Finance Manual



Banwasi Vikas Ashram (BVA)

New Barganda, Giridih, Jharkhand-India
URL: www.bvagiridih.org

About The organization:

Banwasi Vikas Ashram is a non profit organization working in Giridih, Kodrma and adjoining districts of Jharkhand to empower poor and marginalized population for their development. The organization emerged from the land right movement in Chatra district of Jharkhand. The organization was established in the year 1990 by a small team of committed social workers who were working in their respective regions and came together during the movement. The idea was to organize community development activities in remote rural areas and increase accessibility to basic services. It was formally registered under Societies Registration Act, 1860 (Act XXI of 1860) in the year 1990 in Bihar later on it was registered in Jharkhand in 2005.

Vision

Establishing an ideal society based on values of equity, liberty, fraternity and justice; regardless of cast, religion, class and sexual discriminations.

Mission

To create confidence among rural people for empowerment to attain self reliance and build capacity for their well being.

Guiding Principles

Banwasi Vikas Ashram is inspired with the J P movement – Sampurna Kranti, as a tool for social transformation to improve the conditions of disadvantaged communities especially dalits and tribes living in rural inaccessible areas. The organization believes in the principles of equity, solidarity and strives to ensure equal opportunity for all towards a dignified life.

A. GENERAL

1. Transactions will be accounted on cash basis only. Therefore, only on actual receipt or payment will transactions be accounted. No provisions will be made for expenses and other payables and similarly for receivables. Purchases and expenses will be accounted only when actually paid for and incomes when actually received and not on incurrence/accrual. In following cash method of accounting, the past practice and the provisions of the Income Tax Act (ITA) and Foreign Contribution (Regulation) Act (FCRA) are given due consideration. That provisions in the technical guide issued by the Institute of Chartered Accountants of India are not yet mandatory is also noted.

2. Accounts will be maintained through standard computerized accounting software package i.e. tally and all the supporting records shall be maintained through manual mode as well as computerized mode as suitable to the organization.

3. The books of account and related documents to be maintained are:

	Books/Documents	To be maintained by/at	To be authorized by
3.1	Cash payment and receipt vouchers with supports/bills including advance requisition forms	Accountant/Project head	Director/ Secretary/ Authorized person
3.2	Bank payment and receipt vouchers with supports/bills including advance requisition forms	Accountant/Project head	Director/ Secretary/ /Authorized person
3.3	Journal vouchers with supports/bills	Accountant/Project head	Director/ Secretary/ Authorized person
3.4	Monthly project/donor wise utilization statements	Accountant	Project head / Director/ Secretary
3.5	Bank Reconciliation Statements	Accountant	Director/ Secretary/ Authorized person

4. The other books and registers to be maintained are:

	Books/Documents	To be maintained by/at	To be authorized by
4.1	Fixed assets register	Accountant	Project Head_/ director/ Secretary
4.2	Inventory register	Accountant	Project Head_/ director/ Secretary
4.3	Investment register	Accountant	Project Head_/ director/

			Secretary
4.4	Vehicle log books	Accountant	Project Head / director/ Secretary
4.5	Salary register	Accountant	Project Head / director/ Secretary

5. While delegating the accounting and related duties the principle to be followed is that as far as possible the same employee will not transact/effect and account a transaction. Similarly, employees in charge of assets will not account the transactions relating to that asset in the books of account. For example, the person in charge of the original investment receipts will not account (in the books of account) the creation, maturity, interest, etc., on the investments although he may maintain the investment register.

6. Any amount of loan or benefit (i.e. advance against salary or others) shall not be given to any member of the governing board or office bearers provided they are claiming the reimbursement against any expenditure made for the benefit of the organization including their remuneration package.

7. Under the provisions of the Foreign Contribution (Regulation) Act, 2010 only a single designated bank account is to be maintained for receipt of foreign grants from foreign donors. Mix up of foreign and local bank accounts/grants even by temporary inter account funding is not permissible. The distinction is to be maintained downstream at project level.

8. This manual can be altered only by the President/Secretary/Director of the Organization by unanimous assent after circulating the details of the changes to all members. The changes are to be ratified by the board.

B. DELEGATION OF AUTHORITY AND CUSTODY OF ASSETS/DOCUMENTS

1. The persons/designations who will authorize payments / transactions are:

Nature of payments/transaction	Quantum of payment	Person/Designation

1.1	Cash payments	Project Staff	Project Head/ Accountant
1.2	Weekly/Monthly verification of physical cash balance and books of account	Accountant	Project Head/ Secretary/ Director
1.3	Purchases/Procurement - Capital assets - others	As per guidelines in annexure	
1.4	Immovable property -purchase -sale -construction	As per guidelines in annexure	
	- works contract/repairs - lease / rental	Secretary/Director	
1.5	Transfer of assets - inter-project - third party - employee - scrapping - sale	As per in guidelines in annexure	
1.6	Advances		
	- programme		Head Finance and Respective head of the department or programme
	- staff	Salary advance upto two months' salary	No any Advance Salary will given
1.7	Employees - appointment - termination - disciplinary proceedings - increments - promotion - leave of absence		- loans - signatories - closure of accounts
1.8	Bank accounts - opening of accounts		

Project Head/ Secretary/Director

Secretary/ Executive Committee

1.9	Other general contracts like annual maintenance contracts, consultancy, and vendor contracts etc etc. - approval - cancellation - execution	Secretary/Director
1.10	Donors	
	- correspondence - narrative report	Project Head
	- financial report	Accountant/Project Head
	- utilization statements - budgets	Accountant/Project Head
	- contracts	

No transaction shall be split or broken up to circumvent the monetary limits specified anywhere in the manual.

2. It is the duty of the authorized signatory to ensure that all the requirements contained in this manual are met before authorizing any payment/voucher/entry.

3. Alternative authorized signatories are designated so that non availability of one due to travel or work, leave, etc., does not hamper the natural flow/conduct of transactions.

4. The persons (designations) in charge of the various assets/documents are:

	Safe custody of	Person/designation	To be maintained at
4.1	Cheque book	Accountant	Head office
4.2	Fixed deposit and other investment receipts – originals	Secretary	Bank locker/ BVA Head office
4.3	Documents of title relating to immovable property	Secretary	Bank locker/ BVA Head office

4.4	Fixed assets	Accountant	
4.5	Key to bank lockers (specific instruction with respect to specific lockers to be separately issued)	Secretary	BVA Head Office
4.6	Cash box/balance	Accountant/Project Head	BVA Head Office
4.7	Accounting records including cheque book, vouchers, books of account and other registers both current and past	Accountant/Project Head	BVA Head Office

C. PAYMENTS

1. Payments whether by cash or cheque should be made only after obtaining the necessary authorizations (after attaching the relevant supports/bills to the voucher) and meeting all requirements of this manual?
2. Payments will normally/as a rule be by account payee cheques, any active RTGS or account payee demand drafts. Account payee cheques/demand drafts should be a rule and cash an exception. Very small payments to suppliers who do not hold bank accounts and those that are not practically payable by cheque may be made by cash. Even small suppliers should be encouraged to accept account payee cheques. This will help inculcate the banking habit in them. However, for any payment above **Rs. 5000.00 (Five Thousand only)** /- paid by cash, the reason for not having paid by account payee cheque must be documented on the face of the voucher and authorized by the authorized signatory.
3. Cheques should be issued only in serial order i.e., without leaving any unused cheques in between. Only one cheque book per bank account should be in use at any point. A new cheque book should be used only after the last cheque of the old book has been issued. That the previous cheque book has been fully used will be evident to the authorized signatories from the cheques issued register.
4. After making the payment a 'paid' seal must be affixed on the voucher and all the supports attached to the voucher. The seal could also contain provision for voucher number and date so that when affixed on the supports/bills, the voucher which the bill/support relates to is specified.
5. No payments shall be made against the credit card dues of any employee unless they are

supported by original bills. No payment shall be made just on the basis of the statement of the card issuer. Where the person is on a long tour and the statement is to be paid for during his absence, the payment is to be debited as advance and charged to revenue only on receipt of the bills.

6. In the event of loss of original bill(s), the voucher must be supported by adequate proof to substantiate the loss. Duplicate bills must be obtained from the vendor/supplier and attached to the voucher.

7. Any amount which is reimbursable or advance payment made to the organization shall not be charged to revenue. These amounts shall be booked to the relevant receivable or payable account till settlement.

8. Payments will be made only after deduction of income tax at source as per the Income Tax Act and Rules there under. The tax so deducted should be remitted to the account of the Government within the time limit provided under the Act/Rules. TDS certificates should be issued with the payment to the party. All the related provisions under the Income Tax Act and Rules must be complied with.

D. RECEIPTS

1. Preprinted numbered receipts should be issued on receipt of any amount whether by cash or by cheque. Separate receipt books are to be maintained for foreign grants, local grants as well as online grants received by the organization.
2. Only one receipt book series should be in use at any point at one office/building for each mode of receipt i.e. physical as well as online mode.
3. Receipts should be issued for every inflow of cash or cheque whether they are from third parties like donors.
4. Receipts should be in duplicate. The original receipt must be issued to the payer. The book copy could be retained as the receipt voucher (in case of manual system).
5. If cash is deposited into the bank the contra voucher will be adequately supported with the bank receipt and signature of the cashier and authorized signatory.
6. All cash donations must be banked within the end of the week.
7. Receipts must be accounted immediately on actual receipt itself.
8. Form of receipt - original - payer's copy – Attributes to be present

Banwasi Vikas Ashram

AT+PO- New Barganda, Jharkhand

[PAN NUMBERAAATB8344E, 12A AAATB8344EE20003 Renewal Date-24/09/2021
AND 80G AAATB8344EF20217 Renewal Date-24/09/2021 REG. NUMBER-618/89-90

RECEIPT

Number_____ Date _____
(preprint)

Received with thanks from (Name and Address)_____

_____ PAN_____

Rupees(inwords)_____by

cash/cheque/ demand DraftNo._____dated_____drawn on

_____

Rs._____

Organization Head/Secretary/Director

E. CASHBOOK – TO BE REVIEWED LATER

1. The cash book must contain preprinted serial numbers. Missing pages if any must be noted and authorized before commencement of use of the book itself.

2. The cash book entry must be made immediately on making the payment/receipt.

3. The cash book entry must be based on a properly prepared and authorized receipt/voucher (as set out in this manual).

4. The cash book entry must be in the serial order of the vouchers/receipts only. Cancelled vouchers must be entered as cancelled so that the series is completely and continuously accounted/ entered.

5. Every entry in the cash book should contain the voucher number and date, account head debited/credited, the amount paid/received, a detailed narration containing the nature and purpose of the transaction and the ledger folio into which posted.

6. The cash book must at all times reflect the actual inflow and outflow of cash into and from the cash box. No payments or receipt of cash, for whatever reason must be left unaccounted. Even if the payment is returned by the payee within a few hours both the outflow and inflow are to be reflected.

7. If the cashier maintains a cash scroll and the fair/final cash book is maintained by other staff, the entries, totals and balances in the two sets of books must be identical and must tally with each other.

8. At the end of every day the cash book and the scroll must be checked by the staff authorized for this purpose/authorized signatories, with the vouchers/receipts. The physical cash balance available in the cash box should be counted and tallied with that as per the cash book on a weekly basis. This physical verification must be documented on the cash book of that day itself by mentioning the denominations available that make up the balance and by the signature of the person verifying the cash balance/book and the cashier on all the pages of the cashbook.



9. The daily totals and balances in the cash book (where not computerized and in cash scroll) must be in ink and the daily cash book must begin with the opening balance and end with the closing balance of that day.

10. If accounting is computerized, apart from the other procedures laid down, the daily cash book containing the opening balance for the day, receipts, payments and closing balance must be printed out. This print out should contain the documentation in para (8). The final cash book will comprise these daily print outs and must be bound periodically.

11. There should be no scoring out of entries (whether of the figures or other particulars including the account head), corrections, application of white fluid, rubbing, overwriting, etc. Any corrections to be made should be through properly authorized journal entries in the case of rectification of wrong account heads or through fresh cash vouchers (receipt or payment), which are again to be properly authorized.

12. Under the manual/non computerized accounting system an analytical/columnar cash book meeting all the requirements of this manual, may be maintained with the normally used account heads being given a column each. This makes monthly posting of totals to the general ledger under each account head possible instead of individual posting of every entry, thereby reducing the number of postings and consequently the scope for error.

13. Since cash payments are not possible when there is inadequate cash balance the cash book cannot ever show a negative cash balance at any point/on any day.

F. CASH BALANCEMAINTENANCE

1. The cash balance should always be kept/available in the cash box only.

2. When the cash balance at any point crosses Rs.20000.00 (Twenty Thousand only)_/- the excess should be immediately banked.

3. Personal cash should not be mixed with the office cash.

G. BANK BOOK – TO BE REVIEWED LATER

1. The bank book must contain preprinted serial numbers. Missing pages, if any, must be noted and authorized before commencement of use of book itself.
2. The bank book entry must be made immediately on making the payment/receipt.
3. The bank book entry must be based on a properly prepared and authorized receipt/voucher (as set out in this manual).
4. The bank book entry must be in the serial order of the vouchers/receipts only. Cancelled vouchers must be entered as cancelled so that the series is completely and continuously accounted/ entered.
5. The bank voucher numbers must follow and correspond with the cheque number series. There must be no chronological mismatch between cheque and voucher numbers. Cancelled cheques should be accounted as cancelled but no separate voucher is necessary for this. The cancelled cheques must be preserved.
6. For deposits into the bank account and bank receipt entries the stamped (by bank) pay-in-slips/deposit challans must be attached to the receipt or maintained as a separate bound book.
7. Every entry in the bank book should contain the voucher number and date, account head debited/credited, the amount paid/received, a detailed narration containing the nature and purpose of the transaction and the ledger folio into which posted.
8. No rough bank book in any form should be maintained.
9. The bank book should be made up/updated with every issue and receipt of every cheque.
10. At the end of every day the bank book should be totaled and balanced. Only the closing balance of the day should be carried forward to the next day.
11. The daily bank book including the totals and balances should be verified by the authorized signatory with the vouchers and cheques issued register/cheque counterfoils. This process must be documented by the authorized signatory and the accountant signing on all the pages of the bankbook.
12. If the accounting is computerized, apart from the other procedures laid down, the daily



bank book containing the opening balance for the day, receipts, payments and closing balance must be printed out. This print out should contain the documentation contained in para (11) above. The final bank book will comprise these daily print outs and must be bound periodically.

13. There should be no scoring out of entries (whether of the figures or other particulars including the account head), corrections, application of white fluid, rubbing, overwriting, etc. Any corrections to be made should be through properly authorized journal entries in the case of rectification of wrong account heads or through fresh bank vouchers (receipt or payment), which are again to be properly authorized.

14. Under the manual/non computerized accounting system an analytical/columnar bank book meeting all the requirements of this manual may be maintained with the normally used account heads being given a column each. This makes monthly posting of totals to the general ledger under each account head possible instead of individual posting of every entry, thereby reducing the number of postings and consequently the scope for error.

15. Based on the volume of transactions a pass sheet/pass book/ bank statement update must be obtained from the bank regularly/periodically. The entries in this must be reconciled with the entries in the bank book and a bank reconciliation statement (BRS) is to be prepared monthly. This BRS should be authorized by the authorize dsignatory.

16. Inoperative bank accounts must be closed. Till such closure monthly bank statements, yearend confirmations and reconciliations if any should be obtained/made.

17. At the yearend confirmations of all bank balances must be obtained from the bank.

18. A separate bank book must be maintained for every bank account.

19. No transfer must be made from banks without a cheque. This would apply even to standard payments like salaries.

20. All fresh cheque books should be crossed account payee. For bearer cheques the crossing will be cancelled by the authorized signatories under their signature.

II. JOURNALREGISTER

1. The journal register must contain preprinted serial numbers. Missing pages if any must be noted and authorised before commencement of use of the book itself.

2. The journal entry must be based on a properly prepared and authorised voucher as set out in this manual.

3. The journal entry must be in the serial order of the vouchers only. Cancelled vouchers must be entered as cancelled so that the series is completely and continuously accounted/entered.

4. Every entry in the journal register should contain the voucher number and date, account head debited/credited, a detailed narration containing the nature and purpose of the transaction and the ledger folio into which posted. In case of rectifications, the cross references of the basic documents/books/entries rectified must begiven

5. There should be no scoring out of entries (whether of the figures or other particulars including the account head), corrections, application of white fluid, rubbing, overwriting, etc. Any corrections to be made should be through properly authorised journal voucher/entriesonly.

6. Under the manual/non computer is ed accounting system an analytical/columnar journal register meeting all the requirements of this manual, may be maintained with the normally used account heads being given a column each. This makes monthly posting of totals to the general ledger under each account head possible instead of individual posting of every entry, thereby reducing the number of postings and consequently the scope forerror.

7. If accounting is computerised, apart from the other procedures laid down, the journal register must be printed out at the end of every week. This print out should be authorised by the designated authorised signatory. The final journal register will comprise these daily print outs and must be bound periodically.

8. Every journal voucher must be properly supported by third party bills. Every bill attached to a journal voucher must be stamped with the journal voucher number and date to which attached.



I. GENERAL LEDGER (GL) – TO BE REVIEWED LATER

1. The general ledger pages will be preprint numbered under the manual system and automatically numbered under the computerised system. Missing pages should be identified/documented andauthorised.
2. The general ledger should have an alphabetic index indicating the page/folio number where an account head and code/cost center will appear.
3. The general ledger should contain separate folios for separate account heads grouped as per the chart of accounts. The account code/cost center must be mentioned along with the accounthead
4. The general ledger is to be maintained annually from 1 April to 31 March. A new general ledger should be maintained for every financial year starting from 1April.
5. The closing balances in the assets and liabilities accounts from the immediately preceding balance sheet as at 31 March will be brought forward as opening balances in the ledger as on 1 April every year. This will be the starting point of the general ledger. The opening balances must be brought forward even if audit is not complete. On completion of audit necessary rectification entries can bepassed.
6. The general ledger will be posted with entries from the cash book, bank book and journal register monthly - if analytical/columnar cash, bank and journal books are maintained and daily entry wise in othercases.
7. The general ledger will be totalled and balanced every month on the last day of the month or the previous day if the last day of the month is a holiday. The balances and totals will be in ink only. A trial balance will then beextracted.
8. There must be no scoring out of entries in ink or by using fluid, etc., and/or overwriting, etc.
9. The authorised signatory or heads of the regions will check the general ledger every month and sign against these monthly balances and compare them with the trialbalance.
10. Computerised Accounts – generalledger

    10.1 Under computerised accounting apart from meeting the other requirements of this manual the general ledger must be printed quarterly, on the last day ofevery quarter,

with the pages numbered automatically. The system of quarterly print outs should not be dispensed with on the plea that the data is available in the system.

10.2 An alphabetic index must be available of the pages where account heads and ledger folio sappear.

10.3 The quarterly print outs of the various accounts in the general ledger will be taken on the last day of every quarter or the previous day if the last day is a holiday. Signed by the authorised signatory it will form part of the eventual/final annual general ledger.

J. TRIAL BALANCE, RECEIPTS AND PAYMENTS ACCOUNT, INCOME AND EXPENDITURE ACCOUNT, BALANCE SHEET AND DONORREPORTING

1. The independent and consolidated trail balances for foreign contribution and local contribution will be made up on the last day of every year containing the balances in the asset and liability accounts as on that day and the income and expenditure account balances from 1st April to the end of the relevant year i.e. 31stMarch.

2. Before printing the trial balances, the staff in charge (paragraph A) should check its contents thoroughly.

3. The yearly receipt and payment account, income and expenditure account and balance sheet will be prepared from the trial balance on the last day of the financial year in the standard formats which is in any case is built into the chart of accounts and therefore into the trial balance.

4. All donor reports whether financial or narrative and whether audited or unaudited shall be sent within the dates set by the donor(s) in the project documents.

K. FUND BASEDACCOUNTING

1. Every individual project whether funded by a single donor or more than one donor as a consortium or otherwise should be treated as a separate fund.
2. All the Incomes and Expenditures whether revenue or capital in nature with respect to every fund must be distinctly and separately accounted.



3. The books of account with respect to every fund should inc ludethe
   - fixed assets acquired with those funds
   - income and expenditure of the fund
   - unutilised balance of that fund

4. A separate set of receipts and payments account should be prepared for every fund on monthly basis.

5. The audited fund based accounts should be sent to the respective donors asper their requirement in the agreement.

6. The figures in the utilization certificates to the donors should be drawn from the audited fund based accounts only, if required as per the agreement with the donor.

7. Allocation of interest earned to donors/projects.
   - 7.1. No interest will be allocated to donors/projects if there is no specified contractual stipulation to do so.
   - 7.2. Interest will not be allocated to individual and other onetime/irregular donors.
   - 7.3. The allocation will be made at the financial year end only as banks revise their interest rates periodically.
   - 7.4. The rate and the basis have to be as per the bank to ensure that the allocation does not exceed the earning.
   - 7.5. Interest on grants referred to in paragraphs 7.1 to 7.2 will be to the credit of **SAHYOGINI.**
   - 7.6. If fixed deposits are created out of a specific donor/project grants, the entire interest will be credited to the donor/project provided there is no deficit in their account otherwise.

L. ADVANCES TO STAFF - TRAVEL, PROGRAMME ANDSALARY

1. The documents/records to be maintained relating to staff advances are:

   a) The advance payment bank/cash voucher

   b) The advance requisition form which is approved by the designated authority.

c) All supports/bills attached to the advance requisition form (tour plan, quotations etc.,)

d) The entry accounting the settlement of the advance

e) All bills and supports attached to the voucher

f) The bank/cash voucher accounting the receipt or payment of the balance on advance settlement

2. The advance requisition form (Performa) is given below: -

3.

Banwasi Vikas Ashram

AT+PO-New Barganda , Giridih , Jharkhand

Name of the person**.....**

Department**.....**

Purpose of advance**.....**

.....

Advance required**.....**

Previous balance(If any) **.....**

Unadjusted bills* (If any)**.....**

Tour plan*(If applicable)

Date of travel	*Starting Place*	*Destination Place*	*Mode of travel*

Estimate of advance*:-

Particulars	*Details*	*Amount*
Travel		
Boarding & lodging		
Local conveyance		

** in case of salary advance, these heads are not applicable.*

(Signature of requisitioner)
Date-

(Authorised signatory)
For Accounts:-

4. The form shall be signed by the person requisitioning the advance after taking approval from the authorized signatory and submit it to the accounts department not less than the 3 working days before the starting date of activity/programme/tour for which the advance is required for. The accountant should sign the form on payment/data entry.

5. A copy of the approved tour plan in the case of travel advances, quotations, etc., in the case of advances for purchases should be attached to the advance requisition form and should also be signed by the authorized signatory when approving the advance.

6. Advances are to be paid only if any previous advance taken by that employee is settled. This check should be made with regard to advances under all heads – travel, programme, salary, etc. This should be suitably documented in the advance requisition form. Where more than one event is managed simultaneously by an employee, this rule will not apply subject to the condition that each such advance and settlement are accounted separately under different sub-ledger accounts or in a manner that discloses each such advance and settlement distinctly to facilitate monitoring.

7. Advances to the extent possible should be allowed through by account payee cheque only. Steps should therefore be taken to request for it in good time so that credit could be available to the payee at the time of the need.

8. All advances should be settled by submission of bills and return of unspent amounts (by cheque) within the following periods:

Travel advances	-	Within **3** working days of completion of the travel/tour
Programme advances:		
a) for running a field office	-	Monthly before the 10th of the succeeding month
b) for others	-	Within **7** working days from the end of the event/transaction.

9. Programme advances must generally be avoided/ minimized and the organization should directly issue cheques to the parties concerned.

10. On submission of bills the settlement entry (other than the portion involving physical cash/Cheque inflow/outflow) should be through journal only and not through the cash book.



11. The journal, cash and bank vouchers in settlement of advances and the bills and supports should be authorized and signed by the authorized signatory laid down in paragraph B of this manual.

12. The advance requisition form along with the relevant supports should form the support to the cash/bank voucher accounting the advance paid.

13. All advances are to be accounted immediately on payment. No suspense advances or IOUs are permitted.

14. Advances outstanding beyond the period allowed should be recovered from the salary.

15. The advance accounts and their balances should be monitored before every entry. Periodically, preferably fortnightly the staff designated in chapter B should monitor all the advances to ensure that recovery whenever required/possible is made.

M. TRAVEL EXPENSES – REIMBURSED/PAID TOSTAFF

1. The basic documents/records involved are:

   - An approved travel plan/tour schedule
   - If paid through advances chapter M of this manual alsoapplies
   - The travel policy/guidelines as contained in **BVA** Human Resource Policy Manual
   - The outstation travel claim form

2. Travel advance should be limited to the estimated cost of travel based on the mode of travel, cost of tickets, stay and number of day involved.

3. Generally, travel should be by the shortest route and cheapest mode of transport.

4. The expenses on travel, victuals, other related expenses and to the extent possible on local conveyance should be supported by original third party evidence/bills.

5. The limits with respect to stay, victuals and local conveyance are contained in the **BVA** Human Resource Policy Manual.

6. Any travel booking (taxi, air and trains) shall be through travel agencies approved by the organizationally.

7. Cost of air and train tickets booked by **BVA shall** be debited to advance account of the employee and shall be reversed to travel expenses only on the employee's return of the used tickets. In the case of train tickets photocopies of tickets shall be (where originals are surrendered) adequate. The administration may verify the travel with reference to the PNR.

8. Travel agents:

8.1 Statements of account should be obtained from the travel agent quarterly and reconciled with the ledger account.

8.2 Settlements should be by account payee cheque only.

8.3 Only the authorized agency must be used.

8.4 Credits on cancellation should be accounted in the ledger account of the agent.

8.5 All payments should be debited to the agents' account and reversed to the respective revenue account on completion of the travel.

8.6 Payments are to be made only on completion of travel.

8.7 Only authorized person from the organization should make bookings. The travel agent should be intimated in writing about this.

9. The procedures on drawl, settlement, confirmation, etc., relating to travel advances should be in accordance with the paragraph dealing with advances in the manual.

10. The outstation travel claim will be in the form given in the HR manual.

11. Every employee shall submit their original ticket and boarding pass as applicable in case of travel made by taxi, train or by air to the accounts department within **3** days from their

successful returning from the outstation.

N. PURCHASES - PRODUCTS ANDSERVICES

1. The procedures relating to purchases (products and services) whether new or used (second hand) and whether consumables or otherwise contained in:

1.1	Clauses	3 to 6.1	below	For all purchases below of Rs **50000** in value
1.2	Clauses	4 to 13	below	From Rs. **50001** and Rs. **200000** in value
1.3	Clauses	4 to 13	below	above Rs. **200001** in value

2.1 For arriving at the value of the purchase referred to in paragraph (1) above differing individual items to be purchased will not be grouped as one purchase except when the individual items are so similar in nature. Cost and quality will be the deciding factors in selection.

2.2 Purchase of an item will also not be split into several smaller purchases to circumvent the ceilings prescribed in paragraph (1) above.

2.3 This chapter covers purchases of all items (including services) other than immovable properties and consultancies.

3. The persons designated to decide on and authorize payments as contained in the section of the manual dealing with authorized signatories will also authorize in the normal course the purchase and payment for purchase of items contained in paragraph 1.1 above after getting the signed version of material requisition form Performa of which mentioned under paragraph5.

4. The documents relating to purchase procedures are:

   4.1 The material requisition form

   4.2 Purchase order/agreement

   4.3 Quotations from suppliers

   These documents will apply to the extent relevant based on the value of purchases.

5. The material requisition form (Performa) is given below:

Banwasi Vikas Ashram

AT+PO-New Barganda , Giridih , Jharkhand

MATERIAL REQUISITION SLIP

Date:_____ Department: _____

Sl. No.	Name of the Items	Quantity Required	Quantity Issued	Remarks
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____

Required by HOD/Approved by Issued by

6. The material requisition form when filled in signed and authorized shall:

6.1 in cases referred to in paragraph 1.2 above - the decision will be taken after reviewing of the quotations received from minimum of three suppliers for supply of the requisitioned items and it will be forwarded to the person higher than the authorized signatory (who has signed the material requisition form) in the hierarchy, for his approval. The actual purchase will then be affected by the latter that will organize the delivery of the item to the requisitioned on payment out of the budget governing the item and requisitioner.

6.2 in cases referred to in paragraphs 1.3 above - be forwarded to **Secretary** .

7. The **[Senior Designation/Committee of the Organization/ Secretary]** will meet on receipt of the purchase requisition for mas contained in paragraphs above. 2/3rds of the members of the **[Senior Designation/Committee of the Organization/ Secretary]** subject to a minimum of 2 members will form the quorum for any meeting. If the **[Senior Designation/Committee of the Organization/ Secretary]** is unable to meet for any reason the approvals can be obtained by circulation.

8. When the purchase is covered in clause 1.3 above the **[Senior Designation/Committee of the Organization /Secretary]** will decide on and place a purchase order on any supplier which in its opinion is ideal under the circumstances.

9. The form of the purchase order (original) is in paragraphs 9.1 below:

9.1 Form of the original Purchase order