

# **FINANCIAL & ADMINISTRATIVE POLICY**

---

National Association of Man for Mankind  
(NAMM)



## **ABOUT NAMM:**

NAMM (National Association of Man for Mankind) is a registered voluntary organization started its journey in the year of 1994. The organization was established by few youth volunteers who had an interest to serve the society. Since the beginning the organization engaged with and brought many new young volunteers to its fold and mobilized them to work for the community. The organization is currently working in the state of West Bengal and Odisha. NAMM evolved with the intuitive vision to serve the marginalized and down trodden communities, vulnerable women and children and weaker sections of the society. The organization believes and works towards integrated social development, ensuring sustainable livelihood options and emphasizes on the need of socio-economic reconstruction while focusing on community Health and Education.

## **VISION of NAMM:**

We visualize an equitable society where men, women and children, especially from the marginalized sections can freely realize their full potential, fulfill their rights and perform their responsibilities, where everyone is leading their life with dignity and self-respect.

## **MISSION:**

Our mission is to work towards integrated social development, ensuring sustainable livelihood options, exploring the areas of alternative livelihood and emphasizing on the need of socio-economic reconstruction while focusing on community health and education and other basic services.

## **CORE VALUES:**

- Non Violence
- Transparency and accountability
- Democratic and participatory decision making
- Secularism
- Gender Equity

## **SCOPE OF NAMM'S FINANCIAL POLICY:**

Transparency, Accountability and Effective Management are the key aspects for any non government Organization. NAMM believes in them and puts in place some systems which will ensure those aspects in day to day functioning. This policy deals with different systems and procedures that must be adhered when it comes to finances and administrative matters of the organization. Each and every members associated with the organization must adhere to these

norms. The board of NAMM will have overall responsibility of rolling out and ensuring implementation of this policy.

The overall purpose of this policy is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the organization, and managing the organization's funds.

## **OBJECTIVES**

The objectives of NAMM's financial and administrative policy are as follows.

- Financial Management and ensure transparency in the system.
- Creation of financial reports and compliance with legal obligation
- Support organization for smooth functioning.

## **RESPONSIBILITIES UNDER THIS POLICY:**

The responsibility of formulating financial and administrative policy, its periodic review lies with the governing board of the organization.

On behalf of the board, the director will have the responsibility of ensuring implementation of this policy. S/he will be supported by the treasurer and the accounts team in this aspect.

The accounts team will have the responsibility of implementing the norms mentioned in this policy.

## **GUIDING PRINCIPLES:**

- NAMM is a growing organization and while maintaining the system all efforts will be done to ensure transparency.
- The financial year for NAMM will be from 1<sup>st</sup> April to 31<sup>st</sup> March of every year.
- Payment through cheque / bank transfer will be given first priority for all payments.
- NAMM will conduct in time statutory audit to abide by the laws.
- As and when require, NAMM will conduct internal audit to ensure that the systems are in place and there are adherence to the norms. The director must approve such audits.

## **ACCOUNTING SYSTEM:**

NAMM will be maintaining computerized accounting system. NAMM's annual accounting year will be for the period of 1<sup>st</sup> April to 31<sup>st</sup> March and this will also be the annual audit period. NAMM's governing board will finalize an auditor who will audit the account.

## **Bank Account:-**

NAMM will maintain its bank account in any schedule bank. Separate account will be maintained for FCRA and general funds. The FCRA account will be maintained as per the statutory requirements under the foreign contribution Regulation Act and such other provisions/guidelines issued by the government time to time.

The decision for opening of new bank account has to be taken by the governing body of the organization.

## **Maintenance of Records for Bank Account:-**

All required records for the bank accounts will be maintained by NAMM. The accountant/accounts team will be responsible for maintain the bank pass book and updating them in a regular basis. The bank pass book will be updated in each 15-30 days. Records of cheque will also be kept by the accounts team.

## **Donations:-**

NAMM will receive donations in respective FC and general accounts. The organization will collect donations in order to fulfill its aims and objectives as mentioned in its memorandum of understanding. The sources can be different including NGOS, funding agencies, corporate, foundations, individuals as well as government etc. In order to maintain transparency, NAMM will promote receipt of all payment though account payee cheque, bank draft or online transfers. However in some cases, cash can be received but it should be within the limit of five thousand only. In case cash received, all details of the donor will be collected and proper records would be maintained. NAMM will issue money receipt against all the donations received.

## **Expenditure Procedures:**

There will be project based spending and spending on NAMM's own projects or on organizational costs. In case of project based expenditures, it will be as per the approved plan and budget from the donor organization. In case of NAMM's own project or costs, the

expenditure must be approved by the governing body of the organization. Proper record will be maintained by the accounts team.

### **Cash Book:-**

NAMM will keep the computerized cash book, bank book and journal book. After entry, print outs will be taken.

### **Vouchers and Bills:-**

NAMM will use debit and credit voucher, Receipt and Payment voucher, journal voucher, cash and bank payment vouchers.

Each voucher will be maintained with proper supporting. The accountant and the accounts team will have the responsibility of ensuring this.

### **Registers:-**

The following registers will be maintained by NAMM.

1. **Attendance register:** - Will be maintained in all the office set ups including the project office. All the staffs must sign the attendance register on daily basis.
2. **Salary Register:** - Salary register will be maintained by the accounts team and will be updated and closed in each month. All staffs will sign the salary register once they receive their salaries.
3. **Log books for the vehicle:** - Separate log books will be maintained for each vehicle. Staff or organization's representative to whom the vehicle is assigned will have the responsibility to maintain the log book and submit with the accounts team.
4. **Staff meeting register:** - The staff meeting register will be maintained for each staff meetings.
5. **Governing body meeting register:** - This register will be maintained for keeping the records of the minutes of all the governing body meetings. Resolutions can be hand written or computerized print outs can be pasted on the register. In both the cases, all the board members have to sign the resolution.
6. **Stock register:-** Stock register will be maintained by the accounts team to keep records of all stocks of the organization
7. **Asset register:** - Asset register will be maintained by the accounts team and will be updated in a regular basis. Depreciation will be charged as per the norm.

8. **Other registers:** - Other registers can also be maintained either by the accounts team or programme team as per the need and requirements of the donor.

### **Advance System:-**

NAMM will have the only system of programme advance. Twenty five percent of the programme cost can be given for specific programme. However, looking at the context more emphasis will be given on reimbursement of expenses than giving advances. There will be no salary advance looking at the current context of funding.

### **Salary and other Payments:-**

All salaries will be paid through account payee cheque. Payment through cheque for all other purposes will be promoted. As NAMM is working in the interior areas, it might not be possible to have cheque payment in all the cases. Therefore, till the amount of Five thousand rupees, cash payment may be done.

### **Tax Procedures:-**

NAMM is registered under the income tax act and has 12 A and 80G certificates. It has also PAN and TAN numbers. NAMM will follow all required tax procedures as per the statutory norms. TDS will be deducted and deposited from all eligible payments in timely basis. Form 16 will be issued to concern parties.

### **Purchase Procedures:-**

In order to have speedy and transparent purchase, NAMM divides its purchase procedures into two parts. The first one is Purchase below Rs5, 000/- and the other is Purchase above Rs5, 000/-

All purchases below Rs5, 000/- can be made with the prior approval of the director. This provision is kept to address immediate needs and director will approve such purchases with due recommendation by the accounts team.

There will be a purchase committee formed with the membership of two staffs and one governing body member (other than director). The duration of the committee will be for one year and this will be approved by the governing board. The board may decide to continue with the same committee for following years or may reconstitute it fully or partially.

NAMM will collect at least three quotations for the purchase of any items, the cost of which is above Rs5,000/-. The purchase committee will review all the quotations, prepare a comparative

statement and recommend for one. In case of need the committee will bargain with the contractor/service provider on costs. In case service providers are giving same/similar facilities, purchase committee can recommend for more than one service providers for same service/contract.

A contract will be signed with the finalized contractor/service providers for supply of materials or services. All payment to the contractor/service provider will be done only through cheque.

### **Project Management:**

In order to fulfill its aims and objectives, NAMM will take up projects with the support of different donor agencies. NAMM's governing board will have overall responsibility to ensure proper and effective utilization of grants and funds and the director will be coordinating all affairs on behalf of the governing body. Generally, the director will sign all partnership agreement and legal documents on behalf of the governing body and organization.

However, in case of need, governing board may decide to assign the charge of any specific project to either the chairman or any other board members. In this case governing body may entrust the responsibility on the particular board member to sign the partnership agreement with the donor agency on behalf of it.

### **Staff recruitment:-**

NAMM will have project based staffs. Recruitment will be done by following different but transparent procedures. Out of following NAMM will follow one or other procedures for staff recruitment.

- Head hunting/Reference: - For senior level staffs, NAMM will consult different organizations or known sources to get referred persons. Interview will be done to see the eligibility.
- Advertisement in newspapers/job sites: - Another process for recruitment will be giving advertisement in newspapers or job sites. Interview and reference check will be done for all candidates shortlisted.
- Local advertisement and contacts: - In case of community level staffs, NAMM may give an advertisement in local newspapers or advertise at panchayat or local public offices. References can be taken from the community leaders for appointment of staffs.

### **Staff Benefits:-**

NAMM aspires to be a better organization in terms of providing staff benefits. However, in the current context of availability of limited funds, staffs will be entitled to the benefits as

mentioned in the approved projects and budgets. Apart from this, all staffs will be entitled to get a 12 casual leaves and 7 days medical leave annually. There will be maternity leave of 90 days and paternity leave of 7 days.

### **Approval System:-**

An approval system will be followed by NAMM for all purposes, may it be related to financial or administrative affairs. The following approval system will be followed by NAMM.

<b>Areas</b>	<b>Key document</b>	<b>Prepared by</b>	<b>Checked by</b>	<b>Authorized / Approved by</b>	<b>Paid by</b>
Financial	Bills and Vouchers	Project in charge/staff	Accountant	Director	Accountant
Administrative	Leave application, Reports etc.	Project staffs	Project in charge	Director	--

\*\*In case of expenses made by the director, Approval authority will be Treasurer.

### **Any other issues:**

NAMM is a growing organization and there might be some aspects which are not covered in this policy. In cases where the issues are related to legal aspects, NAMM will follow the statutory provisions. On other aspects, NAMM's governing board is empowered to take a decision.

This policy will be reviewed from time to time and necessary modification will be done. Each staff members joining the organization will be inducted on financial policy.

***End of document----***