



FINANCE POLICY

OBJECTIVE

The purpose of financial management in the operation of all Sakshi activities is to fulfil the organization's mission in the most effective, economical and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, Sakshi commits to providing accurate, transparent and complete financial data for internal and external use.

RESPONSIBILITIES

The Governing Council is ultimately responsible for the financial management of all activities. The Executive Director is authorized to act on the Governing Council's behalf on financial matters.

The Finance Committee comprising of upto three members including Executive Director, Director – Finance is responsible for the day-to-day financial management of the organization. The Governing Council authorizes the Finance Committee to hire and supervise staff and independent Consultants, pay bills, receive funds, and maintain Financial Books, Bank accounts and Compliances.

The Finance Committee is authorized to enter into Contracts for activities that have been approved by the Governing Council as a part of Budgets or Plans.

The Finance Committee is authorized to manage expenses within the parameters of the overall approved budget, reporting on variances and the reason for these variances, if any. Any excesses of expenses over and above the approved budgetary proposals shall be made with the prior approval of the Governing Council. The Governing Council must approve any use of the board designated cash reserve fund.

The Director Finance shall:

1. Account for Donor restricted and Board designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds.
2. Report the financial results of Sakshi's operations according to the schedule established by the Finance Department, at least quarterly.
3. Pay all obligations and file required reports in a timely manner.
4. Make no contractual commitment for bank loans, credit cards, or for real estate leases or purchases without specific approval of the Finance Committee.
5. Record fixed Assets as capital assets in accounting records.
6. Depreciation of capital assets as per existing accounting standards.
7. Limit vendor credit accounts to prudent and necessary levels.



8. Provide adequate training to members to enable each member to fulfil his or her financial oversight role.
9. Empanelment of Vendors for purchase of items or services. Selection will be based on cost, service, and quality.
10. Sakshi may award the contract to any provider and is not required to accept the lowest cost proposal.
11. The Finance Committee shall present the review of financial reports at each Governing Council meeting.

FINANCIAL TRANSACTIONS

Advances of funds to employees, or directors can be authorized by the Finance Committee.

PAYMENT OF GOODS AND SERVICES

Payments of this nature must only occur if the invoices agree with the original order and that receipt of goods has been certified by the Team Lead/ Finance Committee as the case may be. The Accounts Executive will check that:

- The original order was correctly approved
- The invoice agrees with the original order

The Account Executive basis the approved Invoices, relevant supporting documents prepare a list of payment required to be released. The list shall be mailed to the Finance Committee for approval. Based on the approval email the Account Executive will prepare the Cheques for approved payments and get them signed.

The Accounts Executive will post the expenditure in the accounting system. The Accounts Executive will file Cheque Payment Vouchers with Supportings in the Expenditure Vouchers File in order of cheque number.

The Accounts Executive in collaboration with the Administration Coordinator will forward the cheque and any other appropriate documentation to the creditor. Alternatively, The Account Executive will arrange an online transfer to the Payee through the Banking system.

MONTHLY REPORTING

Monthly financial reports are produced by the Accounts Executive and the Chartered Accountant/Financial Consultant and are presented to the Director- Finance for approval. The Director – Finance presents this to the Finance Committee for Approval.

This report includes:

- Statement of payments made
- Summary of the month and year to that date of income and expenditure as a report
- Extraordinary expenditure and other issues of concern are raised in this report



The Accounts Executive and Director – Finance, along with the Chartered Accountant/Financial Consultant prepare the following reconciliation reports at the end of each month:

- Bank reconciliation statements
- Income and Expenditure reconciliation statement
- Accounts receivable reconciliation statement

On direction of the Director–Finance the Accounts Executive will prepare any financial accountability statements required by funding bodies. These will be prepared in consultation with the Chartered Accountant. These statements will be made in accordance with the accountability requirements of the Funding Organisations. Supporting documents will be filed with a copy of the Report.

INCOME AND EXPENDITURES

Income:

- All Funds paid to the organization must be on record.
- The Director – Finance has the responsibility for maintaining internal controls of all Funds. The Director – Finance will oversee all procedures associated with receipt of Funds. The Accounts Executive, in conjunction with the Director – Finance and the Chartered Accountant, is responsible for implementing Control procedures.
- All Funds received is acknowledged by receipt, all finance related transactions by Employees, and all invoices are acknowledged to assist in the audit trail.
- Cheques received for Funds are deposited to Sakshi's Bank account unless the funding body makes other arrangements.
- All money must be banked immediately on receipt.

Expenditure:

- All expenditure (excluding those through the petty cash system) are authorised by the Director – Finance along with the Finance Committee in collaboration with the Accounts Executive and Administration Coordinator to carry out necessary action. Bank Transfers and Cheques are prepared by the Accounts Executive and authorised by the Director – Finance.
- The Director - Finance is authorised to approve purchase expenditure within the budget approved by the Finance Committee. Expenditure on items not allocated to a budget line item must be ratified by the Director – Finance, and where appropriate, approval from relevant funders must be sought.
- The Accounting Team should confirm that funds are available in the cheque account when cheques and online payments for expenditure are prepared.

EMPLOYEE PAYMENTS

Sakshi may hire suitable manpower as Employees/ Consultants/ Interns or Volunteers based on the Organisation's need, post necessary due diligence as per the established procedure.



Letter of Engagement with terms of engagement and remuneration shall be issued before the person joins. Monthly payments shall be made after confirmation on work delivery from Team leads, adjustments of leaves taken. Similarly, final settlements shall be done only after approval of the Executive Director.

BUDGET

In order to ensure that planned activities minimize the risk of financial impropriety and jeopardy; and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives, the Director – Finance shall:

Submit Operating and Capital budgets to the Finance Committee in time for reasonable approval by the Governing Council prior to each fiscal year. Revised Budgetary proposals shall be submitted in the third quarter of the fiscal taking into consideration the overall financial position of the organization and the same shall be approved by the Finance Committee and ratified by the Governing Council before the start of the last quarter of the fiscal.

Use responsible assumptions and projections as background.

DONATION ACCEPTANCE

Sakshi will accept donations or funds to be transferred to the organization. Transfer and recording the value of the donation shall be done in a consistent manner and in compliance with accounting standards.

Sakshi shall accept contributions for services provided by Sakshi, other than cash that are related to services, programs and operations of Sakshi, and should be properly accounted for. Any other contributions of non-cash items must be reviewed and approved by the Finance Committee before acceptance.

ASSET PROTECTION

In order to ensure that the assets of Sakshi are adequately protected and maintained, the Director– Finance shall:

Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.

Plan and carry out suitable protection and maintenance of property, building, and equipment.

Avoid actions that would expose the organization, its governing council, or its staff to claims of liability.



Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.

Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

AUDIT

External Statutory Auditor shall be appointed at the Annual Governing Council Meeting, to examine the records and statements of the organization on an Annual basis.

The Accounts Executive with the approval of the Director – Finance will prepare and make ready any records and statements to be examined by the Auditor.

The Auditor's Report shall be presented to the Governing Council for approval. The Auditor's Report will be forwarded to relevant Government departments and Utilization reports to funders in relation to specific funding and grants.

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End of Document