) Bank operations, accounting and reporting, auditing
- v) Management of payroll
- vi) Planning and budgeting

## **d) Information & Communication**

There should be a process in place to collect information from external sources such as industry information, economic and regulatory information that could have an impact on the Society and its operations and management. Senior management and the board are also provided with important financial information such as key figures analysis, data quality evaluation and forecast scenarios for transparency and visibility.

## **e) Monitoring**

Internal and external or statutory audit of the Society must be carried out at least once a year. Statutory auditors should be asked specifically to comment upon Internal Control System, and there should be follow up on all recommendations from the internal and statutory auditors for improvements.

Management letter issued by statutory auditor must be followed up. Appropriate corrective measures have to be initiated for any qualification mentioned by statutory auditor and on the observations of internal auditor. Internal control system must be reviewed periodically to make sure that it addresses the needs of the Society.

#### 4. Responsibilities of Accounts:

- Accounts officer is responsible for all the General accounts and their project.
- All cash dealing i.e. cash collection and disbursement.
- Advance given to Staff Reimbursement of Expenses.
- All bank transactions, viz. deposits and withdrawals.
- Salary of Employees.
- Billing and Invoice of General Accounts.
- Taking care of TAX related issues like TDS deduction, filling, TDS return, Challans etc.

#### 5. Responsibilities of Finance

- All the FCRA project are handled by the Finance officer Preparing the Financial report for various project as per the contract.
- Billing and Invoicing of FCRA Projects.
- Taking care of TAX related issues like TDS deduction, filling TDS return, Challans etc.
- All bank transaction, viz. Related FCRA projects deposits and withdrawals.

#### 6. Fund Management

Accounts Division will be responsible for the management of ASK's Fund.

- i. Funds are received for specific projects on the basis of formally executed contracts for various programmatic activities of ASK.
- ii. In addition, funds are also received through interest, donation, and contribution on Sponsorships etc.
- iii. Receipts of funds are acknowledged within a week in writing in the prescribed format.

#### 7. Budgeting

Budgeting is the process of estimating the financial requirements of the activities to be undertaken by the Society, identifying sources of funds and adopting measures to ensure that such funds are made available on time. A budget is a detailed month wise plan for the use, and management of funds to fulfil the objectives, and activities of the Society. The budgets are prepared using a zero-based approach. These should take into account the outputs of the activities as agreed with partners and any objectives and performance targets set.

**Objectives for Budgets:** It is a management tool for resource raising and resource allocation. It provides a framework for developing work plans, and facilitates disciplined execution of activities through monitoring, and internal controls financial and otherwise. It is a primary control tool for financial adherence to Society objectives which includes:

- i) **Preparation:** The Society follows a bottom up approach for preparing budgets. The activities are designed into a work plan with scheduled timelines, which are translated into costs and expenses.
- ii) **Features:** The budget incorporates the anticipated expenditure for all activities for the year based on the committed funding available. The budget includes expenses for all activity groups, costs under each activity groups and expenses under all major heads. It also contains operating and capital expenses and is aligned with the work plan. It is a financial framework that lists all planned activities and deliverables.
- iii) **Consolidation:** All budgets are for the calendar year and also aligned to partner requirements. Individual budgets are prepared for different office locations (state/ partner specific). The multiple budgets for these are consolidated to provide a holistic view of the entire resource requirements, and its allocation for the specific year. This process requires close alignment of resources with program execution calendars (timelines) so that fund availability is streamlined without any delays.
- iv) **Template:** Budget templates are standardized in both format and contents. It is ensured that there is alignment to the Chart of Accounts adopted by the Society.
- v) **Approval and Implementation:** The process for budget approvals within the Society is followed as per the SoD matrix (Annexure – A).
- vi) **Realignment and Variance:** During the approved financial cycle of the budget, sometimes budgets may require realignment from original estimates due to activities and deliverables undergoing a change. Such deficits or excesses require anticipation as activities progress and appropriate approvals from the respective Department leads and finally from the Director, who will share with partner for approvals and alternate budget solutions as required.
- vii) **Indirect Costs:** Indirect costs are costs which cannot be directly identified exclusively with a single program. The indirect costs are applied equitably across all programs on the proportion of cost of the individual program bears to the sum total of all costs. Such cost rates are applied on a monthly basis.
- viii) **Confidentiality:** Budgeting is a confidential process. The tools provided to budget an activity include sensitive Society information. Disclosure of the budgeting process or release of any information related to budget such as salaries, to anyone inside the Society, other than concerned officials as mandated by the Director, and outside the Society is not permitted. Under any circumstance, if such an instance is brought to the notice, it will have serious implications as decided by the senior management team of the Society led by the Director.

## 8. ACCOUNTING FRAMEWORK AND POLICIES

The accounting framework of the Society reflects and ensures that the financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) as detailed below:

- i) **Accrual:** All revenue and expenditure is accounted for on the basis of accrual which is, revenue is accounted when it occurs and expenditure is accounted when the liability arises as distinct from when the actual cash flows take place.
- ii) **Matching:** All costs and expenses for an accounting period are matched with the revenue related to the reporting period.
- iii) **Recognition:** Revenue recognition occurs once the earnings process is confirmed and completed as distinct from the actual cash flows.
- iv) **Historical Cost:** The accounting is carried out on the Historical Cost convention which will reflect the assets and liabilities on the basis of acquisition costs without any reference to its changing market values.
- v) **Currency:** Accounting is recorded in the local currency of the country i.e. Indian Rupees consistently, and any foreign currency based transactions is converted to Indian Rupees.
- vi) **Going Concern:** Accounting is done on the assumption that the Society is a going concern and shall continue to function into the foreseeable future.
- vii) **Materiality:** Accounting is based on the assumption that all items are of material nature which will significantly influence/impact the financial statement by its inclusion or omission and endeavor to reflect the same.
- viii) **Cost / Benefit:** Accounting proceeds on the assumption that the costs and benefits of a transaction are weighed against each other and accounted for to reflect the same.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy, if any explained below under Significant Accounting Policies for ensuring best practices to be followed in accounting.

### Significant Accounting Policies:

#### 8.1 Basis of Accounting

The financial statements are prepared to comply with the Society's procedures and policies in all material aspects with the notified accounting standards as per in country statutory requirements. The financial statements are prepared under the historical cost convention on accrual basis. This basis of accounting is consistently applied every year.

## **8.2 Expenditure**

Expenses are accounted for on accrual basis at the point of incidence and the moment the liability is incurred as distinct from the time they are actually paid for. Provision is made for all known liabilities and losses.

## **8.3 Fixed Assets**

Fixed Assets are accounted at historical cost of acquisition. The cost of acquisition comprises of purchase cost and all costs directly attributable to bringing the assets to the present condition for its intended use.

## **8.4 Depreciation**

Depreciation on fixed assets is provided on "Written Down Value Method" based on the useful life of the asset, which is calculated by taking the purchase or acquisition price of an asset subtracted by the salvage value divided by the total productive years/estimated useful life of an asset. Since the fixed assets are predominantly in the nature of electronic assets, whose values are prone to faster impairment and attrition, fair market value is determined jointly by committee comprising of one representative from finance team, concerned state team and person authorized by the Director. A table showing the estimated useful life of a Society's asset is detailed below.

## **9. Bank**

Accounts Division will be managing all transactions with the ASK's Bank.

- i. All cheques and drafts received will be deposited in the appropriate bank accounts within two days.
- ii. Bank Reconciliation statement should be prepared in the prescribed format. The Finance Head should review the bank reconciliation statements on monthly basis and take appropriate action to settle the outstanding entries and stale cheques, if any.
- iii. The cheques should be pre-printed (or stamped) as "ACCOUNT PAYEE ONLY."

## **10. Cash**

Accounts Division will exclusively responsible for handling of cash. Other division and section of ASK receiving cash for any authorized activity must deposit the same immediately with Accounts Division.

- i) All payments will be made by Account Payee cheque, draft or direct bank transfer as far as possible.
- ii) No cheques will be issued in any other name except the name of the party mentioned in the bill.

- iii) No bearer cheques will be issued, except for cash withdrawal as far as possible.
- iv) Cash withdrawal for programmatic requirements will be made on the basis of the form prescribed with the approval of the 'Approving Authority'.
- v) Cash will be physical verified at least once in a fortnight by the Accounts Division.

## **11. Payments**

All payments will be made only on the basis of authorized approval by the competent Approving Authority.

- i. Payments of bills should be completed within a week of their receipt by Accounts Division.
- ii. Proper support and third party vouchers must be adequately scrutinized by Accounts Division before clearing any bill for payment.
- iii. Accounts Division should scrutinize all bills with respect to the existing guidelines and norms laid down in ASK before clearing their payments.

## **12. Invoicing:**

- Domain manager need to share mission matrix on first week of every month to Finance Department.
- Each domain has to provide a signed copy of the contract/ToR to Finance Dept. to update their database.
- Invoice needs to be raised by the concerned staff along with advance settlement. For Evaluation / studies / long term assignments, invoices will be sent to the concerned agencies after sending the due reports, or as per the provisions made under the ToR / Agreement / Contracts / Proposals.
- While sending invoices to the Finance Department by any staff other than the Domain Coordinator, CC must be marked to the Domain Coordinator so that the Domain Coordinator is updated regarding all invoices and have copies of all invoices raised through that domain.
- With effect from 22.12.2014, any employee, if he/she is responsible for raising the invoice, then at the time of mailing the invoice to accounts department he / she will attach the Final Approved Proposal/quotation/TOR/CEF along with the invoices. Accounts division will not make the final invoice until and unless Final Approved Proposal/TOR/CEF/Quotations is received by them. Thus if there is any delay in sending the final invoice then concerned

Employee will be responsible for that, in case of Non Receipt of approved proposals by the accounts dept.

### **13. Accounting Software**

The Society uses accounting software tally ERP which provides the basis for recording and controlling transactions in digital format and a platform for accounting records and documents which includes:

- i) Captures all accounting entries on a double entry basis on a self-balancing module.
- ii) Provides recording options, such as Payroll, Inventory.
- iii) Generates all basic documents like cash, bank and journal vouchers, invoices, ledgers etc.
- iv) Generates all financial reports for Accounts Receivables and Payables like Trial Balance, Balance Sheet and Income & Expenditure A/c.
- v) Generates specific reports highlighting Grants, Projects, Partner and Budgeted activities.
- vi) Generates all main ledgers and subsidiary ledgers.
- vii) Generates all cash book and multiple bank accounts.

### **14. Personnel Transaction**

In this manual, personnel transaction refers to the transaction between ASK and its staff. The scope of personnel transaction are :

#### **1. Salary**

#### **2. Advance for Official Purposes**

##### **1. Salary**

- ASK has the policy to pay Salary maximum by 5<sup>th</sup> day of every subsequent month.
- Mode of payment of salary is direct credit to their bank account
- The salary is processed considering all statutory deductions, allowances, repayment of loan installments by employees etc for the month.
- Accounts Manager also requires noting down the name of employees whose salary is to be kept on hold with reasons such as of resigned staff etc. Accounts need to take confirmation from HR before processing the salary of such employee.
- Employees whose bank account details are not updated properly with HR team ,their salaries are also put on hold.
- HR team should provide the details of statutory payments like PF to Accounts team before the due dates.

##### **2. Advance for Official Purposes**

###### **Advances for Division**

- a. Advance requisition for any amount will require minimum 3 days' notice to accounts division.
- b. Appropriate advance request form has been filled and authorized by the competent Approving authority/ Domain manager/ Director.
- c. Payment of advance will be made by Accounts Division only on the basis of authorization by Director and after ensuring compliance with existing norms and procedures.
- d. Reasonable expenses (inclusive of all taxes, service charges, etc.) incurred by the employees will be submit / reimbursed on actual but as per the Project budget.
- e. Advances will be carried over for a maximum of one month or the completion of the mission. However in case a Division is to organize a workshop or any meeting a fresh advance may be considered.
- f. Settlement of bills will be responsibility of the Accounts Division after ensuring the compliance with the existing norms and procedures.
- g. All ASK staff/consultants are expected to submit their bill for expenditure incurred in the format prescribed with necessary supporting bills after completion of the programme/mission within 7 days of the completion of the Mission. Failure to do so would result in deduction from their salary/ honorarium in the following month
- h. Division must not use the imprest amount for purchasing of assets. A separate request must be sent to Director and accounts division for the same.
- i. Advance to third party will be made only through Account Payee cheques, drafts or direct transfer in the bank account, subject to the following provisions:
  - It has been duly authorized and approved by the Approving Authority.
  - The activity in the budget has already been approved by the Director/ Domain manager.
  - Availability of Funds for the activity.

## **15. Record of transaction**

The Accounts Division will maintain records of transaction in the following manner.

1. Cash book
2. Bank book,
3. Journal book
4. General ledger for recording of: -
  - i) Non FCRA receipt and payment
  - ii) FCRA receipt and payment

## 16. Flow Chart of Accounting System

- Preparation of voucher with complete details and proper narration, and support for the respective Project. The vouchers should put for the approval to the competent authority. After the getting the voucher approved by the competent authority vouchers should file in respective project.
- Entry in their respective Project /under the project budget head/ Programme.
- Posting in general ledger as well as in other subsidiary ledgers as per the functional heads Receipts and payment account.
- Preparation of trial balance, Income and expenditure accounts, Balance sheet.

## 17. Tax Deduted At Sources (TDS)

- i) The Accounts Division will be responsible for TDS as per the prescribed guidelines by Income Tax Department of Government of India.
- ii) TDS will be deposited to the competent government authority within the stipulated period along with proper forms and challans.
- iii) The party from whose payment TDS is deducted will be provided a certificate.
- iv) For ASK staff and consultants TDS certificate will be provided by June 30 every year.

## 18. GST (GOODS & SERVICE TAX)

- 18% GST is applicable on Institutional charges.
- GST not applicable on reimbursement of travel expenses, Lodging & boarding expenses.

## 19. Records

- i) **Financial Records:** Financial records comprise of the Books of Accounts, financial reports and all documentation such as bank reconciliation statements and basic supporting documentation for all transactions. It is the responsibility of the Finance Team to maintain the financial records in the Gurugram office chronologically under appropriate filing arrangements. Electronic backups for such records should also be created and copies should be maintained in backups and cloud based server apart from retaining the originals. All the financial records should be kept up-to-date with latest inputs at any time of the year.
- ii) **Project Records:** Project records constitute all records relating to execution of Society activities including work plans, budgets, minutes, contracts, data, reports, etc. It is the responsibility of the respective departments to maintain these records under appropriate filing arrangements for internal controls and partner requirements.

- iii) **Statutory Records:** Such records relate to compliance with law of the land in Country and others regarding Minutes of Board Meeting, Members Register, Tax Assessment records, Approvals from authorities, Certificates etc. It is the responsibility of the Finance team to maintain these records in originals and also have sufficient electronic backups for security.
- iv) **Duration:** As required by local laws, all records are to be maintained at least for a period of 10 years from the year of occurrence.

## 20. Statutory Audit

Annual statutory audit of all accounts of ASK will be conducted by an external professional Chartered Accountant.

Physical verifications of fixed assets, publications in stock, library books and periodicals, stationary stock, etc. should be arranged by Accounts Division at least once in every year at the time of annual audit.

## 21. Reporting

The Accounts Division will be responsible for all statutory reporting, with the approval of Director.

- i) Annual Income Tax return of ASK should be filed with the Income Tax Department as per format prescribed sufficiently in time.
- ii) Annual reports to FCRA Department should be filed in the prescribed FC 4 Forms after proper certification by statutory auditors sufficiently in time.
- iii) All follow-up correspondence and dealings with these statutory bodies will be the responsibility of Accounts division, in consultation with Director, wherever required.

## 22. PURCHASE PROCEDURE FOR FIXED ASSETS

### Definition of Fixed Assets

Any asset having value more than Rs.10, 000/- per unit and the life of asset is more than one year.

Based on the request/ requirements the Admin Division will invite quotations with regard to purchase of capital equipment.

Atleast, three quotations need to be obtained which will be checked by the Admin Division to decide on the vendor. Normally, the lowest quotation shall be accepted. If for technical or other reasons, the lowest quotation is not acceptable, the reasons will be recorded and the supply order placed on the vendor offering the best combination of quality, cost and delivery.

## 23. OTHER PURCHASES

Purchase of consumable of any item over Rs. 2,000/- for office (stationery, upkeep, repair & maintenance etc.) should have prior permission of the Director.

## 24. BANKING AND MONEY MANAGEMENT POLICIES

### a. Banking

The banking of the Society is a centralized function with controls vested with the Director and Finance Manager with necessary authorizations from the board.

**Bank Accounts:** All Society funds received from partner are handled through exclusive designated bank accounts dedicated to handle specific funds. All bank accounts of the Society are opened with the authority and approval of the board of the Society. The Society has two approval authorities for all banking payments. Before any bank payments (either through internet banking/cheque) are made necessary approval, process needs to be completed as mandated under the payment procedure of authorise signature.

### b. Approvals for Disbursements

Maximum disbursements are preferred through Internet Banking as approved by the Reserve Bank of India. Cheque payment is resorted to only in cases where the recipient does not have internet banking facilities and is therefore an alternative procedure and kept to the minimum.

All bank payments (internet banking and cheques) will be processed day to day business after approval of mandate authorise signatory.

- i) **Electronic Banking:** Most of the bank accounts of the Society are enabled for electronic banking wherein transactions can be conducted online. The authority to operate the accounts electronically is controlled through password mechanism. The authority to operate the bank account electronically has to be registered with the bank that provides the internet access to the persons registered. Highest levels of electronic and internet banking security is enabled by the bank, which also provides an excellent audit trail. All banking related documentation is maintained at the Gurugram office of the Society.
- ii) **Reconciliations:** All bank accounts receiving and payment of fund from and to partners are reconciled on a monthly basis by the finance team at Gurugram office to ensure that all receipts and payments are reconciled with the bank balance. The same is to be approved by the Director.
- iii) **Review:** The banking policy of the Society is subject to reviews from time to time to assess the optimum suitability and efficacy of the system. This process is led by the Finance team, and supported by the Finance Head.
- iv) **Foreign Currency Transactions:** Transactions in foreign currency, if any, are recorded at the exchange rates prevailing on the date of the transaction. The gains or losses due to increase / decrease in reporting currency due to fluctuations in rates of exchange on

transactions in foreign currencies are, recognized as income or expense in the period in which they arise, and cannot be claimed from the partner.

## 24. Cash Management

The cash transactions are confined to the inevitable, and a minimum as per the Society's policy. It is restricted to petty cash advances and field payments and office expenses.

The Cash book remains updated daily and the daily book balances are agreed with physical balance as verified in the cash count sheet with denomination by the finance and which is authenticated by Finance Manager. The cash is kept into safe under lock and key of cashier/finance in charge. Payment is made against a duly authorized voucher supported by relevant documents.

Both Cash – in – transit and Cash – in vault have an insurance coverage.

Ideally cash disbursement should not be made by person responsible for preparing / checking voucher. In absence of sufficient finance staff such segregation of duties are met through alternative arrangements.

- i) **Transactions:** No cash payments are made in excess of INR 2,000 at one time. The transactions in cash are restricted to petty cash office expenses and any field payments as appropriate.
- ii) **Risk:** Restriction of cash transactions is meant to minimize risks and impropriety inherent in cash transactions. Cash carrying of big amounts are not encouraged.
- iii) **Imprest:** The Society uses the imprest method for cash management. Imprest advances are being maintained in each location and is settled through a proper documents by the end of the every month. Once the advance is settled, and then the account is replenished with the required estimated for the ensuring month. All such expenses are correctly reconciled by the finance team at month end at each location. Each transaction is supported by documents, approvals and entries made in the accounting system at month end.

## 25. Reimbursements

All reimbursements/payments are made for expenses incurred by employee/ consultant without taking advance for such expenses. Care must be taken by the concerned that such expenses must be eligible of being reimbursed. Reimbursements must be requested using the Settlement Form and must be approved by the relevant authorities.

## 26. Filing

- i) **Documentation:** The Finance team shall be responsible for keeping all the Books of Accounts, Audit files with all schedules and Notes, Tax files, Cash and Bank Payment Voucher files, Adjustment Journals, Vendors and Payables, Donor and Account Receivables and Invoices and Bills, Contracts and other financial record files, chronologically and clearly demarcated and filed safely.
- ii) **Identification & Access:** Appropriate labelling and coding system should be adopted for easy identification and retrieval. For computerized data, the file names should facilitate easy retrieval and files should be maintained in folders divided into years and subject matters.
- iii) **Storage:** Adequate storage spaces must be created for storing files which are archived for at least 7 financial years. Only the files for the current year and the previous 2 years should be retained in current filing space and all the files for earlier years should be transferred in the archive area of the office.
- iv) **Disposal:** Disposal of financial records is critical and care should be exercised to retain confidentiality of the information. The most preferred method is shredding. Decisions regarding appropriate disposal of records is to be taken by the Director in consultation with Finance Manager.
- v) **Project & Other related files:** All other non-financial files are to be maintained by the respective departments at the Office locations and scanned copies of their records are created and sent to Gurugram office for an additional set to be maintained. The same policies regarding filing, storage and disposal should be followed for other documentation.

## 27. Transactional Documentation

The Society maintains documentation for all internal and external financial transactions. As a policy, the following documents are fundamental for transactions of specific nature and should be generated:

- i) **Receipt:** Generally, evidence for external transactions is provided on a Society receipt from the payee. Employees/ consultants should endeavor to support all financial transactions with paid receipts apart from other documents such as invoice bills etc.
- ii) **Petty Cash Vouchers:** There are some small non repetitive payments for external transactions that need to be made to individuals who are not in a position to issue receipts. Petty cash vouchers can be submitted for such payments.
- iii) **Forms:** Travel Authorization, Travel Advance/Advance, Travel Expense Report, Trip Report, Personal Vehicle Reimbursement is used for travel related documentation and reimbursement. Monthly Time Sheets (please refer HR manual) is used to track and compute time spent by employee/consultant in different activities. All these other documents/forms are used for various transaction types

- iv) **Invoices:** Invoices for payments to vendors for purchase of goods and services duly supported by proof of delivery challan or job completion as applicable.
- v) **Bills:** Bills, cash memos, air tickets, boarding pass, train tickets, cab hire slips etc. are some of the other documents which can be supporting to related expenses.
- vi) **MOUs and Contracts:** Payments are occasionally made for which a signed MOU and/or contract can serve as acceptable documentation.
- vii) **Emails:** An email is also considered as an appropriate evidence for approvals, decisions and implementation and is integral part of the documentation.
- viii) **Expense Report:** Expense Report is a reimbursement claim document recording expenses incurred over a number of days or period normally a month or less in a consolidated manner with supporting documents.
- ix) **Non Payment Transactions/Journals:** Adjustment entries and vouchers and internal transfer forms which should enable accounting entries to be completed to reflect the correct position regarding advance, asset, expense or liability.

## 28. INVESTMENT:

1. Investment of funds received in General Fund or Staff Welfare Fund is made with an aim to increase the balance and such investment is made on a long term as well as short term basis in instruments that are stable & reliable. The Board of Governors decides on investment to be made and exposure to risky instruments like share is avoided.
2. Investment of Fund Received from Foreign Contribution is made with an aim to increase the balance and such investment is made on a long term as well as short term basis in instruments that are stable & reliable. Such investment has to be done with proper approval of the donor on surplus fund.
3. All investments are made and held by the organization in its own name and tagged with the official bank account to avoid unnecessary hazards

## **ANNEXURE-A**

### **LIST OF COMPETENT APPROVING AUTHORITY FOR ALL PAYMENTS**

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#### **Approving authority at the national level**

1. Director
2. Assistant Director
3. Domain Manager

**ANNEXURE-B**

**ASSOCIATION FOR STIMULATING KNOW HOW**  
V 30/3 DLF PHASE III, GURGAON-122002

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ASK-A/C Form 1

**ADVANCE REQUISITION FORM**

S.No.	Mission	From	To	Project Name	Date of Advance Settlement and Invoice	Purpose As per head	Head wise Amount Required	Total Amount Required
01.								

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**Amount :( in words)** \_\_\_\_\_

Receiver's Signature: \_\_\_\_\_ Approver's Signature: \_\_\_\_\_

**ANNEXURE-C****ASSOCIATION FOR STIMULATING KNOW HOW**  
V 30/3 DLF PHASE III, GURGAON-122002ASK-A/C Form 2**EXPENDITURE/ ACCOUNTS SETTLEMENT FORM**

Name: \_\_\_\_\_ Division name: \_\_\_\_\_ Period: \_\_\_\_\_

Purpose: \_\_\_\_\_

Sr. No.	Particulars	Amount (Rs)	Encl. No.
<b>A</b>	<b>GENERAL</b>		
1.	Photocopy		
2.	Typing		
3.	Notary/Oath etc.		
<b>B</b>	<b>TRAVELLING</b>		
5	Outstation		
6.	Local		
<b>C</b>	<b>COMMUNICATION</b>		
7.	Postage (Courier / Speed post / Registered Post / Post / Parcel)		
8.	STD		
9.	Mobile		
10.	Telephone		
11.	Internet		
12.	Fax		
<b>D</b>	<b>MEETING / TRAINING / WORKSHOPS</b>		
13	Travel		
14	Lodging and Boarding		
15	Venue		
16	Stationary, equipments		

<b>E</b>	<b>MAINTAINENCE</b>		
17	Office		
18	Equipment		
<b>F</b>	<b>UTILITIES</b>		
19	Electricity		
20	Water		
<b>G</b>	<b>MISCELLANEOUS</b>		
		<b>Total (Rs.)</b>	<b>Amount</b>

Amount :( in words) \_\_\_\_\_

Receiver's Signature: \_\_\_\_\_ Approver's Signature: \_\_\_\_\_



## Guidelines for Accounts Division

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### 1. Identify your Division's requirements

Always have an overall idea of the expenses and requirements of your division's work – salaries, administrative expenses, activity expenses, special events and publications. Work with the Project Co-ordinator, accounts division and Director to plan the division's year plan and corresponding budget.

### 2. Agreement

Once you have received confirmation that your proposal has been accepted please follow the following steps:

- a. Authorised signatories to sign any agreement on behalf of ASK:  
Director. (This is an important legal requirement)
- b. A complete copy of the Agreement, Final Budget must be sent to the Team Leader of Respective Division.

All **correspondence** between ASK and the Donors will be maintained in a separate file.

PREPARED BY	CHECKED BY	APPROVED BY
Mr. Arjun Pal (Accounts Officer)	Mr. Prakash Kumar Layak (Head-Programs)	Dr. Aqueel Khan (Director)
		