

VIVEKANANDA LOKSIKSHA NIKETAN

Regd. No. – S/38056, FCRA No.-147040042

At- Faridpur, P.O.-Dakshin Dauki, Dist- Purba Medinipur, West Bengal, PIN- 721450

Email- vlncontai@yahoo.in & Website: - vlnindia.org

FINANCE POLICY

1. Fund Receipt

Sources of Funds: The NGO receives funds from the following sources

- i) Income generating programs
- ii) Donations received from philanthropic organizations and individuals including foreign organizations and foreigners.
- iii) Grants in aid received from Central and State Governments.
- iv) Service charge received from Hostellers/ Boarders/ Guest House.

2 Signatories to Cheque Books

The General Secretary, the President and the Treasurer of the NGO will be signatories to the NGO's cheques. Money can be released by the signatures of the General Secretary and any one of the other two.

3 Types of Accounts

The following five types of accounts are maintained by the NGO including project wise separate accounts:

- i) Savings Account, ii) Current Deposit Account, iii) Fixed Deposit Account, iv) Recurring Deposit Account and v) FCRA Account

4. Fund Disbursement

All payments are made either by cheque or by cash or online.

4.1. Payment by Cheque

Crossed cheques or Bearer cheques will be issued for all the payments.

4.2.Payment for Purchases

Payment against purchases exceeding Rs. 5000 shall be made by cheque.

4.3. Payment for Services Rendered

1. Payments for Staff Salary/Honorarium

2. Payment Calendar

Staff salaries are paid within seven days following the completion of the month. Single bank statement and single Cheque will be sent to the bank with the names and account numbers of the staff members for depositing their salary in their respective accounts or if any individual not having bank account will be issued individual cheque.

1. Staff payroll

Staff Payroll (salary sheet) is prepared by the Accountant as the basis of payment. The staff payroll contains information on the employees' salary/honorarium for the month, allowances if any, deductions and net salary payable. The staff payroll is checked by the Treasurer and approved for payment by the General Secretary.

- **Advance Pay**

Advance payment is not given to the NGO employees. For travel purposes, NGO employees shall be given cash advances for expenses to be covered on official trips. Request for cash advances is prepared by the personnel concerned, recommended by the Treasurer or Project Coordinator and is approved by the General Secretary. All cash advances for travel are to be liquidated within a week following the completion of the trip.

1. **Income Tax Deduction at Source**

The NGO will deduct tax at source where applicable as per Government rules.

1. **Professional Tax Deduction**

The NGO is registered with Government for deduction of professional tax. It is renewing the registration every year. Professional Tax is deducted from the staff and paid to Commercial Tax Department.

1. **b) Payment for Contractual Services**

Payment for contractual services is done through cheque disbursements. The schedule of payment depends on the Terms of Reference (TOR) agreed upon by the personnel concerned and the NGO. Payments are covered by a Request for Payment Form prepared by the accountant and approved by the General Secretary .

- 4.4. **Procedures for Fund Disbursements**

- All requests for payments are to be made using the appropriate forms.
- Requests for payments are to be properly substantiated with bills/receipts and essential documents.
- Requests for payments are prepared by accountant and submitted to the General Secretary for checking and approval.

5. **Book Keeping and Recording**

- 5.1. **Book Keeping**

The recording system of the NGO's financial transactions allows to monitor bank balances, status of funds receipts and expenditures, and a comparative statement of budget vs. actual expenditure on a regular basis. The NGO will maintain records of fixed assets, petty cash book, stock register, disbursements, supplies, inventory, the use and maintenance of office equipment.

- 5.2. **Accounting**

The following sets of financial reports will be prepared by the NGO:

1. Quarterly financial reports will be prepared for review by each individual project coordinator/project-in-charge/project superintendant of the NGO's specific projects as well as of its core activities. This quarterly report will be reviewed by the Managing Committee of the NGO. Financial reports to donors will be submitted as prescribed in the agreement between the donor concerned and the NGO.
2. Annual Balance Sheet and Statement of Income and Expenditures will be prepared for each financial year.
3. Separate Annual balance sheet and statement of Income and Expenditures will be prepared for the foreign contributions.

9.6. Auditing

Books of Accounts of the NGO shall be audited annually by an independent auditor appointed by the General Body.

NGO may hire internal auditor in order to streamline its accounting systems and procedure

10. Formation of Committees

The following committees are constituted for different program activities

1. Program Committee
2. Financial Committee

Purchase Committee

1. Project wise Sub-Committee

11. Performance Evaluation System

Management will use the performance appraisal system based on the prescribed Format.

Management is responsible for ensuring that each employee's yearly plan has been developed and finalized and provided to the concerned employee by March 31. This will include all the requirements that have been identified by the concerned employee and the Coordinator of the Program and approved by the Management.

Coordinators will be responsible for conduction of Quarterly reviews in the month of April, July, October and January for each employee in their concerned sector for continued encouragement and feedback for improvement. The report will be submitted to the Management.

Management will initiate the yearly assessment review process and by 20th March all the employees should have completed their yearly assessment review.

By 31 March, Management should share the results of the review with the concerned employees

The employees who join during the year shall be eligible for participating in the performance appraisal in the year following the completion of their one year contract with VLN. However, for such employees their entire employment period since joining would be considered at their first performance appraisal.

If an employee fails to perform as per her/his performance plan, the Coordinators/Superintendents shall draw up a Performance Improvement Plan for the concerned employee for a period of six months in consultation with the Management and the employee. During this period the employee is expected to improve their performance along the defined parameters.

At the end of six months of Performance Improvement period, if the employee fails to meet the expected level of performance, the appointment of the employee may be terminated. In case of the permanent employees a memo will be given for a fixed period of time within which the employee needs to show her/his improvement, failing which the Management will take the ultimate decisions.

PERFORMANCE APPRIASAL FORMAT

1. Details of the Appraise:

Name of the Appraise:

Date of joining:

Name of the Project:

Designation: _____

2. Achievements against Planned Objectives

Last 12 Months Objectives	Achievements	Reasons for Variance
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3. Major Contributions made during the year

4.

4. Evaluation of Key Areas

S. No	Parameters	Rating			
		Self	Program Director	Secretary	Total
	Subject Knowledge				
	Interest in updating knowledge				
	Promptness & Timeliness				
	Fulfilling the works as per the job description				
	Innovativeness				
	Ability to mobilize Stakeholders				
	Having long term perspective on developmental issues				
	Communication skills				
	Documentation skills				
	Understanding the Ethos of VLN				
	Promoting Organization Culture				
	Initiative and Leadership				
	Team work and participation				
	Networking and Collaboration skills				
	Commitment to the Poor				
	Transparency in dealings				
	Trustworthiness and dependability				
	Skills in Advocacy and Lobbying				
	Accountability in money matters				
	Moral Character and Integrity				
Total Score					

5. Training Needs and Improvements needed

6.		
Signature of Appraise:	Project Coordinator/Superintendent	General Secretary, VLN
Date :	Date :	Date :

Section- B

CONFIDENTIAL

(To initiated by the General Secretary)

Overall Score: 5 – Excellent, 4 – Very Good, 3 – Good, 2 – Poor, 1 – Very Poor

Remarks:

Confirmed / Extended Probation for one year

Signature of the General Secretary, VLN

Dated:

12. **FIXED ASSETS POLICY**

Purpose

To carry out its activities, the NGO needs material resources. The quality of these resources is dependent upon how they are used. Material resources are in large part durable goods, which need to be well-managed and maintained in good condition. These goods include stationary, tables, chairs, shelves, computers and related accessories. The Fixed Assets Policy will aim at:

- Precise identification of goods that are part of the asset base;
- Sensible use of goods;
- Taking of periodic physical inventory;
- Effective maintenance of goods;
- Replacement of goods when required.

Procedures

At the NGO, the management of material resources is the responsibility of the Accountant and Administrative officer. The procedures involved in managing these resources are

- receiving and recording goods;
- using goods properly;
- maintaining goods;
- taking inventory of goods;
- disposing of goods.

Material resources are managed by means of records or files.

Asset inventory

The purpose of the inventory is the physical monitoring of the items belonging to a project. The inventory makes it possible to detect differences between information about goods in the records and the actual state of goods.

Inventory is usually done once a year and is the responsibility of the finance division.

Procedures for making inventory

The inventory procedure is composed of the following steps:

1. Creation of record cards on
 - Type of item
 - Description of item
 - Identification code
 - Service user
 - Assigned location
 - Previous placement of item
 - Notes on condition of item
 - Record updating
 - Minutes of physical inventory
1. Final removal of an item
2. Replacement of an item
3. List of annual needs

Removal of items

The inventory procedure described above permits the identification of dilapidated or defective goods whose presence in office presents more inconveniences than advantages, for various reasons:

- Steep rise in operating or maintenance expenses;
- Excessive cost of repair;
- Any other objective reason.

The General Secretary should give the authorization to take out or transfer or dispose of any items, and that should be noted in the book of assets

General Secretary
General Secretary,
Vivekananda Loksiksha Niketan
Faridpur, Dk. Dauki,
Purba Medinipur

