



Finance Manual 2024

ADDRESS:

Centre for Youth Development and Activities,
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Preface

CYDA-Centre for Youth Development and Activities is a Youth Development support organization, based in Maharashtra, eligible to work in any states of India, working directly with young people and also networking with a number of Youth groups, Developmental Agencies as well as Government Departments, on various developmental issues to empower youth as well as their stakeholders.

CYDA has completed 19 years of work with young people and achieving new heights of success and moving from one milestone to another. This has also added several complexities demanding greater attention for efficient financial and administrative management. Therefore, with a view to regulate its working in a smoother, transparent and more effective manner, these Accounting Principles and Financial Procedures have been framed to serve as a guide and to ensure the functioning of CYDA on a more sound footing.

We submit this Finance manual to the General Body of CYDA to accept this in this form. There always exists the scope for improvement and therefore, this manual shall always be open to incorporate any suggestions that may be received in future, aiming to further improve upon the existing systems.

This manual is to serve as a guide and handbook of internal systems on Accounting Principles and Financial procedures to be adopted and followed by CYDA. The main objectives of this Manual are to:

- Provide a clear description of various accounting principles and financial procedures to be observed and put into practice while documenting various Accounting transactions.
- Establish and set minimum standards for working procedures and methods of accounting systems.
- Clarify the roles and responsibilities of respective departments/units to follow the defined procedures.
- Serve as an Accountant's guide on Accounting Principles and Financial procedures of the Organization.

This is to inform that there is a separate staff works policy which has to be also studied while one goes through this manual. Both this Manual as well as staff work policy constitutes a good practice for CYDA.

Thanking you all

Priyanka Sharma,
Treasurer

12th January 2020

CHAPTER –1: ACCOUNTING PRINCIPLES

1.1 Maintenance of Books of Accounts:

The following Books of Accounts shall be maintained, as per procedure described, at the Head Office at PUNE (MH) as well as by the State Office at Takahatpur (CG) or any other state office opened by CYDA:

- CYDA has opted accrual accounting system.
- The Computerized system for maintaining the Books of Accounts shall be followed and continuously updated on daily basis. For this purpose, registered version of Tally Multi-User Accounting Software has been installed in the Computers, which is updated as and when required.
- CYDA will maintain project-wise expenditure details in the cost centers, to be developed either on the basis of sanctioned / approved budget heads or as per standard reporting formats for respective projects / donors.
- Separate set of books shall be maintained for – i) Projects supported by Local Fund Donors (LF), and ii) Projects supported by Foreign Donors (FC projects).
- Only in case of specific requirement of any Donor Agency, separate set of books will be maintained for such specific projects.
- Donor-wise correspondence files relating to legal and financial matters will be maintained by the Accounts Department.
- The computer print-outs shall be generated for the respective Books of Accounts, as per following periodicity:

S. No.	Books of Account	Periodicity
01	Cash Book	Daily
02	Bank Book	Monthly
03	Day Book	Monthly
04	Voucher Register	Monthly and / or as per audit requirement
05	Ledger Accounts	As per requirement
06	Trial Balance	After Completion of Internal Audit (Quarterly / Half Yearly / Yearly)

1.2 Retention of Books of Accounts & Records:

The books of account and relevant records shall be retained for a period of 8(Eight) Years from the end of the relevant assessment year. However, CYDA will take a decision for longer period depending on the provisions of the Trust Act, Income Tax, FCRA or any other Act.

1.2.1 Non-Disposable Records:

The following records should not be disposed off;

- i) Registration documents with legal departments
- ii) Project Agreements and Utilization Certificates / Statement of Expenditures
- iii) Bills / Invoices and registration documents of Fixed Assets
- iv) Staff appointment letter and other legal documents & records
- v) The Statutory Records e.g. Audited Final Accounts, Statutory Audit Reports, TDS Returns & Challans, PT Returns & Challans, EPF Return & Challans.
- vi) Legal documents related to Board Meetings

1.2.2 Disposable Records:

- i) Bills and Vouchers with supporting documents
- ii) Books of Accounts (if printed)
- iii) Any other records with approval from BoT on recommendation of Finance Committee.

1.2.3 Disposal Process:

A committee of three members will be constituted by the Chief functionary with the approval of the Executive Committee to ensure proper disposal. The disposal of the committee will be ratified by General Body Meeting.

1.3 Reconciliation Statements:

The Accounts Department of CYDA shall prepare and maintain the Following Reconciliation Statements on monthly basis, or as per specific Requirement:

- i) Bank Reconciliation Statement
- ii) Field Advance Reconciliation Statement
- iii) Procedure of the settlement of Un-reconciled entries:
 - (A) – The amount debited to our Accounts: e.g. Bank charges, TDS, Direct debits or Chq issued but not entered in books,
 - (B) The amount Credited to our Accounts: e.g. Bank interest, Direct Credits or Chq Deposited but not entered in books,

 - (C) The overdue cheques: In the case of overdue period cheques, the reverse entries will be passed in the books; the amount of the cheques will be debited/ credited in the name of the concern party, rather than debiting to income or crediting to expenditure accounts.

1.4 Procedure for Advances:

The following procedure shall be adopted and followed for releasing advance payments for respective activities:

- 1) A requisition for sanction and release of Advance payment must be raised by the concerned Office/Staff in the prescribed format.
- 2) The respective requisition for advance must be filled-up completely, including the clear mention of any outstanding amount of advance.
- 3) All requisitions for advances, duly approved by competent authority,(Line manager) must reach to Accounts Department, at least two working day in advance from the date of advance required. However, exceptions may be made only in emergent situations.
- 4) No second advance will be released to any staff member unless and until he/she has cleared/settled the earlier advance already received for the same. However, in exceptional cases, approval of Executive Director is required for releasing subsequent advance, pending settlement of earlier one.
- 5) The cutoff date for submission of accounts for advance received for program related activities, has been determined as last working day of the month.
- 6) All requisitions for advance payments up to Rs.5,000/- may be paid in cash, while payments for advances for more than Rs.5,000/- shall be paid through an account payee cheque in favor of applicant. However, exceptions may be made only in emergent situations, with prior approval by the Chief Functionary or the person delegated by the Executive Committee.
- 7) The system for raising, recommending and sanctioning of various advances shall be observed as per following chart:

S No	Raised by	Recommended by	Sanctioning Authority	Financial limit
01	1. Head Office	Line Manager	Chief Functionary	Upto 50,000
		Chief functionary	One of the office bearers	Above Rs 50,000/-
04	Personal Advance	Line Manager	Executive Director	Upto one month salary.

Note: In following cases, it shall be absolutely mandatory to obtain prior Approval of Office Bearers/ Executive Committee before releasing and/or incurring Expenditure irrespective of any amount whatsoever:

- 1) Any Advances of CYDA CORE funds;
- ii) Any Advances for the purchase of Fixed Assets
- iii) Temporary advances for project due to delay in receiving the Relevant project fund for any reason whatsoever;

1.5 Procedure for Settlement of Advance Accounts:

1.5.1 General Guidelines:

The following general guidelines shall be observed for settlement of accounts in respect of various advances:

- Each of the staff is expected to follow meticulously the dates that are specifically indicated to them for settling their monthly Accounts e.g. last working day of the month.
- The Accounts Department upon receiving the expenditures after the verification/approval from Line Manager shall make entries in the books and prepare reconciliation statement accordingly.
- Each of the entry made in the books shall be duly verified by the Finance Officer
- In case of delay in settling the advance accounts, beyond the prescribed limit, the Management, at its discretion, may with-hold the salary of concerned staff, till the outstanding advance is cleared

CHAPTER – 2: FINANCIAL PROCEDURES

2.1 Procedure for Releasing Payments:

The Accounts Department of CYDA shall observe the following policy for releasing of payments:

1. All Advances payments up to Rs. 5,000/- may be paid in cash, while payments for advances for more than Rs. 5,000/- must be paid through an account payee cheque in favor of applicant.

2. At FO / Staff or Consultant: - up to Rs. 5,000/- may be paid in cash to a Single party, in case of the payments for more than Rs. 5,000/- the Concern staff raise a request to HO/FO for providing account payee cheque or demand draft in favor of concern person/party from HO/FO.

2.2 Procedure for Cash Handling:

For withdrawal of cash from the bank, the Accounts Department of CYDA shall observe the following procedural guidelines:

1) Cash withdrawals from the bank are to be made a sheet as and when funds are required for programs or for making advance payments for project Activities.

- 2) If the bank withdrawal is for less than Rs. 10,000/- a cash requisition will be raised by the Executive Director, duly approved by the delegated authority. For more than Rs. 10,000/-, the cash requisition will be approved by one of the officer bearer or the Treasurer.
- 3) Cash retention limit is define up to a maximum of Rs.10, 000/-
- 4) The Finance Officer/Manager verifies the Indents, Vouchers and the Supporting Bills and checks the accounting statement given by the Accountant
5. He, then checks and verifies the cash balance in the tally companies, tallies it and then closes the Accounts for the day.

2.3 Procedure for Bank Operating:

The following procedure shall be adopted by the Accounts Department of CYDA, for preparing, signing and issuing the cheques for making respective payments:

2.3.1 Authorizations from Board:

The information of opening a new bank account will be provided by the General Body into subsequent meeting.

2.3.2 Type of Bank Account:

CYDA may open savings / current accounts with only scheduled banks. CYDA will operate separate bank account for Foreign Contribution Fund and Local Funds.

2.3.3 Designation of the Bank Account for the Projects:

- a) CYDA has a designated Core Account- 2658
- b) CYDA has a FCRA account in CSB- 2699
- c) CYDA has Indian Project Accounts –IDBI
- d) CYDA has ICICI Bank Account for course contributions
- e) CYDA has opening new account in Kotak Mahindra Bank
- f) CYDA has opened additional FCRA account in Bilaspur to run FCRA programs in Chhattisgarh.

2.3.4 Authorities Signatories:

All the bank accounts must be operated by jointly. For this purpose following Procedure is being followed:

- a) Up to 100,000/-: Any two authorized signatories out of four.
- b) Above 100,000/-: It is mandatory the cheques must be sign by one of the office bearer or treasurer.

CHAPTER – 3: COMMON COST POLICY

3.1 Definition:

Such expenses which are incurred as a whole, but cannot be assigned directly to any particular activity, are treated as Common Cost viz. electricity bills, phone bills etc. Normally projects are sanctioned on the basis of:

- 1) Specific budgetary limitations for respective expense heads;
- 2) Total fixed amount, without specifying any expense head

For projects with specific budgetary limitations for respective expense heads, it will be mandatory to apportion the common under respective expense heads accordingly. However, for projects of fixed amount, with a view to determine the actual cost incurred under such projects, it will be necessary to apportion the common costs to respective projects. Therefore, the policy being described below shall be applicable to both types of projects.

3.2 Components of Common Cost:

In CYDA, the main components of Common Cost comprises of:

1. Salaries and Remuneration
2. Mobile Expenses
3. Office space & Utilities Cost
 - i) Telephone and Internet Expenses
 - ii) Electricity Expenses
 - iii) Rent & Maintenance Expenses
4. Photocopy and Printouts Cost
5. Vehicle Running Cost
6. Postage Expenses
7. Stationery Expenses
8. Usage of Office Equipments
9. Publication cost
10. Any other defined by the Chief functionary

3.3 Procedure for Allocation of Common Cost:

The specific procedure to be adopted for allocation of respective common cost components is being described below:

3.3.1 Salaries and Remuneration: Core Staff Salaries and Remuneration to Consultant being paid by the CYDA from own Indian account, considering the entire person appointed for CYDA Core Group. The human resource cost will be allocated to the concern project on the basis of option given below:

i) Fixed Salary Basis: The Salaries will be allocated to the project under the committed budget for human resource cost in case of the person has been designated for such specific project activities. The allocable amount will be determined on basis of actual salary is being paid or committed budget whichever is low.

ii) Time Sheet Basis: In case of non availability of the fixed committed human resource cost is in sanctioned budget, the human resource cost may be charges on basis of the time spend by staff to project programmatic activities. The budget of programmatic activities may be considered as containing cost of HRC.

iii) Resource Person Fees / Cost: In case of short term assignments, the human resource fees/cost might be determined on basis of following negotiable rates:

- CFO Rs.7000 – Rs.10000 per day
- PD Rs.5000- Rs.7000 per day
- Managers: Rs. 3,000 – Rs.5000 per day
- Office level staff Rs. 2,000 – Rs.3000 per day
- Field support staff: Rs. 1,000 – Rs.2000 per day
- Volunteers- Rs 500- Rs 1000 per day

Note: - The Chief functionary can decide change consultancy rate, if required.

3.3.2 Staff Allowance: As per the CYDA staff policy an allowance is given towards mobile, local work related travel as well as reading and education related cost. The staff shall submit bills monthly towards the same.

3.3.3 Office Space & Utilities Cost:

- i) Telephone and Internet Expenses
- ii) Electricity Expenses
- iii) Rent & Maintenance Expenses
- iv) Office management expenses
- v) office maintenance Expenses

- The above these type of expenses are known as office space & utilities cost. The said expenses will be allocated to respective projects as per the volume of fund managed or as per the provisions in the budget Above office space & utilities cost will be allocated to concern project in the approved budget heads.
- In case of availability of sanctioned administrative project budgets, the unallocated office & utilities charges may be booked to said unspent budget.

3.3.4 Photocopy and Computer Printouts Charges: Initially all the expenses incurred on this behalf, such as cost of paper, maintenance of photocopier, ink, computer sheets, etc., are debited to Core Account on actual basis, and thereafter, the costs recovered from respective projects, are credited to Organizational Receipts. This is also mentioned in the staff policy of CYDA.

3.3.5 Vehicle Running Cost: Vehicle log books are maintained by the vehicle user separately for 2 wheelers and 4 wheelers indicating the following details:

- i) Date
- ii) Purpose
- iii) Project name & Budget head/budget line
- iv) Starting kilometer
- v) Closing kilometer
- vi) Total kilometer run

At the end of each month, a statement is prepared with following details:

- i) Project name & Budget head/budget line
- ii) No. of kilometers run (2-wheelers)
- iii) No. of kilometers run (4-wheelers)

The presently applicable rates as under: But based on the types and model of vehicle the Program Management committee will take a decision

- i) For 2-wheelers: @ of Rs. 3-5.00 per kilometer
- ii) For 4-wheelers: @ of Rs. 12-15.00 per kilometer

Note: The above rates are subject to change in direct proportion to every revision in petrol/diesel prices, as may be announced by the Government from time to time.

3.3.6 Postage Expenses: A postage register is maintained with the following details:

- i) Date
- ii) Name of the receiver & Subject matter
- iii) Mode of postage
- iv) Cost
- v) Project name & budget head/budget line

Initially all the payments made in this behalf, are debited to Core Account on actual basis, and thereafter, at the end of each month, project-wise cost of postage is worked

out or prepared MIS and the cost allocated to respective projects, on actual basis. Some specific postage expenses directly charged to concern project.

3.3.7 Cost of Stationery: Stationery items can be categorized as under:

- i) Common stationery items to be used for different projects/activities,
- ii) Specific stationery items for particular project purposes.

Charging to project expenses:

- i) Common stationery items – Quantity of common stationery items utilized in a particular project are to be charged to project expenses, on the monthly basis as prepared MIS. The stationeries rates are define by the management.
- ii) Stationary items at programmatic Fields- In exceptional cases in Programmatic filed the stationary items might be purchased at filed level and cost might be charged to project.

3.3.8 Usage of Office Equipments Charges:

The office equipment's charges are define by the management. The charges are allocated to the project on the basis of monthly prepared MIS. Office equipment's items categories as under:

- i) Computers, Printers, Scanner, Laptop
- ii) LCD projector
- iii) Camera
- iv) Conference sound system & Mega Phone etc.

3.3.9: reimbursement of laptop charges

If it is difficult to provide laptop to Director, Managers, and Coordinators and Officers, The organization has decided to reimburse Rs 500 per month if the staff using their personal laptop. In this case they have to keep a separate folder in the laptop and administration is permitted to copy the folder on monthly basis. This can be included in the reimbursement form.

CHAPTER – 5 TRAVEL POLICY

The following travel rules shall come into effect from 1st April 2019 and these rules shall apply to all categories of employees of the CYDA - Centre for Youth Development and Activities

5.1 Defining 'Official Tour':For the purpose of these rules, any official travel undertaken by the professionals and/or staff of CYDA outside the Municipal limits of PMC/PCMC shall be considered as „official tour“.

5.2 Categorization of staff for TA/DA: CYDA presently has no DA for the official Tour. However the food bill per day(not exceeding Rs 300 shall be permitted to be booked as part of tour expenses)

5.2.1. If there is an official over night stay the staff will be provided Rs 200 per night as outstation allowance, which requires to be part of their travel reimbursement form.

5.2.2. In Some cases DA will be permitted to senior consultants at the rate of Rs 500- Rs 750 per day, based on the situation.

5.3 Mode of Travel: Generally the staff are permitted to travel in Sleeper compartments, especially travelling in group of people 2 or more in numbers together. Female staff or travelling alone 3AC is permitted. Air travel will be allowed only if there is provision in the project, otherwise approval has to be taken from Secretary CYDA.

5.4 Lodging: The limits of lodging charges shall be range from Rs 500- Rs 2000 will be lodging cost (based on the types of city). The lodging charges paid by an employee/ staff while on tour shall be reimburse on production of receipt/ bills. The receipt must be stamped as 'Paid' by the Hotel/Guest house.

5.5. If any staff is travelling to a place and staying in a friends or relatives house, they will be provided Rs 500 per night as contribution if the stay is during the official work period. It is not allowed in case of visiting their relatives of friends.

CHAPTER – 6: PROCUREMENT POLICY

6.1 Procurement Procedure:

For the purchases of any item, engagement of long term supplier services or assigning printing job works; the following procedure to be followed:

6.1.1 Requisition:- Project Requirements: In such cases as per the requirement of committed activities under any project, the Project officer will raise a requisition to Admin Department.

6.1.2 Identifying the supplier: The following points need to be ascertained before identifying a supplier for the goods and/or services to be purchased: Credibility of the supplier in terms of being able to supply the requirements and in time;

Cost effectiveness of the goods supplied and Quality of goods supplied;

Supplier should meet all necessary formalities in connection with its status as per the set rules and regulations;

Supplier must be able to supply all the goods in the requisition strictly as

per the given specifications in the Purchase Order;

The supplier must be reliable and reputed, preferably a local one; Must be able to supply large quantities, if so required; Past performance of the supplier – in terms of quality, quantity and time
Schedule;

Availability of supplier And Reputation of the supplier

Whatever rate quote taken is valid for one year. However any change in the supplier requires an approval of the Chief functionary, if the rate is 5% more than the existing supplier

6.1.3 Call for Quotations and analyses:-

Inviting quotations from prospective suppliers, giving specifications of the items required and quantity needed, the requirement of quotation is define as under ;

S.No.	Range	Procedure
1	Up to Rs. 20,000	Single Quotation
2	From Rs. 20,001 above	Three Quotations (The vendor may be inform to submit quotations
3	Upto Rs 50,000	Single quotation if this is consultancy service contract for specialized services.

- Specify the delivery time and place of delivery;
- Upon receiving the quotations (minimum of three), tabulate and analyze them in terms of – a) cost; b) specification provided; c) discounts offered, if any; d) cost of delivery, if so specified; e) time of delivery; f) taxes to be paid;
- After tabulating and analyzing the quotations, determine the best supplier, in terms of net cost, quality and delivery;
- Submit the aforesaid tabulation for the approval of Purchase Committee, consisting of members, for placing an order with the supplier so identified and approved by the Committee, after further negotiating the terms, if so required. On the basis of the recommendation of the purchase committee an approval require from the Chief Functionary.
- The procurement committee is consists of 1) Finance Person; 2) program person; 3) Specialist

6.1.4 Maintaining Stock Register: The following procedure is to be adopted for maintaining a Stock Register for all

Consumable items: This is to be maintained and kept at Office premises, where the goods are purchased or stored;

A proper Stock Register, with receipt and issue columns, need to be maintained; The Stock Register continues to be updated on regular basis, as soon as fresh goods are received and items issued for office use. The person responsible for maintaining Stock Register, must initial the quantities issued and available in the stores;

All requisitions for issue of supplies, must be numbered and in duplicate. One copy has to be maintained at the Stores and duplicate copy given to Accounts Department;

All issues shall be recorded immediately in the Stock Register and this must be updated on a daily basis; The Stock Register should be maintained on a FIFO (First-in First-out) basis.

6.2 Purchase Controls: The following controls need to be exercised while a purchasing goods and/or services:

- a) All purchases are to be duly authorized and approved by the competent authority, Chief functionary
- b) All goods received or services rendered are according to specifications and in quantities requested for;
- c) Liability for all purchases is accurately reflected in the books of accounts and that suppliers are paid only in accordance with the agreed terms;
- d) Goods ordered are actually received into stores as may be appropriate and Relevant according to records updated accordingly.

6.3 Contracts and Agreements:

The Admin Department shall prepare contract / agreement for supply / services after getting the recommendation from purchasing committee.

In all the contracts / agreement, following provisions should be specifically incorporated:

- i) Details and specifications of supply / services to be rendered;
- ii) Start and completion period;
- iii) Periodicity and format for submission of progress/final reports;
- iv) Terms of payment;

- v) Penal clause of default in services;
- vi) Non-disclosure clause;
- vii) Any other terms as may be mutually agreed.

6.4 Advance Payment to Party:

No advance payment shall be made against any of the aforesaid contracts agreements, until and unless it has been so specifically mentioned under the payment terms of the contract.

The advance payment shall be released after making applicable statutory deductions. All advances received have to be acknowledged in writing by respective parties.

6.5 Settlement of Bills and Release of Final Payment:

On the receiving invoice / bills from the party on the completion of assigned job / supply of goods, the Admin Department bills submit to Account Department after getting required approvals and verifications from the concern authorities. After the required verifications account department will release the final payment to the concern party.

6.6 Petty Purchases: All purchases up to maximum of Rs. 10,000/- per item/transaction, are to be considered as petty purchases, and can be ordered, immediately after approval by Section/Project In-charge, without calling for any quotations, or approval by Purchase Committee.

6.7 Emergency Purchases: In emergent situations, needing immediate purchases, the required items can be ordered for purchase directly with the approval of Chief Functionary. However, in such cases, reasons requiring emergent purchases are to be recorded by the concerned section.

6.8 Monopoly Item: In case of purchases of monopoly items, the purchase might be made from concern supplier with the prior return approval from purchase committee.

6.9 Non-Conflict of Personal Interest: With a view to avoid any conflict of interests, no services shall be hired or goods purchased from the following categories of persons/institutions: Any person who is a relative of any of the staff member of CYDA or any member of its Board of Trustees, shall not be eligible for submitting his/her tender quotation for supply of goods.

However, in special cases such information must be declared beforehand seeking permission for tendering from the purchase committee.

CHAPTER – 7 INVESTMENTS POLICY

7.1 Permitted Segments for Investment: CYDA may invest its funds, in the following types of Investments after written approval from Executive Committee.

- Investments in Government Savings Certificates, Investments in immovable Property/Assets, which are useful in the terms of Organizational objective;

- Post Office Savings Scheme;
- Fixed Deposits with scheduled Banks in India;
- Investments in Central or State Government securities;
- Mutual funds/ bonds issued by the public sector as specified in the Income Tax Act Investments should be consistent will the provision of the Registrar of Public Trust.

7.2 Barred Against any Investment:

CYDA shall not, under any circumstances whatsoever, make any investment in fluctuating securities, including:

- Purchase of any equity shares ;
- Loaning for non-developmental activities;
- Any such investments where principal is unsecured and return is uncertain.

7.3 Procedure of Investment:

Following procedure is to be adopted for making any of the investments, as Defined under (1) to (9) above:

7.3.1 Classification of investment period:

- Long term investment: 3 – 5 years
- Medium term investment: 1 – 3 years
- Short-term investment: Less than one year

7.3.2 Comparative Statement:

- A comparative statement should be prepared by the Accounts Department,
- Incorporating the factors like:
 - Safety of investment;
 - Rate of interest;
 - Expected return – in case of investments in land;
 - Liquidity of investment;
 - Any other factors leading to investment.

7.3.3 Approval of Chief Functionary:

The aforesaid comparative statement shall be submitted before the Chief Functionary for his written approval, prior to making suggested investments.

7.3.4 Ratification by the General Body:

Any investments made have to be submitted before the General Body in their meetings to be held next to the date of such investments, for their ratification of the investments made.

7.4 Reporting the status of Investments:

The status report of respective investments shall be prepared and submitted to the Chief Functionary, in the following manner:

Status of respective investment held should be prepared and submitted to Chief Functionary on monthly basis;

Half-yearly status report of respective investments is to be submitted before the General Body.

Both the above reports should be prepared on the basis of category-wise investments in terms of percentage investments.

Safety, Security and Liquidity shall be the prime considerations for making any investments.

CHAPTER – 8 POLICY ON DEPRECIATION

There are three types of rates applicable for charging depreciation for various types of assets:

- Rates as per the Companies Act
- Rates as per the Income Tax Act
- Rates as per the Organisational own Approved Policy

8.1 Current Depreciation Policy:

Presently CYDA is following the rates of depreciation applicable as per the Income Tax Act 1961 on basis Written down Value Method, which is as under;

S. No.	Category of Assets	Rate of Depreciation
1	Land	NA
2	Office Building	5%
3	Furniture & Fixtures	10%
4	Office Equipments	15%
5	Computers	60%

6 Library Books 10%
7 Vehicles 15%

The above rates are presently applicable, but are subject to change, from time to time, as per Income Tax Rules.

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CHAPTER – 9
INCOME RECOGNITION POLICY

9.1 Received Income:

CYDA has opted accrual accounting system, CYDA receives the income during the relevant financial year as mentioned below;

9.2 Receivable Income:

As per Income Tax Rules, applicable to Voluntary Organizations and Trusts, such funds which have not been actually received, but have only become „due“, shall be recorded as „Receivable“ funds in the Books of Account.

Such „Receivables“ will continue to be shown as such, till they are actually received. Upon actual receipt of such funds, they shall form the part of „income“ of the organization in the Financial Year in which they are actually received.

As such, CYDA shall continue to follow the aforesaid policy, as applicable to Voluntary Organizations, for booking its income in the Books of Accounts.

CHAPTER – 10 COMPLIANCE POLICY

CYDA shall observe various compliances, as per following schedule, prescribed for Voluntary Organizations:

10.1 Statutory and Legal Compliances:

S. No.	Descriptions	Tenure	Due date
1	Submission of Income Tax Return	Annual	30 th September of following financial year
2	Deposition of Monthly TDS	Monthly	Within 7 days after the end of the month under which tax deducted
3	Submission of Tax Deducted at Source (TDS) Return	Quarterly	Within 15 days of completion of quarter.
4	Issuance of TDS certificates to concerned parties	Form 16 – Annual	30 th April of following financial year Within 15 days

		Form 16A - Quarterly	after the Submission of Quarterly TDS Return.
5	Deposit of Provident Fund deducted from the salary of employee in the account of PF Commissioner	Monthly	Within 15 days after the end of the month under which amount deducted
6	Filing of Provident Fund Return with the PF Commissioner	Annual (March to February)	30th April of following financial year
7	FCRA Returns	Annual	31st December
8	Deposit of Professional Tax deducted from the salary of employee	Monthly	Within 15 days after the end of the month under which amount deducted
9	Submission of Professional Tax Return	Quarterly	Within 15 days of completion of quarter.
10	Reports Submission to office of the Registrar Public Trust	Annual	In next financial year

10.2 Local Authority Compliances:

S. No.	Descriptions	Tenure	Due date
1	Property Tax	Annual	On or before 31st March (of the current financial year) [to get advantage of rebate it is advisable to deposit the tax by 31st July and 31st October]
2	Payment of Bills of Electricity, Telephone Etc.	As per dates prescribed in the respective bills	As per dates prescribed in the respective bills
3	Office Rent	Monthly	As per dates prescribed in the respective mutual agreement

10.3 Management Compliances:

S. No.	Descriptions	Tenure	Due date
1	Statutory Audit	Annual	Within 30 days of completion of year.
2	Internal Audit	Quarterly	Within 15 days of completion of quarter.
3	Internal Audit Report	Quarterly	Will be submitted in the

	compliances		August and January EC meetings
4	Submission of Utilization Certificate / Statement of Expenses	As per dates prescribed in the respective mutual agreement	As per dates prescribed in the respective mutual agreement
5	Submission of Management Financial Information Report	Monthly	Before 15 th of the next month.

CHAPTER – 11 AUDITING OF ACCOUNTS

11.1 Appointment of Auditors:

As per requirement, following auditors are appointed on year-to-year basis, by the Executive Committee:

- a) Internal Auditor
- b) The statutory auditor is appointed by the general body of the Trust on the

11.2 Submission of documents for Audit:

Audit of Accounts shall be carried out on quarterly basis i.e. in the months of July, October, January, and in April.

In addition to quarterly audits, Annual Audit shall be conducted by the Statutory Auditor within three months of the closure of the each Financial Year.

The Accounts Department shall submit all the documents, as may be required by the Auditor for completing the Audit work within one month of the each Financial year.

11.3 Audit Report:

The Internal Auditors prepare a report and submit to the Management on the Quarterly basis. After an in-depth perusal of the Management, submitted by the Auditor, together with comments/compliances of the Accounts, the Chief Functionary will discuss the same with Auditors and Accounts Staff for future impacts.

CHAPTER – 12 PLANNING AND BUDGETING

General Guidelines for Planning and Budgeting of the Project Activities:

The following 10-point general guidelines may be observed at the stage of planning and budgeting of each project activities:

- 1) First of all the Unit in Charge along with other members of the Unit should identify the issues to be addressed during the project activity.

- 2) Thereafter, an Action Plan should be worked out accordingly, based on the issues so identified.
- 3) Taking cue from the proposed Action plan, suitable strategy should be worked out for ground level implementation of the Plan, in consultation with the members of the Unit.
- 4) As an outcome of the proposal Action Plan, suitable and practical success Indicators as well as impact of the planned activities should be clearly defined as a measure of achievements.
- 5) Based on proposed action plan, strategy and success indicators, a proposal should be drafted in a manner so that it meets the objectives of the project.
- 6) After drafting of the proposal, the Unit Coordinators should discuss the entire issue with the Manager (Programs) as well as Chief Functionary and if need by advisors and consultants to finalize the same.
- 7) Once the draft of the proposal is finalized, the budgeting process for the proposed Activities should be initiated accordingly.
- 8) After finalizing the draft proposal, in consultation with the Director (Programs), it should be presented before the Program Committee for further discussions and Approval of the proposal.
- 9) The suggestions, if any, made by the Program Committee, are incorporated in the Draft proposal, by the Unit Coordinators, to give a final shape to the proposal.
- 10) Then the Budget and proposal is finalized for putting into action.
- 11) All planning for the next financial year has to be completed before 31st December
- 11) The annual plan of CYDA to be approved by the General Body during the meeting held in the month of January.

CHAPTER – 13 FINANCE COMMITTEE

13.1 Finance Committee composition and meeting interval

- 1) The Finance Committee has been constituted by the General Body nominating a three member team. The purpose of the committee is to become sounding board for the General Body on the financial and administrative matters. The committee will have one of the officer bearers or treasurer as the head of the committee and the Chief Functionary will be the Member Secretary of the committee. There will be a nominated Chartered Accountant as an Expert in the committee.
- 2) The committee will meet two Times in a Financial Year; preferably before

the General Body meeting. The report/minutes of the committee meeting will be reviewed by the General Body.

13.2 The Main Objectives of the Finance Committee

- 1) To provide its Members an opportunity to discuss and receive in-depth information on items pending for action and also for future course of action on certain items.
- 2) To manage the financial resources in a cost effective, controlled, transparent and accountable way.
- 3) To manage the Financial Operations more efficiently and effectively;
- 4) To work out plans for the implementation as per agreed strategies and policies;
- 5) To formulate and implement Financial Principles, Accounting Procedures and Staff Policy of the organization;
- 6) To perform any other activity as the Committee deem appropriate for the smooth functioning of the organization;
- 7) Conduct agenda based meetings with a common framework and complying with the defined systems of Finance Management;
- 8) To document in the minutes of meetings on the ratio of compliances made in terms of the decisions taken in the previous meeting;
- 9) The minutes of this Finance committee meeting shall be circulated to all the Unit Coordinators in order that all Coordinators are adequately informed about the financial matters of the organizations.

CHAPTER14: Registers

14.0 Data Backup Register:

A register will be maintained for the records of data backup which will be taken on a particular period basis e.g. Completion on quarterly audit, six monthly closure and yearly closure, this registers contain the following details:

- 1) S.No.
- 2) Date of backup
- 3) Signature
- 4) Remarks (Data Records)

14.1Cheque Issue Registers:

A cheque issue register will be maintained for each bank account. On issue of each and every cheque the authorized signatories must sign on their signature column in the register.

This registers contain the following details:

- 1) S.No.
- 2) Payees Name
- 3) Cheque No.
- 4) Amount
- 5) Date

- 6) Authorized signatures
- 7) Remarks

Note: In case of cancelled cheque, the cancel cheque number must be attached With register at its serial number.

CHAPTER – 15 POLICY LEVEL GUIDELINES

15.1 Procedure for Making Amendments:

Any amendment in the existing procedure has to carry the cross reference number of earlier procedure, which is being superseded and/or amended with the revised procedure.

For example:

- 1) For amending the entire procedure:

“This amendment supersedes the earlier notification issued vide No. _____
Dated 04.01.2017

- 2) For amending a particular clause of earlier notification:

“This amendment replaces the clause/Para No. ____ of earlier notification
Issued vide No. _____ dated January-20”.

All circulars and/or notifications or amendments must carry a reference number and date for ensuring the cross references in future.



P L Mathew
Chief Functionary
CYDA Pune

