



Altruism Society Honour Assistance (AsHA)

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Draft Financial Rule of AsHA

1. Fund Receipt

a) Sources of Funds

AsHA receives funds from the following sources:

Present Flow of Funds-

- i. Community Contribution.
- ii. Grants received from philanthropic organizations.

Future Plan from Leverage of Funds-

- i. Membership Fee.
- ii. Donations from individuals booked under 80G.
- iii. Income from short term professional services and consultancy assignments undertaken by AsHA.

2. NGO Core Expenses

The following are identified as the core expenses of **AsHA**.

AsHA's administrative expenses (house rent, electricity, local conveyance, stationary expenses).

Any programme supporting AsHA must allocate some funds to support the core expenses.

Signatories to Cheque Books

The President of AsHA, its Managing Trustee or one of the office bearer will be signatory to AsHA's cheques. Money will be released by the signatures of two signatories.

Types of Accounts

The following type of accounts will be maintained by AsHA:

- (i) **Savings Account-** AsHA operates one Saving account on which all the accrued income will be deposited. AsHA will keep fixed deposit savings account for its trust fund. The President, Managing Trustee and Trustee are authorized to operate the bank account. Two signatures of either of these officials will be required for fund disbursement.

Payment Procedures

All payments are made by cheque. In case of emergency, advance with proper filling of 'Advance Money Requisite Form' will be given in the name of Full Time Employee of the organization. Proper bill must be submitted for amount settlement. This will include the following payments-

- Payment for Purchase.
- Payment for Services Rendered (Vendor, Vehicle, Logistics, and Stationary etc.)
- Payment for Staff Salaries.

i . Payment Calendar

Staff salaries are paid within seven days following the completion of the month through cheque.

ii. Staff payroll

Staff payroll (salary sheet) is prepared by the Accountant as the basis of payment. The staff payroll contains information on the employees' basic salary for the month, allowances if any, deductions and net salary payable. The staff payroll is checked by the accountant and approved for payment by Managing Trustee.

For travel purposes, AsHA employees shall be given Local Conveyance Allowance after submitting Local Conveyance Bill. The payment will be made through cheque along with monthly salary at the end of the month

b. Payment for Contractual Services

Payment for contractual services is done through cheque. The payment is made by referring to the appointment or agreement letter, as agreed upon by the personnel concerned and AsHA. The payments are covered by submitting a Task Sheet approved by the Management.

Policy for Book Keeping and Record Maintenance in AsHA

1. 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 accountant and submitted to Managing trustee for checking and approval.

2. Book Keeping

The record keeping system of AsHA's financial transactions allows monitoring bank balance, status of funds received and expenditure, and a comparative statement of budget vs. actual expenditure on a regular basis.

AsHA will maintain records of fixed assets, supplies, inventory, the use and maintenance of office equipment.

Accounting

The following sets of financial reports will be prepared by AsHA:

A. Quarterly financial reports will be prepared for review by AsHA separately for each project according to project budget head. The quarterly report will be reviewed by the Board of AsHA. Financial reports to donors will be submitted as prescribed in the agreement between donors and AsHA.

B. Annual Balance Sheet and Statement of Income and Expenditures will prepared for each financial year.

Auditing

Books of Accounts of AsHA shall be audited annually by an independent auditor appointed by the Board of trustees.

AsHA may hire internal auditor in order to streamline its accounting systems and procedures.