

ATSA– FINANCE POLICY

Introduction:

ATSA (Amar Trishala Seva Ashram) funds are earmarked for the benefit of the focused group and all the **ATSA** employees are personally responsible to see the benefit of the fund actually reach to these groups. The point which needs to be noted is that the funds are received from various funding agencies in accordance with a rigidly sanctioned budget and no variation if up to 5% is permissible from the sanctioned budget at the time of actual implementation of the program. For continuation and smooth implementation of the program it is essential that regular funds be received from the funding agencies, which again is dependent on submission of accounts to the concerned funding agencies regularly and in time. Finally, the **ATSA** fund is considered to be public money and the accounts of the **ATSA** is always open for inspection and scrutiny by a member of Government and Non-Government Agencies including the representatives of the various funding agencies, Income-Tax Department and Intelligence Bureau etc.

Keeping in view the points noted about the Project in Charge/coordinator must ensure that the accounts are properly maintained and all expenditure is properly supported by evidence of payments and are verifiable. Special care however should be taken on the following points:

1. BUDGET:

The Project in Charge/coordinator must procure a copy of the sanctioned budget before any expenditure is incurred. Expenditure must be made strictly on the budget line. The excuse that at the time of the implementation of the program the expenditure incurred were/are of different nature is not acceptable. As there is no fund for non-budgeted items, the same is liable to be disallowed.

2. SIGNATURE OF VOUCHERS:

All expense vouchers must be signed by at least two **ATSA** employees, one of them should be the Project In-Charge/coordinator who will sign the same as a token of approval/sanctioning the expenditure. The other **ATSA** employee signing the expense voucher can be of any employee working in the program center. The management or the program head shall be deciding as to who will be the person who will sign the voucher in addition to the Project In-Charge/coordinator. The expense voucher means all vouchers whether supported by any outside evidence of payment or not.

3. PURPOSE OF EXPENDITURE:

All the expenditure voucher must indicate the purpose for which payment of expenditure has been incurred. The purpose should be very specifically mentioned. This is especially applicable for expenses like food items, TA, conveyance, purpose of fuel, etc. The conveyance/TA bills must indicate the place

visited and the purpose for such visit. The food expenditure must indicate the details of persons who consumed the same and the occasion.

4. UNDERHAND PAYMENTS/AVOIDANCE OF TAX:

ATSA employees are not authorized under any circumstances to incur any expenditure on bribes or the likewise expenditures. They should always pay whatever amount of sales or other tax due to the Government.

5. EVIDENCE OF EXPENDITURE:

There should be a proof to show that the expenditure has actually been incurred. This proof can be of any nature, e.g. Photographs of the participants of a seminar is a good evidence to indicate that the seminar was actually held and the number of participants present on the occasion. Normally the evidence can either be internal or external. By external evidence we mean a certification or acknowledgement by a third party or the payee. Cash memos, bills and receipt, utilization certificate by a competent authority, etc. constitute the external evidence. The internal evidence of payment are vouchers prepared by the organization, certificates by the organization, entries in the stocks or stores records, entries of logbooks for vehicle and generator, entries in the measurement book, etc. wherever required.

Let us now try to understand what is cash memo and what is the different between cash memo and bills. Cash memos are a kind of receipt issued only in cash or any purchase by the supplier against immediate payment in cash or by cheque. All cash memos must indicate clearly on top of it the fact for which it is issued. It should also indicate the name of the supplier and address in print and give a description of the goods supplied. It should contain the date, the amount paid and signature of the supplier. The cash memos do not require any revenue stamp. The bills/credit memos are raised by the supplier for the goods or services, which has been taken or obtained without necessary payment. The bill only becomes evidence of payment if it is accompanied by a receipt. Thus, only bill/credit memo is not sufficient and there should also be a receipt from the payee. The receipt may also be obtained on the face/top of the bill. Receipts of the payment must affix with the revenue stamp as per the Governments rule.

It should be noted here that for all payments the payees' acknowledgement is essential. However, it may not be possible at times to obtain the same in case of very small payments like rickshaw fare etc. Though, there is no rigid rule as to what amount is essentially to be acknowledged by the payee. The organization however, will follow on this the existing rules of the Income Tax department, which is effective and applicable from time to time.

The internal evidence of payments generally used is traveling bills, muster - rolls, salary payments etc. It should be noted that the bills, vouchers etc. must contain the basic details like the date of visit, place

visited, purpose and the authority that sanctioned the tour for traveling expenses, the attendance details and work done together with measurement book reference for muster - roll. The bills/vouchers must indicate the details of expenses, the purpose, like the project/program for which the expenditure was incurred.

The following points may be referred to while making payments:

1. The payee must be identifiable, i.e. the name and addresses (location) of the payee should be available.
2. Description of goods and services required to be given in detail
3. Date and amount of payment
4. Acknowledgement of payee
5. Purpose of expenditure

6 PAYMENT VOUCHERS Definitions:

- I. Payment voucher papers/documents evidencing disbursement of fund through cash/cheque.
- II. **Voucher Forms:** Printed forms used as top sheets for payments made, inter-alia containing the date of payment, head of a/c, payees' name (and address), payees signature acknowledge payments (in absence of attached cash memos/receipts), signature of accountant and signature of passing authority.
- III. **Cash Memo:** It is issued by the suppliers of goods, against cash/cheque payments made on the spot. "Cash Memo" is a statutory term and cannot be translated. It contains the supplier's name and address, the B.S.T/C.S.T. no, date of purchase, particulars of goods purchased and signature of supplier." Cash Memos" are exempt from requirement of revenue stamp.
- IV. **Bill/Invoice /Credit Memo:** It is issued by the suppliers of goods or for series rendered for which immediate payment is not made. Unless accompanied by separate receipt, this is not evidence of payment made.
- V. **Receipts:** Receipts are obtained from the payees against any payment, except where "Cash Memo" is given by the payee. Receipt should generally be on the printed form of the payee, but it can be obtained on the **ATSA** voucher form or any other paper.
- VI. **Challan:** It is issued by suppliers of goods at the time of delivery of goods. It may only contain the quantity, without indicating the value. If signed by the recipients of goods, it is evidence that goods have been received in good order.
- VII. **Muster Roll:** Used for labor payments. Should contain the name of the site, name of the worker (With address), attendance, daily rate, total payment to each worker, reference of M.B. Page, signature/thumb impression of the recipient, signature of site in-charge, signature of sanctioning authority, etc. Preferably, labour payments should be made in the presence of a local woman/man (Group Leader/ Village Headman/the Beneficiary in whose land the plantation or other earth-work has

been carried out) who also signs the Muster Roll to indicate that payments have been disbursed in his presence.

- VIII. **M.B (Measurement Book):** Generally maintained by the Site supervisor/ Site In- charge and contains physical details of work done at the site, like measurement of earthwork, no. of trees planted, etc. It is supporting evidence to Muster Roll payments.
- IX. **T.A. Bill:** prepared by the persons undertaking an official tour. The tour must be authorized by the controlling officials. It inter-alia should contain the purpose of the journey. On disbursement, the payee must acknowledge the payment.
- X. **Acquaintance Roll/Salary Register:** can be used for staff payments as a substitute for payment vouchers. Break-up of payment (Gross salary, allowances, deductions) should be given. The payees may individually acknowledge payments on the register itself.
- XI. **Quotation:** It should obtain from the supplier of goods or for services, before the order for goods or services are actually placed. It may be noted that the quotations are valid for limited period only.
- XII. **Competitive Quotations:** At least three quotations from different suppliers, for the same goods or for same services. Normally orders should place against the lowest quotation. However, the supplier reputation, after sales services or other terms and conditions may justify placing orders against other quotations. Any purchase exceeds Rs. 10,000/- will be placed before the “purchase committee” and after approval of the committee the purchase can be done.
- XIII. **Controlling Officer:** The Project-in-charge or head of the department or sector, under whose instructions all or some of the project personnel work.

Payment voucher should contain following points:

- Payee
- Date
- Description
- Amount
- Signature
- Support
- Sanction
- Account head

7. PROCEDURE OF PAYMENT:

The ideal payment procedure would be as follows:

- a) Approval of the finance plan by the finance committee approving inter-alia the acquisition or

retention of the particular goods/services.

- b) Requisition for goods/services.
- c) Sanction by the controlling official/office.
- d) Obtaining competitive quotations
- e) Placing the quotation before “Purchase Committee”
- f) Placing orders as per the decisions of the purchase committee
- g) Signing the challan only after ensuring that quantity and quality are as per the order.
- h) Entering the goods in Stocks/Stores/Asset Register.
- i) Checking of the bills of supplier by the site supervisor and accountant indicating that the bills are in accordance with the terms of quotation and order. The stock/store/assets register folio is entered on the bill at this point.
- j) Making the ‘a/c payee’ cheque in favor of the supplier, after deducting advances payment, if any.
- k) Obtaining a receipt from the payee on delivery of the cheque.
- l) Filling up the voucher form.
- m) Entering the payment in Cash Book.

7.1 It should always be ensured that for each payment the following particulars are available?

Payee’s identity: Ideally printed cash memo/bill/receipt of the payee indicating name, address and registration number falling the same, rubber stamp indicating the name and address. The registration no. of a vehicle, together with driver/owner’s name is sufficient identification or payments to transporters. If only name is available, the location may be written by the payers (like name of Tola, village, etc.) Even if food is taken at a “Dhaba”(line hotel). The name of the Dhaba or of Dhaba owner with the exact location may constitute reasonable identify, in absence of other details.

Date of payment: It may be noted that in ‘case payee’s acknowledgement is being obtained on the bill itself, the date of payment should be mentioned by the payee with his signature (same for muster roll and salary register).

Description of goods/Services: Details of the items purchased or services obtained should be mentioned. The description should be exhaustive. For fuel/lubricant, the vehicle no. should invariably be mentioned, even if a hired vehicle. For T.A. bills (Conveyance Rs. 100/-) will not do. Details like type of conveyance (taxi, auto, rickshaw, bus), place visited and purpose of such visit should be given.

Amount paid: If any advance is paid earlier, the payment column should indicate the gross amount, advance adjusted and net amount paid. The amount should be written both in figure and words. Overwriting or using eras-x (white-out), under no circumstance, is permitted. Cuttings must be initialed by

person preparing the voucher as also the passing authority.

Acknowledgement of the Payee: The payee must acknowledge receipt, either on the face of the voucher or through a separate receipt in cash the payee is illiterate, thumb impression may be obtained. Unless it is a Cash Memo, signature, thumb impression must be obtained on a revenue stamp (Rs.1/-) if the payment is for more than Rs. 5000/-.

Signature of the Person preparing the voucher: The person preparing the voucher must sign on place provided ('Prepared by'). Signature is must even if the voucher is being prepared by the accountant or the Project in Charge/coordinator.

Signature of the Accountant: The Project accountant, will sign at the place provided (Accountant/Account Officer).

Signature of the Passing Authority: No payment will be disbursed unless the sanctioning authority signs the same. The NIRDESH sanctioning authority is as below:

- a) For any payment at independent project level, the Project in Charge/coordinator the same shall be passed by the Secretary.
- b) The Project in-Charge/coordinator may delegate his power to any other official, and disbursement may be made at the direction of such official, but each and all such vouchers have to be passed by the Project In-charge/coordinator before audit.
- c) The Head Office vouchers will be passed by the Secretary. However, for advances and T.A. bills paid to the Secretary, the same shall be passed by them Secretary/accountant/chairman.

Head of Account: Each voucher to indicate the head of account. The account head will be more dependent on the purpose of expenditure than the nature of expenditure. For example, 'Travel', 'Stationery', etc. may go under the budget head Administration. Evaluation, Seminar, Meeting, Study, Training, etc. depending on for what purpose the expense was actually incurred. Under the circumstance, the purpose gets precedence over nature. One should also keep in mind the fact that incidental expenses for procurement of goods or services are part of the cost of goods or services. For example, the travel expenses for purchase of inputs or the freight thereon can be treated as cost of inputs, and the account head should be indicated accordingly. For projects having specific budget, the expenses have to be in accordance with the schedule of budgeted heads and no new head of account can be created at project level.

Cross Reference: The payment vouchers should indicate the necessary cross- references, where ever possible. The folio (page) no of the Stock or Asset Register, for purchase of stock items or fixed assets, the folio no. of Log Book for purchase of fuel and lubricant, the reference to file in which the quotations or

orders are kept, the reference to M.B. for wages payments, etc. are examples of cross references. In case if it is necessary to have two voucher forms for one 'Cash Memo', bill or receipt (partly under one head and partly under another head or partly under 'Foreign Contribution Account' and partly under 'Local Account') the supporting papers may be attached with one voucher and reference thereof made in the other voucher.

Supporting Papers: All necessary supporting papers should be attached with the voucher forms as far as possible and cross references made for the rest.

8. CASHMANAGEMENT:

The cashier will be in charge of whole cash available in the cash box as well as petty cash. The cashier will execute the payment voucher after authorization. In his absence account will do the same or directed by secretary. When the funds come to the organization the cashier/accountant will deposit into the concerned and designated bank. The withdrawal can be made from the bank on the basis of requisition prepared for expected expenditure for the office and its project area. The requisition will be prepared by the account/cashier and project-in-charge. The project and ATSA head office will avoid heavy cash transaction if not necessary. Cash transactions need cash insurance by which account withdrawing from banks and other cash transaction from place for office work. The insurance is also necessary for the persons who are carrying the cash transaction from banks daily for official work.

9. FIXED ASSETMANAGEMENT:

A fixed asset register must be maintained for entering the assets of permanent nature in details. The register should reflect the original cost of each item, depreciation, written off and the net value of each item at the end of the accounting year. Identification no. should always be written on each and every fixed asset in such a way that the entry of the item should indicate the following:

- I. That it belongs to ATSA
- II. The year of purchase
- III. The unit/center for which it has been purchased
- IV. The corresponding entry in the fixed assets to be made

10. MAINTENANCE OF FILE

Personnel: Personnel docket/files should be maintained for each and every employee. A docket/file should contain complete and up-to-date information about the employee and therefore it is necessary that one copy of each and every correspondence concerning that employee is filled in his/her personal

docket/file. A docket may therefore contain copies of an employee's appointment letter, leave application, confirmation letter, PF loan application, festival advance application, promotion letter, memos regarding conduct and disciplinary proceeding, etc. until he/she leaves the employment of an organization.

Administrative and program files: The administrative and program files will be maintained for a period of 10 years in case of ATSA head quarter and in case of projects it is maintained for a period of five years or till the end of the project period whichever is more or applicable in the case.

Human Resources: There is a set of rules of the organization on HR policies. The person will be selected for the vacant position on the basis of the recruitment process/criteria. The application from the suitable candidates will be invited against an advertisement and will be call for an interview after having a proper short listing. Those short-listed candidates will require to appear in interview process and will finally be selected by an especially constituted committee (interview board) for the purpose. The person selected will be dealt with the ATSA HR rules consisting of probationary period, training, job confirmation, annual increment, provident fund and leave rules effective from time totime.

General Code of Conduct:

ATSA is an organization where women and men need to work in union with a special focus on women and preference for women.

- a. Sexiest jokes and attitudes are not acceptable
- b. Division of labor on the basis of sex is not acceptable
- c. Comments on personal life are not permitted
- d. Aspects of personal life which impinge on the organization shall be prohibited
- i. Both men and women staff shall maintain decorum at all time. Drinking (Alcohol) and smoking, tobacco and drugs (doctor clarification for any tablet essential to make sure they are not "drugs") and disorderly conduct is prohibited, so is serving drinks (Alcohol) in the ATSA's office, Project Offices, Training centers, Field offices cum residences.
- ii. All shall maintain confidentiality
- iii. Hierarchy shall not be permitted everyone is working. No work is "Better" or "Worst".
- iv. Educational efforts shall be fostered by all
- v. Any other employment or income, apart from ATSA salary is not permitted and any such income shall be handed over to ATSA
- vi. Thus, ATSA staff shall maintain courtesy and attitudes of equality at all times.

Purchase policy: The organization will constitute a committee separately at head quarter and project levels. The main function of the committee is to regulate, decide, sanction and supervise all purchase which is done in large quantity or which are capital goods in nature.

Vehicle uses: All official vehicles of ATSA and projects will be specifically used for official work and in no case, it can be used for personal reasons. However, in case of emergencies particularly for medical reasons the services of the vehicles can be hired by the employees of the organization/projects on paying the set charges for this. Specially printed Logbook however in all cases required to be maintained clearly mentioning the date, place of travel, kilometer traveled, purpose of using vehicle, user's signature, etc. The logbook will be maintained by the driver and will accordingly be countersigned by the authority that has used it.