

B Financial and Administrative Procedure of SPWD

A. General

1. Project framework for expenditure

Broad framework for expenditure approved by the Board in the Board meeting held in March of the previous year. The basic principle that expenditure not to exceed income except under extraneous circumstances. Soft measures not to be allowed. Organization to have robust and flexible approach to respond to new challenges. Staff recruitment policy and salary packages approved by the Board except in the context of specific project based funding for which the project framework provides the guidelines.

2. Project Funding and Management

Three basic approaches:

1. Core funding to ensure SPWD address its mission statement. This from corpus grant and income received by SPWD from rent etc.
2. Support for exploration. To open new avenues for SPWD in the light of current developments and consistent with SPWD mission statement. Corpus funding grant provided by SDTT.
3. Project support, from specific project grant of donor. While the donors may have their own priorities, SPWD will take up projects in line with the mission statement of SPWD. SPWD may also put in extra efforts with its own resources to give the project initiative an organizational thrust in line with the mission Statement.

For the above the concerned staff proposing a specific initiative will respond to suggestions from Board, ED, staff members etc. The objective being to ensure an organizational thrust. Monitoring will be done by the specific programme team responsible for implementing the project. FAM, PD (Admn.) and ED will ensure this.

3. Administration Expenses

General principle that this is to be conducive to SPWD's programme and exploration of new avenues. Apart from that, the maintenance function is critical. PD (Admn.) is responsible and will be guided from time to time by ED.

B. Financial and Administrative Procedures

Partner NGOs

- MoU drafted in NGO in consultation with them and based on the proposal with donors

- MoU to be approved by ED and signed by ED and Partner NGOs
- ToR of consultant to be Approved by Chairman
- After approval , ToR Signed by ED and Consultant
- TDS deducted @ 10% on the Amount given for time spent by Consultant on study
- Report is being prepared on monthly basis.

Installment Released

- First installment to be released after receiving the signed MoU
- Next installment to be released after receiving the bills and quarterly narrative reports.
- Request sent by Consultant/Partner NGOs for next installment with Financial Statement and narrative report to the concerned Officer
- Concerned Officer send the request for release to Head Office
- Request to be approved by ED

Reporting from Partner NGO

- Partner NGO send the Unaudited financial report and narrative report for the quarter and Audited Report for the Financial Year
- Consultant send the bills and the Study Report

Grants (FCRA/Non FCRA)

- Agreement is signed by Donor agencies and ED,SPWD
- First installment received after signing the Agreement
- Request for next installment sent by SPWD to Donor agencies
- Grant released to SPWD according to Terms and Conditions of the Agreement
- Reporting to Donor Agencies: Audited Statement for the financial year sent to Donors for the Grant

Income Tax

- The Permanent exemption under section 10(23C)(iv) of the Act has been obtained with no financial burden on the Society and the Society stands to gain by way of increase its cash flow. Application has been filed for obtaining exemption under section 80 (G) for three years
- Prepare a list for calculation against each staff for deduction of TDS, and ask each staff to submit their supportive documents to save the TDS if permissible.
- Prepare the quarterly return in respect of salary and other than salary & file
- Filing of Annual Return of Society with the IT Department with the necessary enclosures as soon as it adopted by the AGM

- Issue the certificates (Form – 16) to all staff and other professionals/contractors (Form 16-A) .

Statutory Reports

- Receipt and payment accounts (along with the detailed receipt/expenses statement) is being prepared on monthly basis.
- Preparation of Income & Expenditure statement in respect of all accounts on annual basis.
- Preparation of balance sheet in respect of all accounts of SPWD on annual basis.
- Preparation of balance sheet for FCRA accounts following the rules & regulations of FCRA
- Filing of FC-3 form for submission to Ministry of Home Affairs
- Filing of EPF Return
- Property tax to be deposited to MCD
- Ground rent to be deposited to L&DO
- Liability to be provided to LIC for gratuity account in respect of SPWD Staff as per guidelines of Gratuity Act

Corpus Fund

- Corpus fund to be invested in different banks. Received interest on quarterly basis on the amount invested. The interest amount deposited in the Org Expenses A/c for meeting administrative expenses including salary payable to SPWD staff.
 - In case of SDTT corpus, two important conditions are there on the use of the interest income
 1. 70% of the interest income should be used on SPWD's core programme in land, water and forest management
 2. 30% of the interest income earned during a financial year should be utilized on administrative expenses.

Accounting Software

- For the last so many years, VOLAC accounting software was in practice. With effect from Ist April 2011 a popular brand called "Tally" is used. In spite of the computerization accounting systems in the Society, some registers are being maintained manually in order to smooth working atmosphere.

Statutory Audit

- Audit is conducted on a half yearly basis. There is no internal audit system in the Organization. The auditors may be requested to submit a management report containing their comments on internal control and suggestion for improvement.

Reconciliation

- Maintain register for Cheque issued and cash/cheque deposited in bank.
- Tally cash book with the monthly bank statement.

Procedure for purchase of Assets/Stationary

- For asset quotations to be given to Administration
- Final agreed quotation to be approved by ED.

Procedure for purchase of New Books

- Note given by Librarian for purchase of new books to the Library Committee
- Note to be Approved by the Library Committee

Procedure for Maintenance

- Annual Maintenance Contract has been given for Lift, Fire Systems, Generator and RO water Purifiers
- Services of Computers/Printers, ACs, Electrical equipments, EPABX board/ Telephone/Fax , Vehicles and Refrigerator on call basis

Procedure for Governing Board /AGM meeting

- Prior information send to all Governing Board for suggested dates of meeting
- Agenda to be approved by Chairman
- Approved Agenda send to all Governing Board Members
- After meeting draft minutes sent to Board members

Annexure – 1

Steps taken in:

a. Preparation of budget

This has the following components-

In the context of Board, this is done in the last Board meeting of the previous year. The yearly expected budget and expected cash flows are presented in the Board based on sanctioned projects, previous experience and projects in the pipeline.

b. In the context of specific programme this involves consultation with partner NGOs and related communities to develop the programmes. Costs are dependant on previous experience and on time expected to be taken depending on the Log Frame Analysis.

c. Evaluation of projects and programmes:

- Process of concurrent evaluation followed. Action research methodology (action-reflection-action)
- Donor specified mid-term reviews.
- Internal reviews of programmes by SPWD. SPWD did a review of ten programmes in 2006-07 in the context of the Silver Jubilee. These reports have been the basis for further work done by SPWD

d. In the context of beneficiary involvement, this is in the following manner:

- consultation at the time of programme design
- involvement of key persons from the field at the time of implementation, these persons will facilitate monitoring and follow up as well.
- Periodic discussions with the group as a whole, mostly need-based or on a yearly basis. Dissemination of finding of reports, latest policy developments and facilitation of stakeholder forums etc.

Annexure 2

System of allocation of common overhead costs to different project/programmes

The Staff time deployed has been divided into the following:

1. Work on projects/programmes etc.
2. Programme development where immediate funding is not available.
3. Documentation and Policy Advocacy
4. Financial monitoring and administration
5. General administration.

For item number (1), staff time is directly booked to the project. In the context of item (2), SPWD supports such initiatives from its core funding (corpus funds). In the case where specific activities can be identified but for which funding is not immediately available, SPWD tries to support such activities through the corpus support from SDTT for programmes, a note has been written to SDTT as to how the funds given by them have been helpful.

(3) Apart from the programme staff, (which is part of programme support), some of the support and administrative staff are facilitating the process of documentation, policy advocacy and proposal writing. So far no specific allocation of this time has been factored into the funded programme support asked for from donors but some attempt at costing this exercise is being done. As a thumb rule, the work done by programme staff on programme development not funded by the current projects is equivalent to this cost, however the issue is being looked at separately.

(4) Financial monitoring and administration. The team involved in this has been identified in the annexure. In addition there is one person in the field units of Udaipur and Ranchi as well.. The figure put down in the context of specific proposals is more or less proportionate to expected time spent on the project by programme staff.

(5) General administration, some nominal costs like postage, telephone, and stationary are accounted for. Mostly this is allocated against rent received from the tenants. The issue of decline in this revenue will necessitate that this is looked more systematically.

Annexure - 3

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New Delhi

ACCOUNTING PROCEDURES

The Following procedures for proper accounting:-

1. Petty Cash

- Print out of updated cash balance whenever expenditure has been made. This is kept in petty cash file. File put up to PD (Admn.) as follows:-
 - Every week for reviewing expenditure pattern.
 - For replenishment of petty cash balance once depleted.
- Cash entries made on computer (Tally) on a daily basis as and when expenditure incurred.

2. Signing of Cheques

The following Procedures have been laid out for signing cheques

Sr No.	Activity	Approving Authority
1.	Approval of content for which expenditure to be made <ul style="list-style-type: none"> - in normal circumstances - in cases where direct involvement of ED is there 	ED Chairman
2.	Approval of financial memo	PD (Admin)
3.	Signatories <ul style="list-style-type: none"> - in routine circumstances - in other cases - in other cases (emergency) 	Either two of ED, PD (Admin), FAM PD (admin) and either of ED or FAM ED and FAM with note put up to PD (admin) by FAM

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New Delhi**

Subject: A/c procedures for MoU and compliance with MoU signed with Donors

This is to keep in mind the following:

1. General principles outlined in the MoU
2. Responsibility Centre

In this the following is suggested:

- ❖ All approvals for programme persons to be done by ED
- ❖ PD (Admn.) to be given MoU etc. in similar manner as the petty cash register