

Synodical Board of Social Services Church of North India

STANDARD OPERATING PROCEDURES (SOP)

**Approved by CNI SBSS Board
July 2021**



OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF STANDARD OPERATING PROCEDURES (SOP)

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 CNI SBSS to streamline and upgrade their present systems and processes wherever required.

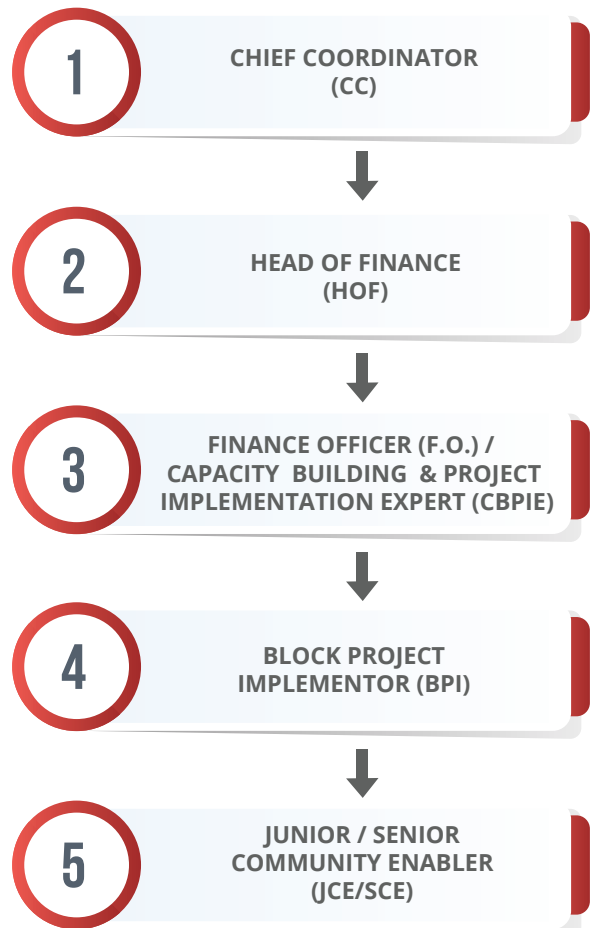
In terms of structure, CNI SBSS works in 11 Project Areas. In these Project Areas CNI SBSS has 12 Project Resource Centre (hereinafter referred as PRC) which are geographically located in the eastern and western region of the country. However, the number of PRC may change according to the structure of the organization. CNI SBSS is working in the states of West Bengal, Odisha, Punjab, Jharkhand and Maharashtra.

The current working structure of CNI SBSS Office wise and Designation wise both has been shown below:

OFFICE WISE



DESIGNATION WISE



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 Project Areas and the Head Office of CNI SBSS. This will ultimately help the organization to prepare financial and narrative reports for the donors on time.

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SOP-BFTW GRANT MANAGEMENT

Particulars	Areas to be covered	Means of verification
Preparation of Proposal and budget	<ul style="list-style-type: none"> CNI SBSS has to develop the project proposal which has to be submitted to the donor agencies. Before submission of the proposal, CNI SBSS Head Office and Project Areas through Program Support Office (PSO) has to outline their activities and prepare the budget according to the Project Period. <p style="text-align: center;"> Field staff- Outline activities & submit to CBPIE ↓ CBPIE- Analyze the same and submit to Head Office ↓ Head Office- Submit the proposal to donor </p> <ul style="list-style-type: none"> Before submission of the project proposal and budget, the same should be placed before the CNI SBSS Board and after due approval of the CNI SBSS Board, it will be forwarded to the donor agency. 	
Overview of the BFTW Grant Processes	Initiation of partnership and Agreement of Cooperation In case of CNI SBSS: <ul style="list-style-type: none"> Submission of Project proposal/grant application to BftW by CNI SBSS. 	Project proposal
	<ul style="list-style-type: none"> Submission of application by BftW to their funding authorities after programmatic and financial review of the proposal. 	Letter of Submission
	After obtaining due approval for the proposal/grant application of their funding authorities, the agreement of cooperation between BftW and CNI SBSS will get initiated.	
	<ul style="list-style-type: none"> The signed copy of the Agreement of Cooperation will be shared by BftW with CNI SBSS. 	Agreement of Cooperation

Particulars	Areas to be covered	Means of verification
Salient Aspects of Grant Management	<ul style="list-style-type: none"> All the terms and conditions of the BftW Agreement of Cooperation should be adhered to by CNI SBSS. 	Agreement of Co-operation
Budget and Budgetary Control	Budget Preparation Processes <ul style="list-style-type: none"> The budget is prepared keeping in mind the required need assessment, baseline survey, activities plan and the cost plan. Preparation of the budgets within the framework of the overall project plan & cost. There should be correlation between the activities planned and the budgets proposed. The budget proposed under each budget line should be compared with the proposed project activities. In the budget preparation process, finance person, program person and some key officials should be involved. The approved budget should be shared with the respective Project Areas. 	Project budget
	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 CBPIE will coordinate with the respective implementation/Project Areas to discuss and freeze the quarterly plan. Based on this quarterly plan, the CBPIE will outline the activities and funds needed to implement the activities. These quarterly plans will also form the basis for preparation of fund request to BftW. 	
	Budget monitoring processes <ul style="list-style-type: none"> Activities and expenditures to be within the framework of the approved budget. Monitoring of actual activities and expenses against the cash flow should be done. All the Project Areas have to implement their programs as per the planned project activities and budgets. 	Activity plan & Statement of expenditure.

Particulars	Areas to be covered	Means of verification
	<ul style="list-style-type: none"> Monitoring of the expenditure against the various budget heads should be made on quarterly basis. Variance analysis and justification for over/under spending shall be done at CNI SBSS. In case the variance is above the limit as per the agreement, prior approval of BftW is required. 	Detailed cost head wise budget variance analysis report.
Advance Fund Request	Fund Request by CNI SBSS to BftW <ul style="list-style-type: none"> The quarterly plan finalized by the CBPIE will be consolidated and will be used to prepare fund request A written request to be prepared by CNI SBSS stating the amount needed for the next three months on the basis of the approved budget. 	Fund request
	<ul style="list-style-type: none"> Request to be signed by at least one authorized representative. 	Agreement of Cooperation/ Project Information Sheet
	<ul style="list-style-type: none"> At no point of time, BftW funds should be allowed to be accumulated at the Partner Organization level. 	Bank Statement
Transfer of Fund	<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. 	
	<ul style="list-style-type: none"> 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. 	Agreement of Cooperation
	<ul style="list-style-type: none"> 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. 	Acknowledgement of the receipt of funds & Project Reports
	<ul style="list-style-type: none"> 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. 	Acknowledgement of the receipt of funds & bank advice

Particulars	Areas to be covered	Means of verification
Budget Utilization processes	Project funds to be utilized only for the purpose of the project. For this purpose:	
	<ul style="list-style-type: none"> All the workings /breakups as included in the project proposal needs to be referred and followed. 	
	<ul style="list-style-type: none"> Any expenditure not included /allowed in the detailed budget, should not be charged to BftW funded project. 	Project proposal and Financial Statements
	<ul style="list-style-type: none"> Budgets of units/ multiple Project Areas under same grant to be added to the overall grant budget. 	
	<ul style="list-style-type: none"> No reserve out of the BftW project funds to be created at CNI SBSS. 	Institutional Audit Statement
	<ul style="list-style-type: none"> Organizational budgets to be prepared by CNI SBSS of which BftW budget & other donor's budget will be a part. 	Organizational budget v/s BftW project budget
	<ul style="list-style-type: none"> Expenses to be charged to the proper budget head/ sub head to which it belongs. 	Detailed statement of expenditures
	<ul style="list-style-type: none"> Advances should not be reported as expenses. 	Institutional audit report, Financial Report
	<ul style="list-style-type: none"> Financial and programmatic supporting must be available for all payments. 	Documentary evidence/ Supporting
	<ul style="list-style-type: none"> All expenses must be monitored and related to the programme outputs / unit costs. Invalidated expenditures will not be considered as expenditure at CNI SBSS level. 	
Allocation of common expense	<ul style="list-style-type: none"> Only actual expenses for the projects can be charged. 	Institutional
	<ul style="list-style-type: none"> Notional expenses cannot be charged to the BftW funded project. 	Audit Report
	Where the CNI SBSS has common expense funded by more than one donor, there should be	Common cost allocation policy
	<ul style="list-style-type: none"> A clearly defined policy for allocating the common expenses to various projects. 	
	<ul style="list-style-type: none"> A level of spending in the different projects. Complete transparency while charging. No double charging or excess charging to any donor. 	Financial report & Accounting software.

Particulars	Areas to be covered	Means of verification
	<ul style="list-style-type: none"> Basis of calculation of common cost allocation should be developed within the organization and should be transparent. 	
Treatment of Unforeseen expenditures	CNI SBSS should inform BFTW immediately in case of following changes & Prior written approval is required: <ul style="list-style-type: none"> Substantial alterations to the project objectives. 	Comparison of the Project proposal with the activities undertaken
	<ul style="list-style-type: none"> Unforeseen additional expenditure not included in the agreed budget. 	
	<ul style="list-style-type: none"> Excess of the expenditure on agreed budget by 20% on any budget line subject to the BftW guidelines. 	Budget variance analysis.
Bank Accounts	Opening of Bank Account <ul style="list-style-type: none"> There should 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. A separate bank account to be maintained by CNI SBSS for the BftW supported project. Account should be in the name of the organization for the purpose of the project. 	Bank Account details
	Bank Account for utilization purposes <ul style="list-style-type: none"> The organization may have separate utilization bank account for each field office in the respective Project Areas as per the need. CNI SBSS should open the utilization bank account with the nationalized banks, so that the account could be operated from anywhere in India or near by the programme implementation area for smooth operation of the banking transactions. Signatories can be assigned as per the CNI SBSS Constitution. All the utilization bank account should be opened in the name of the organization i.e. CNI SBSS. 	Bank Account Details

Particulars	Areas to be covered	Means of verification
	<p>Intimation in case of opening of FCRA Utilization 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 45 days of opening of such account. Upon receipt of the approval, the organization can operate such account for utilization purposes. Not intimating it to the FCRA department attracts a penalty of INR 10,000 per bank account. Multiple bank accounts can be intimated in one application subject to the permission of Form FC-6D. 	
Books of Account	<ul style="list-style-type: none"> Centralized books of account are maintained at Head Office of CNI SBSS. All the scanned bills and vouchers along with the supporting documents are sent to the Head Office through digital mode. The JCE/SCE shares the scanned bills to BPI. BPI verifies the same and shares it to CBPIE. CBPIE verifies and further shares it to the Finance Officer. Before sending the bills, vouchers and the supporting documents to Head Office, it is verified by the Finance Officer. The accounting entries in Head Office is made based on the scan copy of the verified bills and vouchers shared by the Finance Officer. The original bills, vouchers and supporting documents should be received by the Head Office by 15th of succeeding month. The Original Bills and supporting documents should be approved by BPI and CBPIE. After receiving the original bills, vouchers and supporting documents, same are checked by the accountant at Head Office and replaced with the scanned copies shared earlier by the Finance Officer. 	Project Books of Account & related documents

Particulars	Areas to be covered	Means of verification
Accounting Treatment	Accounting Treatment of the grants received from BFTW <ul style="list-style-type: none"> To be reflected as income in the Income & Expenditure Account. For the balance of BFTW grant at the end of the financial year to be shown on the liability side of the Balance Sheet as restricted fund. 	Institutional Audit Statement
Financial and Narrative Reports	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 CNI SBSS. Once the Financial Report are audited, it needs to be signed jointly by at least one authorized signatory of CNI SBSS and the auditor. 	Half yearly Project Reports
	Narrative Report <ul style="list-style-type: none"> Each project area would prepare a monthly activity report specifying the activities conducted by them at their respective villages. 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 Project Areas, 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. 	
	<ul style="list-style-type: none"> Reports to be signed by at least one authorized signatory of CNI SBSS. 	
	<ul style="list-style-type: none"> Financial and the Narrative Report together with the Auditor's report should be sent to BFTW within 3 months after the end of the reporting period. 	Financial Report

Particulars	Areas to be covered	Means of verification
	<ul style="list-style-type: none"> CNI SBSS should review the item wise utilization against budgets and correlate these against activities planned and achieved. 	Comparison of the planned v/s achieved
Audit	<ul style="list-style-type: none"> Appointment of an independent local auditor either a Chartered Accountant or a certified Public Accountant or equivalent. A tripartite written agreement between the CNI SBSS, the auditor and BFTW. Auditor should be rotated after 9 years. The auditor appointed by CNI SBSS will cover Project Areas which are covered by the BftW project in case of BftW project audit. 	Audit Agreement
	<ul style="list-style-type: none"> Management letter should be issued. 	Management letter
	<ul style="list-style-type: none"> Auditors have to provide opinion regarding <ol style="list-style-type: none"> the Agreement of Cooperation Whether the project funds have been utilized exclusively for the purposes of the project Whether the financial statements reflect true and fair view of the financial affairs of the project 	Auditor's Report
Project Assets	Ownership <ul style="list-style-type: none"> Assets acquired out of project funds shall be the owned by CNI SBSS. 	Asset Register
	<ul style="list-style-type: none"> Asset should be booked as expenditure in Project Books of Account and should be capitalized in the overall books of account of the organization. 	Books of Account
	<ul style="list-style-type: none"> CNI SBSS should maintain a fixed assets register. CNI SBSS shall obtain adequate insurance cover for fixed assets. 	Fixed Asset Register
	<ul style="list-style-type: none"> BFTW's prior consent is required in writing. <ol style="list-style-type: none"> To utilize Project assets for any other purposes than those of the Projects or To pledge or mortgage Project assets or To wind up revolving funds and use such funds for other purposes. 	Project Proposal
	<ul style="list-style-type: none"> Any proceeds out of Project Assets will be treated as project income in the Financial Report of the Partner Organization. 	Financial Report

Particulars	Areas to be covered	Means of verification
Own Means Contribution (OMC)	Financial reporting to BFTW	Institutional Audit Report
	<ul style="list-style-type: none"> Only the actual funds received from other donors i.e. Non-BftW sources including Own Means Contribution of the partner to be considered as Own Means Contribution by CNI SBSS. 	
	<ul style="list-style-type: none"> Funds to be related to the project funded by BftW. 	Books of Account
	<ul style="list-style-type: none"> Funds should form part of the audit process for the purpose of the BftW reporting. OMC is the project expense agreed to be borne by project partner from its own resources. 	Source of own means
	<ul style="list-style-type: none"> Contribution in cash collected should be deposited in Local bank account and necessary entry should be made in the local books of account of the organization. Details of cash receipt should be recorded such as name, source, date etc. Contribution in Kind should not be reported in the Financial Report. In kind contribution can be valued and documented and can form part of the narrative report. Further, the detail source of in kind contribution should be maintained. 	Books of Account
Grant Closure Processes	<ul style="list-style-type: none"> Process must start at least 3 months prior to the closure date. 	Process followed by the Partner Organization for the same.
	<ul style="list-style-type: none"> Before the project closure last fund request should be prepared. On the date of grant closure there should be no accumulated balances at any level. As BftW retains up to 5% of the grant funds to ensure that no accumulated grant balances at any level of the project, in that case grant balance would reflect the amount receivable from BftW. 	Details of fund status to be checked.

SOP-ACCOUNTING SYSTEMS

Particulars	Areas to be covered	Means of verification
Basis of Accounting	<ul style="list-style-type: none"> For project-based books of account donor guidelines should be followed. Cash basis of accounting should be followed by CNI SBSS. 	Accounting software & Audit Report
Significant Accounting Policies	<p>Significant accounting policies need to be stated to facilitate better understanding of the financial statements include the following:</p> <ul style="list-style-type: none"> Finance policy Human Resource Policy Common Cost Allocation Policy Conflict of Interest Policy 	Respective policy documents to be verified.
Computerized Books of Account	<ul style="list-style-type: none"> Centralized books of account is maintained at Head Office only. The accounting entries related to all the implementation areas may be done through a cloud-based accounting software. Books of account should be maintained in the computer which is located at the office premises only. Project wise books of account should be maintained. Program and administrative expenditures should be clearly defined. 	Accounting software

Particulars	Areas to be covered	Means of verification
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 are accordingly sub divided. The Charts of Account in Tally should be prepared as per the budget line item and budget sub line item Each project area may be categorized as a “cost center”, so that at any time project area wise expense details can be obtained. 	Accounting Software/ Books of Account
Accounting Process	<ul style="list-style-type: none"> Once the approved scanned bills and supporting documents are received from the Finance Officer then the accounting process is initiated at CNI SBSS Head Office. 	
	<ul style="list-style-type: none"> Verify voucher and supporting documents. Before expending the amount, the expenditure should be authorized for payment. 	Vouchers and Supporting documents
	<ul style="list-style-type: none"> After receiving the verified scanned copy of the bills and vouchers from the Finance Officer, accounting entry is made in the books of accounts at Head Office. Prepare the Final Accounts. 	Books of Account

Particulars	Areas to be covered	Means of verification
Vouching Processes	<ul style="list-style-type: none"> • All the original bills and vouchers will be kept at Head Office. • A voucher to be prepared for each and every entry made in the books of account. • Each and every entry should be supported by the supporting documents. • Bills and supporting should not be overwritten. • The Head Office will receive the original supporting documents (i.e. bills, participant list etc.) on monthly basis within fifteen 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. • In a situation if it is not at all possible to obtain the supporting documents, then in that case self-declaration can be entertained after proper authorization and approval of the senior officials. 	Books of Account
Types of Vouchers	Basically 4 types of vouchers: <ul style="list-style-type: none"> • Receipt vouchers • Payment vouchers • Journal vouchers • Contra vouchers 	Vouchers

Particulars	Areas to be covered	Means of verification
Attributes of a complete voucher	<p>Each voucher contains the following information regarding the accounting transaction:</p> <ul style="list-style-type: none"> • Pre- numbered Vouchers • Date of transaction • Description of transaction • Accounting head debited (co-relating with the approved budget heads) • Amount in words and figures • Project title and source of funding • Location • Signature of recipient • Signature of person preparing/ checking/ sanctioning the voucher. • DD/ Ac payee cheque details in case payment is by way of a demand draft or a/c payee cheque. • Paid stamp with date on the face of voucher and each supporting document. • Appropriate approved supporting documents evidencing the payment made. 	Vouchers
Generation of Books of Account	<ul style="list-style-type: none"> • Maintenance of books of account using computerized accounting package. 	Accounting software
	<ul style="list-style-type: none"> • Printouts of the books of account i.e. cash book, bank book and various ledgers at periodic intervals. • Books of account should be updated on daily basis. 	Books of Account

Particulars	Areas to be covered	Means of verification
Maintenance of Petty Cash Book	<ul style="list-style-type: none"> CNI SBSS adopts the petty cash system to make and account for small or petty payments made on a day-to-day basis. 	Petty cash book
Maintenance of other accounting records	<ul style="list-style-type: none"> Subsidiary Ledgers like those for community contributions. Fixed asset records for fixed assets purchased either from own or donor funds. Stock registers Vehicle log books (where applicable) Salary register Staff leave and benefit records Other records specifically required by the Organization. 	Respective documents to be verified
Checks and balances for computerized accounting	<ul style="list-style-type: none"> Security level with the computerized accounting package. Back up should be taken at the interval of 15 days in an external drive. Proper internal checks should be put in place so that the work of one person is checked by another person. Back dated entries should not be allowed. <p>Modification of entries only through rectification entry. Entry should not be deleted in case of wrongly entered entry.</p>	Accounting Software

Particulars	Areas to be covered	Means of verification
Retention Policy: Storage and Maintenance of past Records	<p>Financial records to be retained</p> <p>As per BFTW norms:</p> <ul style="list-style-type: none"> Till the end of the project period and for a period of 10 years after the project is over. <p>As per Income Tax Act</p> <ul style="list-style-type: none"> For a period of 8 years after the close of the accounting year. <p>As per FCRA 2010</p> <ul style="list-style-type: none"> For a period of 6 years after the close of the accounting year. 	Retention Policy
Yearend Closure	<ul style="list-style-type: none"> Minimum cash balance to be kept at the end of the financial year. 	Institutional Audit Report
	<ul style="list-style-type: none"> As on 31st March bank certificate to be obtained from bank & In case of closure of the grant co-operation last cheque no. issued to be noted & frozen. 	Bank detail
	<ul style="list-style-type: none"> Physical verification of fixed assets & all stocks to be reconciled and documented. 	Stock/ Asset Register

SOP-INTERNAL CONTROL SYSTEMS

Particulars	Areas to be covered	Means of verification
Overall Internal Controls	<p>The Organization should ensure the following mechanism:</p> <ul style="list-style-type: none"> • Monitoring of the expenses at all levels. • Reconciliation of the fund balances • Reconciliation of the cash and bank balances. 	Reconciliation of the Fund balances/ bank balances available
Delegation of Financial and Non-Financial Authorities	<p>The Organization should have</p> <ul style="list-style-type: none"> • A clearly defined and documented policy approved by Governing Body. • Monetary limits should be defined within the organization for authorization of various categories of payments. • The delegation of authorities to take non-financial decisions which involves: <ul style="list-style-type: none"> ❖ Hiring and firing of staff ❖ Signing of grant agreements with the donors ❖ Signing of lease agreements ❖ Any other documents 	Respective policy documents to be verified
Do's and Don'ts for Payment	<ul style="list-style-type: none"> • Only actual expenses incurred for the purpose of planned and approved project should be charged to the project. • Any expenditure of personal nature should not be charged to the project fund. • Estimated and notional expenditures should not be charged to the project fund. • All the payments should be authorized on the basis of the approved limits. • The finance in charge should ensure that the payment proposed is in 	

Particulars	Areas to be covered	Means of verification
	accordance with the approved budget line items and supported with bills & invoices.	
	<ul style="list-style-type: none"> The organization should make most of the payment through banking channels Direct vendor payments will be made on the basis of scanned bills after due approval process at Head Office. 	Books of Account
Procedure for processing payments	Preparation of payment voucher <ul style="list-style-type: none"> The payment voucher should be attached with the supporting documents, which justify the payment. It should be duly signed by the person receiving the payment. Further, the same should be approved by the appropriate authority authorized by the organization. 	Vouchers/ Supporting's
	Preparation of cheque <ul style="list-style-type: none"> All cheques must be crossed / A/c. payee. Cheque issue register should be maintained The payee's name, date, the amount in words and figures should match with the voucher. 	Cheque issue Register
	Authorization of payment <ul style="list-style-type: none"> Ensure that the payment should be made on the basis of the original bills/ invoices. As per the current structure soft copies of bills and vouchers can also be processed for payment. Authorization of payment should be made on the basis of Authority Matrix. The Authority matrix has been attached as an Annexure I 	

Particulars	Areas to be covered	Means of verification
	Supporting Documents <ul style="list-style-type: none"> All the payments should be provided with sufficient supporting documents. Paid stamp should be affixed on all the vouchers and supporting Circumstantial Evidence <ul style="list-style-type: none"> Is required in case of implementation of projects in extreme remote areas. Such as photographs, participant list, minutes of the meeting etc. 	Supporting Documents
Cash Management	<ul style="list-style-type: none"> The organization should ensure that the payment through cash is minimum. The cashier should be different from the person dealing with accounting record. Cash payments should be made only in accordance with the approved budget line items after verifying all supporting documents. Cash receipts should be properly accounted for. Pre-numbered receipt should be issued for cash received. Cashbook should be closed on daily basis. Cash-in-hand should be tallied with the balance as shown in the books of account in Tally. No payments in excess of INR10,000/- to be made by cash. The organization should pay salary through banking channel. Salary should not be entertained in cash. 	Supporting Documents Cash Book
	<ul style="list-style-type: none"> If within the organization cash in hand is more, then cash on hand / in transit insurance cover to be obtained to cover maximum amount of cash at any point of time. 	

Particulars	Areas to be covered	Means of verification
	Cash safety measures: <ul style="list-style-type: none"> • Insurance • Rotation of duties • Physical verification of cash • Surprise checks 	
Bank Management	<ul style="list-style-type: none"> • Minimum of two signatories jointly to operate the bank account. • At any point of time pre-signed cheques should not be kept within the organization. 	
	<ul style="list-style-type: none"> • Bank Reconciliation to be prepared on a monthly basis. The same should be signed by the person preparing the reconciliation first and then by the Head of Finance after the cross verification. The signed reconciled statements should be properly filed. The format of Bank Reconciliation is provided in Annexure- II. • Separate bank a/c to be opened for specific donor grants. 	Bank Reconciliation Statement
Procurement Procedure	<ul style="list-style-type: none"> • Justified and transparent. • Sound and fair practices should be followed within the donor guidelines. • Based on arm's length negotiations with independent and bonafide suppliers which provide goods and services at a fair price. • The organization should have purchase committee to deal with the procurements of assets. • Limits should be defined above which amount three quotations should be called i.e. depending on the size of the organization. In exceptional cases three quotation may not be required subject 	Procurement Policy

Particulars	Areas to be covered	Means of verification
	<p>to the satisfaction and approval of the Purchase Committee.</p> <ul style="list-style-type: none"> Comparative statement should be prepared and on the basis of value for money asset should be selected. Reasons of selection of assets should also be mentioned in the comparative statement. Formats of the same is provided in Annexure- III. The same should be signed by all the members who all are involved in the procurement process. 	
Inventory Control	<ul style="list-style-type: none"> Stock records to be maintained neatly every day as and when the materials received or distributed. Physical verification of stock to be carried out on a half yearly basis and documents justifying the physical verification should be kept within the organization. 	Stock Register
Fixed Asset Management	<ul style="list-style-type: none"> Fixed assets should be recorded in the Fixed Asset Register as and when it is purchased. The format of Fixed Asset Register has been provided in Annexure-IV. Physical verification of fixed assets should be done at least once in a year. Documents of physical verification of fixed assets should be duly signed by the person who is verifying and the same should be properly filed. 	Fixed Assets Register
	<p>Coding of Fixed Assets:</p> <ul style="list-style-type: none"> Each and every asset should be numbered/ coded according to the donor agency The code should specify the fund or donor of the fund which has been used 	

Particulars	Areas to be covered	Means of verification
Fixed Asset Management cont....	<p>for acquiring the asset. Fixed assets schedule should be segregated into two parts; assets from local sources and assets from foreign sources.</p> <ul style="list-style-type: none"> • Coding is a way of keeping track of fixed assets. It should be assigned to every fixed asset, so that the same can be controlled in an efficient manner. • Coding should be commensurate with the name of the organization, nature assets purchased, no of assets purchased, financial year and fund utilized for the purchasing of fixed assets etc. The coding for CNI may be CNI/BftW/E/2022-23/ 0001 where: <p>CNI = Name of the organization BftW = Fund utilized/ donated by E = Equipment (Nature of assets) 2022-23= Year of purchase 0001 = Number of assets</p>	

Particulars	Areas to be covered	Means of verification
Advance Management & Disbursal	<ul style="list-style-type: none"> Monthly Meeting is held between Junior Enabler, Senior Enabler, BPI and CBPIE. Following the meeting, request for 15 days' advance is sent by BPI to CBPIE in case the fund request is below INR 30,000/- and approved by the CBPIE itself and sent to HO for processing of payment. If the fund request is above INR 30,000/-CBPIE sends request to Head Office. Chief Coordinator approves the same with the recommendation of Head of Finance (HOF). After the approval from the Chief Coordinator and HOF, the fund is disbursed within 15 days from the approval. <p>Monitoring of the Advances</p> <ul style="list-style-type: none"> Fresh advances will only be processed after settlement of previous funds disbursed The frequency for sharing the fund request will be as per the program needs. It is encouraged to settle all the advances before the end of the financial year. Advance requisition and settlement form for both program and Travel has been provided as an Annexure- V, VI and VII. 	

Particulars	Areas to be covered	Means of verification
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 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 employees are employed exclusively by CNI SBSS and not engaged/ employed by any other organization. 	<p>HR Policy</p> <p>Books of Account</p>

SOP-STATUTORY COMPLIANCE

Particulars	Areas to be covered	Means of verification
Requirements under FCRA, 2010	<ul style="list-style-type: none"> An association who has been granted the Certificate of registration is valid for 5 years from the date of issue. Every certificate of registration is to be renewed in Form FC-3C along with the prescribed fee before 6 months of the expiry of certificate of registration. 	Registration Documents
	<ul style="list-style-type: none"> Receive the foreign contribution in the SBI Account, New Delhi, Sansad Marg. Only Foreign contributions are deposited in this account. 	Bank Details
	<ul style="list-style-type: none"> One or more banks to be opened for utilizing the foreign contribution provided that no funds other than foreign contribution shall be received or deposited. 	
	<ul style="list-style-type: none"> Any fixed asset acquired out of the foreign contribution should be in the name of the association and not in the name of any individual. 	Fixed Asset Register
	<ul style="list-style-type: none"> Not more than 20% of the foreign contribution shall be paid to meet administrative expenses. Separate set of books of accounts to be maintained for foreign contribution received and utilized. First step would be to recognize the programme and administrative expenditures. 	Institutional Audit Report BftW Project Books of Account

Particulars	Areas to be covered	Means of verification
	<ul style="list-style-type: none"> 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. 	
	<ul style="list-style-type: none"> A yearly account of the receipt and purpose-wise utilization of the FC including interest earned is to be submitted in Form FC -4 along with the Income & Expenditure statement, balance sheet and statement of receipt and payment duly certified by a chartered accountant in duplicate within 9 months of the closure of the financial year. Nil return to be filed with the Ministry of Home Affairs even if no FC is received. 	Institutional Audit Report

Particulars	Areas to be covered	Means of verification
The Income Tax Act, 1961	Exemption of Income <ul style="list-style-type: none"> NGOs registered under sec 12A enjoy conditional exemption of its income. Tax Deduction at Source (TDS) <ul style="list-style-type: none"> All NGOs must obtain Tax Deduction Account Number (TAN) as mandated by the Income Tax Authorities. All NGOs should deduct tax at source on certain payments: <ul style="list-style-type: none"> ➤ Payment of salaries to its staff (sec 192) ➤ Payment to contractors and sub-contractors (sec 194 C) ➤ Payment of rent (sec 194I) ➤ Payment of fees for professional or technical services (sec 194 J) 	
	<ul style="list-style-type: none"> All NGOs should deduct TDS and remit the same into the credit of the Central Govt. within due date. Annual and quarterly returns to be filed in specified forms. TDS on receipts by all NGOs <ul style="list-style-type: none"> Interest on securities Interest other than interest on securities Rent Income in respect of units 	TDS Challan with Books of Account

Authority Matrix

ANNEXURE-I

Particulars	Limit	Approval of
Program Plan Authorization Matrix		
Approval of activities and budgets	Up to INR 30,000	CBPIE Expert
	Above INR 30,000	Chief Coordinator with the recommendation of Head of Finance
Travel Approval		
Travel of JCE/SCE	-	BPI
Travel of BPI	-	CBPIE Expert
CBPIE Expert	-	Chief Coordinator
Finance Officer	-	Head of Finance
Head of Finance	-	Chief Coordinator
Chief Coordinator	-	Chairperson/Treasurer

Sample Format of Bank Reconciliation Statement

ANNEXURE-II

BANK RECONCILIATION STATEMENT as on.....		
Particulars	Plus Items Rs.	Minus Items Rs.
Dr. Balance (Favorable Balance) as per Cash Book	---	
Add:		
1. Cheques Issued or Drawn but not yet presented for payment	---	
2. Interest allowed by bank not recorded in cashbook.	---	
3. Amount directly deposited by customer in our bank account.	---	
4. Interest & Dividends collected by Bank on traders investments.	---	
5. Cheques paid into bank but omitted to be entered in the Cash Book	---	
6. Any Wrong Credit given by bank in the Pass Book	---	
Less:		
1. Cheques paid into bank for collection but not credited by Bank.		---
2. Cheques paid into bank for collection but dishonored by the bank.		---
3. Direct payment made by the bank according to the standing instructions of customers.		---
4. Bank Charges and commission charged by bank.		---
5. Cheques issued but omitted to be recorded in the cashbook.		---
6. Any Wrong Debit given by bank in the Pass Book		---
Total	---	---
Cr. Balance (Favorable Balance) as per Pass Book	---	

Sample Format of Comparative Statement of Quotations ANNEXURE-III				
Name of the Project				
Funding Agency				
Description of Asset			Quantity Required:	
Budgeted Amount				
SN	Name of the Vendor	Detailed description of the Asset (Including features)	Rate Offered	Remarks
1.				
2.				
3.				
4.				

Therefore, the approval is sought for purchase of _____ from (name of the vendor) _____ (SN____) because _____ (it could be because of lowest price, better quality, regular supplier, better after sales service/ etc.)

Prepared by

Verified by

Approved by

1.

2.

3.

Note: Purchase Order should be issued to the selected vendor with detailed terms & conditions with regard to advance payments, delivery & payment of total bill.

Sample Format of Fixed Asset Register

ANNEXURE-IV

Name of the Organization											
Fixed Asset Register as on _____											
Sl. No.	Date of the invoice	Name of the Asset	Description of the Asset	Name of the Supplier	Purchase Cost	Quantity	Project Name	Unique Identification Number of the asset / Asset Code	Issued to	Location	Signature of the employee to whom asset is issued

Sample Format of Program Advance Requisition form ANNEXURE-V

Name of the Employee : _____

Project Name : _____

Program Budget Head: _____

Program Date : _____

Expense Estimation : **Kindly Provide an estimate of the expenses which you plan to incur, also include a brief description and the estimated amount of each expense.**

S. No.	Particulars	Description	Amount
1	Transportation		
2	Meals		
3	Lodging		
4	Stationary		
5	Resource Person Fee (If Any)		
6	Other Program Expenses		
Total Expense Estimation			

Date : _____

Place : _____

Signature of the Employee

For Office Use Only

A – The Existing Balance in the Budget Head (in Rs.) - _____

B – Whether the requisition is according to the Budgeted provision? - (Yes / No)

C – Any previous outstanding advance in the name of the employee? -

D – Any Comment - _____

Date: _____

Signature of the Accountant

Approved Amount - _____

Signature of Coordinator / Secretary
Treasurer

Signature of

Sample Format of Travel Advance Request Form **ANNEXURE VI**

Kindly arrange booking by TRAIN / AIR / BUS as per details given herein below: Date of requisition:_____

Name: _____ Designation _____ mobile no : _____

(M/F) _____ Age _____ Date from _____ to _____ Place _____

Purpose of journey _____ Under Project: _____ Budget Head No. : _____

Preference	Date	Onward /return	Train / Flight No.	From	To	Class
Lodging Y/N	Date	Place	from	to	Name of preferred Hotels	

Advance Requisition:

Lodging	Boarding	Local Travel	Any other	Total	Signature of traveler after receiving the advance

Approved (Y/N

Treasurer / Coordinator

Signature of the Accountant

Signature of the employee

Headquarters
CNI Bhavan, 16, Pandit Pant Marg
New Delhi – 110 001
Phone: +91-11-2371 8168/ 2126
Email: cnisbss@cnisbss.org

Program Support Office (West)
CNI SBSS, Christ Prem Seva Ashram
Near Sakal Newspaper office
PT Depot Natawadi, Shivaji Nagar
Pune – 411 005 (Maharashtra)
Tel: +91-20-2551 4820

Program Support Office (East)
CNI SBSS, Plot No.436-D, Flat
No.301, 2nd Floor,
Subhadra Residency, Baramunda,
PS- Khandagiri, Bhubaneswar,
Dist. Khurda, Odisha
Tel: +91 94 3752 7124