



MARGADARSHI SOCIETY® KALABURAGI

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FINANCE POLICY

INTRODUCTION:

Margadarshi Society®, a non-profit organization is working for the marginalized and neglected children is registered under Societies Act came into existence in the year 2002. The society works for the children without any discrimination of caste, creed or color and brings them to the mainstream of the society by providing them with education, and necessary support. At present, the society is working for 16 years in Kalaburagi, Raichur and Belagavi districts. The society is managed by the Board of Directors with professional zest and concern for Children and is headed by a Chairman and Secretary.

Aims of Margadarshi Society

VISION: *Margadarshi envisages women and child-friendly environment in sustained society*

MISSION: *To make Kalaburagi as a model district ensuring women and child rights, in difficult condition by sensitizing and empowering community groups and making the civil society, government and allied systems and corporate accountable towards their development*

OBJECTIVES:

- To rescue and restoration of children who are separated from their families.
- To enhance the quality of lives of the children, through non-formal education, psychological support, and nurture.
- Research to understand the complex issues connected with rehabilitation.
- Reinforce women and children to self-identify, confidence in their abilities, and affection with family to overcome isolation, through orientation camps.
- Create awareness among women, children, public, authorities and other organizations regarding the dangers of trafficking, physical and sexual abuse, child marriage and ways of combating and preventing of the same.
- Lobby with Government Departments such as Women and Child Development, Revenue, Education, Labor, Social Welfare, Health and Family Welfare, Police, Railway Authorities and Organizations working with the children to protect the child rights and child issues through forming local committees.



FUND RECEIPT

1. SOURCES OF FUNDS

MARGADARSHI SOCIETY receives funds from the following sources:

- i. Membership fees.
- ii. Income from professional services & consultancy assignments undertaken by MARGADARSHI SOCIETY.
- iii. Grants & Donations received from philanthropic organizations & individuals.

2. MARGADARSHI SOCIETY CORE FUND

The following are identified as MARGADARSHI SOCIETY's core fund areas:

- i. MARGADARSHI SOCIETY's administrative expenses (Rent, utilities, administrative staff and support staff etc.).
- ii. MARGADARSHI SOCIETY's Residential Training Centre.
- iii. MARGADARSHI SOCIETY's educational support program.
- iv. Donations to other social cause.
- v. Any program coming to MARGADARSHI SOCIETY must allocate some funds to support this core program.

3. SIGNATORIES TO CHEQUE BOOKS

- i. The Secretary of MARGADARSHI SOCIETY and its Treasurer will be a signatory to MARGADARSHI SOCIETY's cheques.
- ii. In case of opening of accounts for any specific project, the Project Officer and Account Officer will be signatories to the cheques.

4. BANK:

- i. Bank Reconciliation Statement should be done once in a month for all bank accounts maintained for the organization and verified by the Chief Finance Manager.
- ii. BRS hard copy should be filed with the bank statement.
- iii. The inactive accounts should be closed after the project ends by passing the resolution in MARGADARSHI SOCIETY Board Meeting.

5. TYPES OF ACCOUNTS

The following three types of accounts will be maintained by MARGADARSHI SOCIETY:

i. CENTRAL SAVINGS ACCOUNT

All income accrued to MARGADARSHI SOCIETY will be deposited in the Central Account. The Secretary and Treasurer are authorized to operate the bank account.



ii. PROJECT SAVINGS ACCOUNTS

MARGADARSHI SOCIETY will keep fixed deposit savings account for its trust fund.

iii. CURRENT ACCOUNTS:

MARGADARSHI SOCIETY will keep current accounts for its transactions.

iv. CASH CREDIT ACCOUNTS:

MARGADARSHI SOCIETY will maintain cash credit accounts for its growing financial needs.

CASH:

- In MARGADARSHI SOCIETY Organization Expenditure in Cash limit is 2,000.
- Donation cash limit is 2,000 and receipt is issued for the same.
- Cash book is manually maintained for all the transactions of the organization.
- A surprise check will be done from Chief Finance Manager anytime in a month to check cash denomination by comparing Tally and Cashbook.
- A manual register should be maintained for cash denomination checks and signed by the Chief Finance Manager every time.

FUND DISBURSEMENT

All payments will be made either by cheque or cash.

1. PAYMENT BY CHEQUE

i. PAYMENT FOR PURCHASES

Payment against purchases exceeding ₹10,000/- shall be made by cheque.

ii. PAYMENT FOR SERVICES RENDERED

Payment against purchases exceeding ₹10,000/- shall be made by cheque.

a) PAYMENTS FOR STAFF SALARIES

All payments will be made by cheque or account transfer.

➤ **PAYMENT CALENDAR**

Staff salaries are paid within seven days following the completion of the month. Salary will be transferred to Individual bank accounts of the employee concerned.

➤ **SALARY SHEET**

Staff salary sheet is prepared by the Accountant as the basis of payment. The staff salary sheet contains information on the employees' basic salary for the month, allowances if any, deductions and net salary payable. The staff salary sheet is checked and approved by the Account Officer/Treasurer.

➤ **ADVANCE PAY**

For travel & program purposes, MARGADARSHI SOCIETY employees shall be given advances for expenses covered on official work. Request for advances



is prepared by the personnel concerned, recommended by the concerned Project head and is approved by Project Officer. All advances for travel are to be liquidated at the end of the concerned month.

➤ **TAX DEDUCTION AT SOURCE**

MARGADARSHI SOCIETY will deduct tax at source where applicable as per Government rules.

b) PAYMENT FOR CONTRACTUAL SERVICES

Payment for contractual services is done through cheque disbursements. The schedule of payment depends on Terms of Reference (TOR) agreed upon by the personnel concerned and MARGADARSHI SOCIETY. Payments are covered by a Request for Payment Form prepared by the accountant and approved by the Account Officer.

2. PROCEDURES FOR FUND DISBURSEMENTS

- All requests for payments are to be made using the appropriate forms.
- Requests for payments are to be properly substantiated with bills/receipts and essential documents.
- Requests for payments are prepared by an accountant and submitted to Account Officer for checking and approval.

I. BOOKKEEPING AND RECORDING

i. BOOKKEEPING

The recording system of MARGADARSHI SOCIETY's financial transactions allows monitoring bank balances, the status of funds receipts and expenditures on a regular basis. MARGADARSHI SOCIETY will maintain records of fixed assets, supplies, inventory, the use and maintenance of office equipment etc.

ii. ACCOUNTING

The following sets of financial reports will be prepared by MARGADARSHI SOCIETY:

- a. Monthly financial reports will be prepared for review by each individual project manager of MARGADARSHI SOCIETY's specific projects as well as of its core activities. This monthly report will be reviewed by Project Officer. Financial reports to donors will be submitted as prescribed in the agreement between donors and MARGADARSHI SOCIETY.
- b. Annual Balance Sheet and Statement of Income and Expenditures will be prepared for each financial year.



II. AUDITING

Books of Accounts of MARGADARSHI SOCIETY shall be audited annually by an independent auditor appointed by the General Assembly and approved by Board Members. Annually the MARGADARSHI SOCIETY audit report will be evaluated and approved by the Board of MARGADARSHI SOCIETY. MARGADARSHI SOCIETY may hire internal auditor in order to streamline its accounting systems and procedures.

Signature of Board President:

Date: 16th December 2018

Signature of Secretary/ Executive Director:

Handwritten signatures of the Secretary/ Executive Director and other board members, including names like 'Mamji', 'N. S.', 'S. S.', 'Reddy', and 'Madhavi'.