

**Manual of Financial Management  
Delegation of Powers (Financial):**

**Version 2.0**

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(amended)**

# Manual of Financial Management

## Delegation of Powers (Financial):

Account Opening: New accounts can be opened by the resolution passed by the Executive Committee members, i.e; Chief Functionary, General Secretary and Treasurer.

Cheque Signing Authority: CARD follows two signatory systems with any two of the CF/GS/Treasurer as the signatories. Both CF and GS remain out of Bhopal for longer periods and it becomes difficult to make timely payments. Therefore, Senior Administrative & Accounts Officer was proposed as additional cheque signatory member. Now all cheques can be signed by any two of the SEO/Treasurer/GS/CF.

In Branch offices again, any two of the three senior officers/ Project incharge will be the signing authority. The Executive Committee at Head Office will approve the appropriate three/ two signatories at field offices as per need and local conditions.

### Payments Approval System:

- (i) Daily Routine bills for sundry items which are paid in cash will be verified and paid by the SEO. (This may be approved by higher authority in advance or on a later date). In field offices concerned Accounts Incharge will be authorized to pay the same and this may be approved by respective higher authority.
- (ii) Monthly bills which are recurring in nature like salary, office maintenance (electricity, water charges, other services, etc), routine stationary and grocery purchase items, etc and are paid by account payee cheques. These will be **verified and paid by the SEO**. (This may be approved by higher authority at a later date or in advance before issue of cheques).

In field units such expenses will be verified and paid by the respective Accounts Incharge and the same has to be approved by respective Project Incharge.

"A maximum amount of Rs.10000/- can be paid to one person in one calander day, in cash in compliance of Income Tax Act. In no case, payments of over Rs.10000/- can be made".

- (iii) In case of other higher order purchases **standard purchase procedure** (inviting quotations and approval by more than one person) will be followed. Preference should be given to lowest **rates** but in specific case purchase orders can be issued to higher quotation with proper justification recorded. But items amounting up to Rs 20000/-can be purchased on the basis of market survey. Similarly Standard items, i.e. proprietary items of reputed companies which have nearly fixed prices can also be purchased on the basis of quality/better specifications/warranty/payment terms market survey etc. Treasurer or concerned Project Officer is the competent authority for the purpose (This may be approved by higher authority at a later date or in advance before issue of cheques).

### Transfer of money:

CARD follows decentralized accounting system and project funds are maintained at respective field offices. Only in case of FCRA funds and / or special projects accounts are maintained at Head Office. Transfer of money to and from Branch offices will be made by the **approval by the Treasurer/GS/CF**, such transfer will also be recorded. Concerned POs will timely request for transfer of payment.

### Advance Payment:

Advance payment is made to staff for meeting unforeseen expenses and as tour advance for officers going out on official duty. Requisition for Advance Payment (project) is must and this should be forwarded by the project in charge for self or for junior colleagues.

Advance settlement is expected immediately after completion of such assignment/ tour but in any case it should be done within a fortnight.

In case an employee fails to settle the advance in the specified period it will be recovered from the employee from his salary.

### Salary Advance:

In special cases one month salary advance can be made to be adjusted within a month. Maximum of two such salary advances can be made in a year. Such advances will be within the overall budgetary limit approved for a particular financial year.

### Cash Book Maintenance:

Cash Book is maintained in soft on Tally package as it has its advantages and is today a standard practice. It will be checked randomly by the Treasurer/ FM.

In branch offices designated senior most officer will do the random checking. It will be verified randomly by the Treasurer/ FM.

### Bank Statement Verification:

Bank accounts are regularly operated and managed by the Treasurer. Bank statement (Statement of accounts) will be checked and verified by the CF on monthly basis. (Bank books have to be maintained and reconciled with the Bank Statement on monthly basis duly authenticated by higher authority).

All branch offices operate and maintain accounts locally. (Bank books have to be maintained and reconciled with the Bank Statement on monthly basis duly verified by higher authority)

These are checked and verified by the Finance Manager. He will put Statement of Bank Accounts of all branches to CF on quarterly basis.

### PF/ Gratuity:

CARD follows provident fund rules and all core employees who fall under the provision are paid Provident Fund. (Gratuity scheme was introduced initially as a privilege to core employees but it was noticed that there is high dropout rate among NGO employees and most are unable to avail its benefits. The scheme was therefore, reviewed and stalled). Treasurer is entrusted the responsibility of following the PF rules and its adoption.

But benefits of PF will be approved and verified by GS/CF before sanctioning by the Treasurer.

### Financial Monitoring & Reporting:

The field projects of CARD are spread up in MP and CG in remote locations. All Project Officers are responsible for physical and financial monitoring of field projects. In addition, there are Accounts Officers in Regional Branches. Regional Coordinators/ Representatives also monitor respective field offices on quarterly basis.

Visit by FM in branch offices on quarterly basis. The Treasurer also visits and monitors every branch office once in a year. Both present written monitoring statement to CF on regular basis as per the enclosed check list.

All the accounts staff of CARD (Head office and field offices) must meet twice a year. Once it can be supplemented with the annual orientation meet. But one exclusive accounts staff meet be made mandatory per year which will also be attended by the GS/CF. January/ February is the ideal month for such meeting.

Submission of proposal and approval will be required by the Project Officer for the execution of any activity costing more than Rupees 50000 from RC/ HO; in case the payment is to be made through Project Account not from Village committee account.

### Standard Operation Procedures:

Standard Operation Procedures have been adopted and followed. Since the SOP is for restricted use, the same has not been published on website and can be seen in the finance section, whenever needed.

### Internal Control Systems:

For the purpose Internal Control Teams (ICT) will be constituted at each field office. The field ICT team will report to the HO (ICT) team. At head office the Finance & Admin and M&E team of CARD will be the ICT team.

- i) Internal audit by the Field Offices must be deployed on annual/ half yearly basis. The observations of financial operations generated against the agreed check list will be shared with CF/ concern Incharge for further actions.
- ii) The above audit will also cover village committee level financial transactions on sample basis.
- iii) Statutory audit requirements by external auditor will be performed annually.

### Exercising Internal Control

Vide order dated 17.10.2018, internal control cell was constituted with a view to achieve betterment in records and also to keep proper surveillance of the works executed by CARD. The team is to be led by Advisor Finance. The Advisor Finance is authorised to induct suitable staff from all over the CARD as and when needed and assign them specific tasks of visiting and inspecting places **and report directly to him for onwards transmission to CF**. Accordingly, two teams have been constituted out of which one team consists of senior officers for monitoring the programme implementation at different sites and another team for conducting internal audit at all the offices of CARD. The scope of work of the team members and reporting mechanism has been explained to all the members in details in meetings held at HO.

The Internal Control System is scheduled to be functional w.e.f. 01.04.2019 onwards. Tentative calendar for monthly tour programme of internal audit team has already been finalised and audit shall commence from period from 01.04.2019.

As per the prescribed reporting mechanism, monitoring of reports of all the teams shall be done by Advisor-Finance. He shall review all the reports, take appropriate corrective action on them and seek clarifications/comments from the concerned persons and do all the follow-up work and then submit annual report to CF.

### CARD Investment Policy:

The Management of CARD since its inception has thrived for long term sustainability of the organisation as well as growth. For the purpose the organisation has adopted a model of moderate payments to management/ senior employees and has made compulsory savings. Further as per the organisation policy the Executive Members do consultancy only on CARD behalf. Only in special cases personal consultancy is allowed. Savings from consultancy, studies, trainings, project overheads, contingencies, etc. are pooled in to invest in immovable assets. As a result the organisation today has its own offices/ land in Bhopal, Mandla, Dhar and Ujjain. A training centre has also been established at Ghughari in Mandla and more are in plan.

The Bank accounts of the organisation are opened on savings accounts only, unless there is no provision. Further, there is policy of investing the saving accounts money in to term based Fixed Deposits so that interest accrued can be used in development purposes. However the grants received from government is not used for investment due to government contract conditions. The Treasurer is responsible for assuring proper investment of money.

### Consultant Hiring Policy/ Charges for CARD projects

There is provision of providing consultancy of subject matter specialists to various projects. It becomes very difficult to obtain timely services of such consultants and even continued availability of consultants can also not be ensured for periodic monitoring, etc. Therefore, CARD has prepared a roster of consultants from varying discipline who are either full time, part time and on assignment basis. CARD Bhopal coordinate their services to various projects as per need and besides their consultancy charges it spends on their boarding and lodging at Bhopal and field level, travel (to and fro), local travel and on providing manpower assistance to such consultants. The daily charges of such services are fixed as under as per the category of approved consultants.

All Amount in Rs.

Grade	Professional Fee	Boarding Lodging Charges	Local Travel Expenses	Other Support Expenses	Total Expenses
A	7500	2000	3000	1500	14000
B	6000	2000	3000	1000	12000
C	4500	1500	2000	1000	9000
D	3000	1500	2000	1000	7500
E	2000	1000	1000	500	4500
F	1000	1000	actual	500	2500
G	500	500	actual	0	1000

\*To and fro travel expenses will be charged on actual basis.

The CARD management/ executive members can also contribute their expertise to particular project as per need. The daily charges will be made as per the table below.

Grade/ Category	Professional Fee	Boarding Lodging Charges	Local Travel Expenses	Other Support Expenses	Total Expenses
CF (A)	7500	2000	3000	1500	14000
GS/ PC (B)	6000	2000	3000	1000	12000
Treasurer(C)	4500	1500	2000	1000	9000
A Fellow (D)	3000	1500	2000	1000	7500
SRO/ (E)	2000	1000	1000	500	4500
RO (F)	1000	1000	Actual	500	2500
Field Staff (G)	500	500	Actual	0	1000

The above are standard rates. These will be charged on case to case basis. However in cases of projects with lower budgets charges will be made as per the scope and provisions. Consultancy note is must for clearance of charges.

#### Common Expenses Policy:

CARD has its head office at Bhopal and runs field offices at different locations. CARD has never received any building or asset grant from any government/ private Trust. But as a policy of the organisation CARD has created assets (offices) at Bhopal, Dhar, Ujjain, Dindori and Ghughari from own sources/ Bank finance. The reason of investing own funds/ savings is to facilitate projects in the interior backward locations where convenient rented offices are very difficult to locate. To meet these expenses the policy is to charge the project appropriate monthly rent. Further in some cases projects do not have any provision for furniture and equipments but these are an integral part of an office and all the provisions are made from CARD and only nominal monthly rental/maintenance charges are made for these facilities to the project. These are elaborated as under:

#### Common Expenses Policy for Use of Premises

- 1) Premises Rent including Maintenance (house-keeping)
- 2) Water and Electricity
- 3) Communication (telephone, internet, etc)
- 4) Sundry Expenses (gas/refreshment/etc)
- 5) Hospitality expenses-Attendant

#### Common Expenses Policy for Project Management

- 1) Head Office Overhead Expenses (HR/ Finance & accounts/ Monitoring & Coordination/ Documentation & Reporting/ Communication/ Common Audit/ Annual Maintenance/ Logistics/ etc.).

#### Common Expenses Policy for Vehicle provision

- 1) Four Wheeler (AC ) 8 seater @ Rs 12 per KM and Rs 2000 pd
- 2) Four Wheeler (NAC )12 seater @ Rs 14 per KM and Rs 2000 pd

#### Common Expenses Policy for Project Staff for use of Furniture & Equipments

- 1) Furniture & Fixture (tables/ Chair/ almirah/ Fan/ Cooler/ etc)
- 2) Equipments (computer/ Printer/ Scanner/ UPS/Inverter/ etc)  
@ Rs 3000 per staff per year
- 3) LCD/ Projector will be charged @ Rs 1500 per day

**Annual Budget:**

Annual budgeting exercise will be conducted region wise and compiled at Head Office level. The Projects in hand and in pipeline (approved) will be considered for annual plan. Annual Budget will be approved by the GC. Annual Budgeting exercise will be completed by March each year.

The Financial rules & regulations have been prepared to bring order to the overall work performance and these are in no ways intended to bring bureaucratic order to the working of an NGO. The Executive Committee is empowered to take decisions to amend/ change/ add to the rules and regulations (above) to make these simple and easily applicable as and when need may arise.