
CNI-SBSS 2021

STANDARD OPERATING
PROCEDURE (SOP)

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The Synodical Board of Social Services of the Church of North India hereinafter referred to as the CNI-SBSS, is a registered as a society under The Societies Registration Act, 1860. CNI-SBSS is registered under FCRA division of the Home Ministry, Govt. of India having its own character and legal identity. It is also registered with the Income Tax Dept. and has 80G & 12AA certificates.

The key objective of the SOP is to develop a common framework for BFTW grant management and general financial management for CNI-SBSS. Such a framework is intended to help the Partner Organisation to streamline and upgrade their present systems and processes wherever required.

In terms of structure, CNI-SBSS works with 12 field offices which are geographically located in the eastern and western region of the country and working in state of Kolkata, Odisha, Maharashtra.

Operational guidelines will help CNI-SBSS to ensure that Standard Operating Procedure is being adhered. The end objective of the exercise is to improve the overall Grant Management mechanisms among the field offices and the Head Office of CNI-SBSS. This will ultimately help the organization to prepare financial and narrative reports for the donors on time.

Operational Guidelines

Sl. No.	Particulars	Areas to be covered
Grant Management Framework		
1.	Location of field offices	<ul style="list-style-type: none"> • Field office of CNI-SBSS would be located nearer to the programme implementation area. • CNI SBSS will be operated from two offices located at Bhubaneswar and Pune. These offices will act as a cluster for the following programme implementation area: <ul style="list-style-type: none"> a) Field areas covered by Bhubaneswar office <ul style="list-style-type: none"> • Field 1 • Field 2 b) Field areas covered by Pune office <ul style="list-style-type: none"> • Field 1 • Field 2 • In addition to this, CNI-SBSS head office will be at New Delhi.
2.	Banking Operations & signatory	<p>There will be one FCRA designated bank account maintained in SBI, Sansad Marg branch, New Delhi. The FCRA designated bank account would be operated on dual signatories based on the discretion of the Management Committee of CNI-SBSS.</p> <p>Opening of Utilisation Bank account:</p> <ul style="list-style-type: none"> • The organization may have separate utilization bank account for each field office in the respective field areas as per the need. • CNI-SBSS should open the utilization bank account nearby to the programme implementation area with local signatories for smooth operation of the banking transactions. • All the utilization bank account should be opened in the name of the organization i.e. CNI-SBSS.

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		<ul style="list-style-type: none"> • The cheque books of the respective bank account would be maintained by the respective field areas. <p>Intimation in case of opening of FCRA Utilisation Bank account</p> <ul style="list-style-type: none"> • As per the FCRA Amendments, opening of FCRA utilization bank account needs to be approved by FCRA department. Therefore, the opening of such account needs to be intimated online in FC-6D within 15 days of opening of such account. Upon receipt of the approval, the organization can operate such account for utilization purposes. • Multiple bank accounts can be intimated in one application subject to the permission of Form FC-6D.
3.	Activity and Cash Flow Planning	<ul style="list-style-type: none"> • The overall project plan will be divided into implementable activity and cash flow plan of three months each. • The cluster office will coordinate with the respective implementation area to discuss and freeze the quarterly plan. • Based on this quarterly plan, the cluster office will outline the activities and funds needed to implement the activities. • These quarterly plan will also form the basis for preparation of fund request to BftW.
4.	Fund request Process to BftW	<ul style="list-style-type: none"> • The quarterly plan finalized by the cluster offices will be consolidated and will be used to prepare fund request. • A written fund request to be prepared by CNI-SBSS stating the amount needed for the next three months on the basis of the approved budget. • Request to be signed by at least one authorized representative.

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5.	Transfer of Funds from BftW	<ul style="list-style-type: none"> • First request for transfer of funds processed only after receipt of the duly signed copy of the Agreement of Cooperation. • Further request would be processed by BftW, only after CNI-SBSS has acknowledged the receipt of previous remittances and if the project reports (if overdue) have been submitted to BftW. • On arrival of funds in the bank, CNI-SBSS would send to BFTW the acknowledgement of receipt (signed by authorized signatory) along with the bank advice. • If the funds requested by CNI-SBSS and transferred by BftW cannot be utilized for project purposes within 6 months after receipt, then CNI-SBSS shall inform BftW and explain the reasons.
6.	Advance requisition and disbursement to Field	<ul style="list-style-type: none"> • From implementation area fund requisition of the upcoming programme will be sent to cluster office. • At cluster office, fund requisition will be reviewed and finalized by Finance Officer in coordination with programme officer. • Then cluster office will consolidate all the fund requisition from all the implementation area and send it to head office. This fund request will also have the details of funds requested by each implementation area. • At Head Office the fund request will be reviewed. Based on the requisition, direct payments will be made to vendors, wherever possible. The remaining amount will be transferred to the allocated utilization bank account. • Fresh Fund requisition will only be processed after settlement of previous funds disbursed to clusters. • The frequency for sharing the fund request will be 30 days.

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7.	Asset Management	<p>Ownership</p> <ul style="list-style-type: none"> Assets acquired out of project funds shall be the property of CNI-SBSS. CNI-SBSS should own project Assets purchased under specific project out of donor funds. Asset should be booked as expenditure in Project Books of Account and should be capitalized in the overall books of account of the organization. The fixed asset should be purchased in the name of the organization. CNI-SBSS should maintain a fixed assets register. CNI-SBSS shall obtain adequate insurance cover for fixed assets. Any proceeds out of Project Assets will be treated as project income in the Financial Report of CNI-SBSS.

Accounting Framework

1.	Overall Accounting Structure	<ul style="list-style-type: none"> Centralised books of account will be maintained at head office only. The accounting entries related to all the implementation areas will be done through a cloud based accounting software.
2.	Charts of Account	<p>Structuring of the accounts comprising of ledgers, sub ledgers and expense heads to meet its information needs.</p> <ul style="list-style-type: none"> The ledgers should be created as per approved budget line items. Where budget line items are further divided into detailed sub line items, the expenses should be accordingly sub divided. Where budget line items are based on project activities, the expenditure ledger would be in

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		<p>accordance with the type of category of expenses to be incurred for the said activities.</p> <ul style="list-style-type: none"> • Each implementation area will be categorized as a "cost center", so that at any time implementation area wise expense details can also be obtained.
3.	Vouching Processes & Integration	<ul style="list-style-type: none"> • Before incurring any expenditure, the organisation should check and confirm the budget lines for the amount and category of expenses proposed to be incurred. • All the original bills and vouchers will be kept at Head Office. • Direct vendor payments will be made on the basis of scanned bills after due approval process at head office. • The Head office will receive the original supporting documents (i.e. bills, participant list etc.) on monthly basis within seven days of the next month. • Once original supporting documents are received, it will be cross checked with the scanned bills on the basis of which the payment was made. • Approval and authorization of vouchers will be as mentioned in the Finance Policy of CNI-SBSS.
4.	Programme vs. administrative expenses	<ul style="list-style-type: none"> • First step would be to recognize the programme and administrative expenditures. • Head office will track the ratio of programme vs. administrative expenses through an excel sheet on monthly basis, so that it is within the permissible legal limit.

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Staff Management

1.	Staff Recruitments & Staff Benefits	<ul style="list-style-type: none"> • Staff should be selected on the basis of the HR policy of CNI-SBSS taking into account due consideration of skills and expertise required for the respective positions. • An employment letter should be issued to all the staff of the organization mentioning the job descriptions of the respective staff. Further, it should mention the details of salary break up to be paid to the respective staff. • Contractual agreement should be issued to the employee appointed as consultant. Appropriate tax should be deducted from their payment at the time of disbursement. • The regular employee would be entitled for social security benefits such as employee Provident Fund and Gratuity at the time of leaving the organization as per the respective laws. • CNI-SBSS should ensure that the full time employee are employed exclusively by CNI-SBSS and not engaged/ employed by any other organization.
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Reporting Mechanism

1.	Financial Report	<ul style="list-style-type: none"> • CNI-SBSS shall prepare the consolidated Financial Report based on the Project's books of account at six month intervals. It is the requirement of BftW to send the audited Financial Statements in every six months. • An audit would be conducted on half yearly basis by an independent auditor, based on the Tri-partite agreement with the auditor, BftW and SCINDeA.
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		<ul style="list-style-type: none"> Once the Financial Report are audited, it needs to be signed jointly by at least one authorized signatory of CNI-SBSS and the auditor.
2.	Narrative Report	<ul style="list-style-type: none"> Each field office would prepare a monthly activity report specifying the activities conducted at the respective offices. The activity report should contain detailed description of the activities including photographs, success stories and feedback from the field. The Head Office would consolidate the monthly activity report of all the field offices, as a result a consolidated monthly activity report of CNI-SBSS would be drafted and kept in a separate file. At the end of six months, CNI-SBSS Head Office would consolidate the monthly activity reports and prepare 6 monthly activity report for submission to BftW. Further, narrative reports would be sent to BftW on yearly basis.