Financial Management & Monitoring System: 2019

RASTA, GODDA

1/1/2019

Foreword

Finance is at the heart of any programme and a strong and proactive financial management system ensures effective and efficient utilisation of resources. This Manual, developed from, is intended to assist organisations in their financial management function. The guide provides an introduction for the non-financial manager or leader to controlling the finances of an organisation in such a way that the organisation can discharge its duty of being financially accountable. It should be reviewed by everyone in an organisation who is responsible for financial management, including those who prepare grant proposals and those who record and report on grant project activities.

Scope and Administration of the Manual

This Manual shall govern the financial management system for RASTA covering the accounting and audit arrangements.

- ❖ All amendments to the Manual shall be made only by Governing Body of RASTA and any requests for amendment based on implementation experience should be addressed to the **Secretary of RASTA.**
- ❖ All amendments to the Manual shall: be circulated to all Project units and other implementation units clearly state the paragraph (s) and line(s) to be replaced/added be serially numbered for control and easy reference mention the date from which the change shall be effective be annexed to the manual with a cross reference at appropriate places in the Manual
- ❖ This Manual shall be maintained by the Secretary of RASTA for easy reference and be made available to the audit/inspecting agencies for guidance.
- ❖ While the provisions outlined in this Manual are mandatory, the Board of Trustees of RASTA shall formulate well-defined Financial Rules and Regulations including the delegation of financial powers for effective implementation of programs/activities.

Objectives of Financial Management

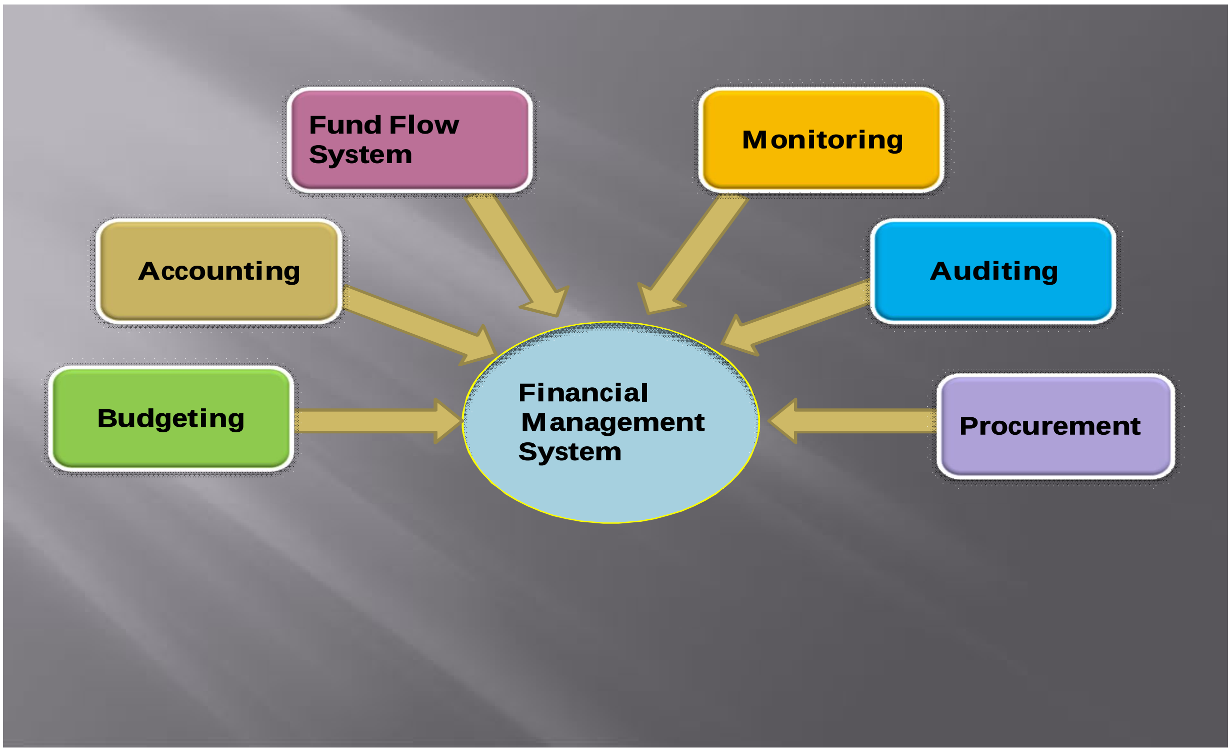
The financial management is generally concerned with procurement, allocation and control of financial resources of a concern. The objectives of setting up a financial management system are-

- To ensure the availability of timely, relevant and reliable information (financial and non financial).
- To pace up the expenditure within time frame.
- To review the progress of the programme
- To use resources efficiently, effectively and economically.
- To ensure optimum funds utilization.
- To provide support for decision making.
- To prepare budget and budget calendar.
- To avoid the misuse of funds/ resources

Components of Project Financial Management

- ❖ Financial Management brings together planning, budgeting, accounting, financial reporting, internal control including internal audit, external audit, procurement, disbursement of funds and physical performance of the programme, with the main aim of managing resources efficiently and achieving pre-determined objectives. Sound financial management is, therefore, a critical input for decision-making and programme success. Accurate and timely financial information provides a basis for better decisions about physical progress of the programme, availability of funds, reducing delays and bottleneck if noticed.

- Financial management system should produce timely, relevant and reliable financial information that would allow functionaries of organisation to plan and implement the designed program, monitor compliance with agreed procedures and apprise progress toward its objectives.



(Components of Financial Management)

To meet these requirements, the system should include the following features:

1) **Planning** – A system to identify the needs to achieve the programme objectives, evolve strategies and approaches to address them and take up suitable interventions and activities.
2) **Budgeting** – A system to identify short term activities necessary to achieve programme objectives and express these activities in financial terms.
3) **Accounting** – A system to track, analyze, and summarize financial transactions.
4) **Funds flow arrangements** – Appropriate arrangements to receive funds from all sources and disburse them to the units involved in programme implementation.
5) **Reporting** – A system that would produce sufficient detailed information to manage the programme, and provide each level of management with regular financial information (consolidated and/or dis-aggregated) for decision making and monitoring.
6) **Internal control** – Arrangements including internal audit, to provide reasonable assurance that
   I. operations are being conducted effectively and efficiently and in accordance with donor financial norms;
   II. financial and operational reporting are reliable;

III. Laws and regulations are being complied with; and assets and records are maintained.

7) **External audit** – Arrangements for conducting annual external audit of the

Accounting Procedure/Internal Controls System:

It is the responsibility of the management to clarify to all staff that accountability is a joint responsibility and does not rest solely with Finance Management Unit.

The maintenance of accounts of the Program should be governed by the principle that no expenditure is incurred by the Organization which is repugnant to the objectives of the Program and every item of expenditure is incurred in accordance with the prescribed procedures as per the guidelines of Funding agencies, and the canons of Financial Propriety. In accordance with these **canons of Financial Propriety**, it shall be the duty of each official of RASTA to ensure that

- Every staff is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- The expenditure should be allocable, allowable and reasonable.
- No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- Public money should not be utilized for the benefit of a particular person or section of the people unless a claim for the amount could be enforced in a Court of Law, or the expenditure is in pursuance of a recognized policy or custom.
- The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.
- It shall also be necessary for every unit to establish the operation of adequate and satisfactory internal audit functions.

The following books of accounts and registers shall be maintained by the organisation at Head Quarter:

a) Cash Book
b) Ledger
c) Journal
d) Register of Advances for Others (not Personnel)
e) Cheque issue register
f) Pay in Slips
g) Bank Pass Book/Bank statement
h) Bill Register
i) Stock Register
    (i) Capital Goods including fixed assets
    (ii) Non-consumable articles
    (iii) Consumable articles
j) Register of works
k) Fixed Assets Register
l) Monthly accounts of Receipts and Payments
m) Temporary Advance Register (Personnel)
    (i) Staff
    (ii) TA/DA advance
n) Despatch Register

o) File Register

CASH

Cash Account and Transactions

Cash transactions are generally made for petty expenses and when/where banking facilities are not available. As per Income Tax Rules, no claim exceeding Rs. 20,000 should be settled through cash payments. These should invariably be by account payee cheques. As a matter of procedure and control, the attempt should be to minimize the number of cash transactions.

Daily Cash Balance

The denomination of the closing balance of the cash should be entered below the cash balance and signed by the Cashier. This register is to be maintained from the beginning of the financial year and a fresh register from the beginning of every financial year.

Withdrawal of Cash from Bank:

- Cash balance available and the estimated expenses would need to be computed.
- Authorised persons must verify the requirement before signing the cheque for withdrawal of cash.
- Signature of the person presenting the cheque and receiving the cash should be attested on the back side of the cheque by one of the authorized signatories.
- Cash Receipt (Contra) voucher should be prepared and accounted for by the accountant on the same day.
- Cash Account should be updated for receipt of cash on the same day.

Cash Payments:

- Cash payments should be made only after preparing the payment voucher.
- The voucher has to be approved by the competent authority before payment (as per the requirement of program, but the signature of one of the officers in Finance Division is a must).
- The payee must sign the voucher for having received the payment.
- In case the competent person is not present, the voucher must be verified/ approved by any other person standing-in for the person before release of payment.
- As per Income Tax Rules, no cash payment of more than Rs. 20,000 is permitted. Internally, we shall maintain this limit to Rs. 5,000.
- All cash payments exceeding Rs. 5,000 should be receipted with a revenue stamp.
- The number of cash payments has to be reduced by converting settlements through cheque payments.

Staff Advances

Amounts paid to any staff member for meeting official expenses should be charged to the float account but for simplification of the process they are to be treated as general advances to employees against their Employee Numbers.

Staff can obtain advances mainly for the following purposes:

- Travel and subsistence
- Purchase of goods from the market
- Day to Day expenses

All such requests should be made only after it is duly approved by the competent authority as per the delegated authority limits, after the finance department has duly noted any previous outstanding in the person’s name.

Controls to be exercised

1. Requests submitted should be complete in all respects and the purpose clearly mentioned. In case of staff travelling, the period and dates and purpose should be specified.
2. The amount outstanding against a staff member should be settled within the month the advance is taken unless the staff is travelling on the last days of the month.
3. It is mandatory that there are no advances outstanding as on 31st March, i.e. the end of the financial year.

Bank Transactions

a. Bank Receipts

- All receipts are to be acknowledged by issuing an official receipt. The date of receipt, its accounting and the date of deposit of the cheque/draft to the bank account should be the same. Relaxation can be made only in view of banking hours or bank holidays.
- Bank deposit slip should be attached with the receipt voucher.
- No receipt should be issued on the last day of the month if the instrument cannot be deposited with the bank on the same day.

b. Bank Payments

- Payment voucher has to be prepared before preparing any cheque.
- Cheque should not be prepared, for whatever reason, if sufficient balance is not available with bank.
- All vouchers have to be verified and approved before payment is released.
- Payment has to be made only against original bills and claims. Any type of copy of bill or claim should not be entertained.
- All supporting documents should be attached with the payment voucher and filed according to serial number.
- If there is more than one bank account, separate payment voucher files should be maintained.
- Cheques should be written legibly and doubly ensured that the amount in words and figures are the same.
- All cheques have to be crossed. A rubber stamp stating “A/c Payee Only – Not Negotiable” should be put on every cheque. Bearer cheques should not be issued.
- Post-dated cheques are not to be issued.
- All cheques are stamped “for the *Name of the Organisation*”.
- Cheque number should be written on every payment voucher.
- Cheques prepared on a day shall as a rule be dispatched on the same day under certificate of posting or by courier to the payee.

c. Controls to be exercised

- All letters/instructions to the bank should be signed by the authorized signatories only.
- Cheques should never be signed in advance or in blank.
- Un-cashed cheques should be cancelled within a reasonable period.
- Specimen signatures should not be left around.
- Cheque books should always be kept under lock and key. Only authorized persons should be allowed to handle them.
- Using a carbon (black side up) under the cheque will leave an impression on the reverse of the cheque making it difficult to alter.

- It is recommended that a transparent cello tape be affixed on the figures of the cheque to avoid any alterations. This should be done immediately before the cheque is sent for signature.
- Insist on a receipt after payment by cheque.
- Do the bank reconciliation statement on a monthly basis.

Invoice Validation

Voucher is a basic document which is prepared to record any transaction that takes place.

- Serially PRE NUMBERED vouchers should be prepared for all transactions.
- Vouchers should be issued officially to a designated person who shall be responsible for the custody and accounting of the same.
- Vouchers shall not be overwritten. In such cases, it is best that the voucher is cancelled and retained for future inspection.
- Unutilised or cancelled vouchers shall be retained in the voucher books itself for inspection by the audit subsequently and shall not be destroyed under any circumstances.
- Vouchers and cash memos need to be stamped with a rubber stamp of a particular project or agency.
- A “PAID” stamp should be put on all vouchers for which payment has been made.
- Vouchers need to be approved by the person initiating the expenditure (who can sign on the supporting document as well) and another authorized signatory.
- No voucher should be passed for payment without supporting documents.

Format of Voucher

Vouchers should have the following information at the minimum:

- Name of the organization and place.
- Date of preparation of voucher and voucher number (pre-printed).
- Name of the concerned project, line item to which it is charged and its description.
- Columns for approval by the project coordinator, signatory and accountant.
- Columns for recipients signature.

Supporting document for vouchers

- All bills should be in original. Payment should not be made against a quotation, performa bill, copy of a bill or a faxed bill.
- All supporting documents should be authorized by the person initiating the payment.
- It is the responsibility of each person who is responsible for buying goods/ services in the project office to check each bill for its validity i.e. check that the description of items, number of items, cost per unit and total cost, date of the bill and name of payee (i.e. name of project) are accurate. Payments should be made only after checking these details.
- No alteration in the bill by project staff is normally permissible. If at all an alternation is unavoidable e.g., a mistake in the date by supplier which was not corrected, such a bill should be brought to the attention of Head of the project who should change it and initial it and a note should be put on the bill why alteration was necessary. The management should reserve the right to accept such bills or not.
- Invoices should only be in the name of the PROJECT and not in the name of the project staff.

Control over Cash / Bank Balances

- Unutilized funds should be kept in Flexi deposit or sweeping deposit or other schemes for income generation.

- The interest received should also be utilized for the same activities envisaged under the program and no portion of it should be utilized for other expenses not envisaged in the program
- Organisation shall maintain separate books of accounts in respect of funds received under bilateral/ other projects.
- Cash/ cheque books must be must be kept in safe custody and adequately insured
- The receipts, if any, from other sources including the State Government would also be deposited in the organisation's bank account and proper accounting thereof maintained.
- All cash / cheques / demand drafts etc. received should be deposited into the bank as far as possible on the same day itself or next day positively so as to avoid cash in transit for long periods. If any cash is retained on hand that should be verified physically by the Head of Office/DDO and recorded in the cash book and the cash in hand deposited into bank next day itself.
- When cash/cheque/DD is deposited in the bank, counterfoils of the pay-in-slips should be verified with the cashbook by the Head of Office/DDO.
- Over writing should be avoided and correction, if any, should be attested by the Head of Office / DDO under his dated initial.
- Crossed Account Payee cheque alone should be issued to third parties/firms etc.
- Not more than one cheque is to be issued to a single party on the same day.
- The issue of bearer cheques should be avoided as far as possible except for drawing cash from banks for day-to-day official transactions.
- When payments are made through cheque, the number of the cheque should invariably be noted in the cash book for cross checking.

Verification of cash

The contents of the cash chest / cash box should be counted by the Secretary/ Project Director or the senior most official in-charge or designated officer at least once in a quarter and the account compared with the cash book balance.

The result of verification should be recorded in cash book each time as under:
"Cash balance verified by me today and found to be Rs. ……………….(in figures) (Rupees……………………………………(in words) on actual count as correct".

Date ……………   Signature
(Designation of the Officer)

In case the cash balance is not found to be as per cash book, the fact should be recorded in the cash book and report submitted to the next higher authority unless the error can be set right at once.

The excess or shortage should be rectified by making the necessary receipt or payment entry "cash found excess" as miscellaneous revenue or "cash found short" recovered from the official. Excess or shortage of cash in excess of Rs.1,000 should be brought to the attention of Secretary immediately.

Correction of errors

If any item of receipts or cheques belonging to one head has been wrongly classified under another head, the error shall be corrected in the following manner: -

a) If the error is discovered before the close of the day's accounts, necessary correction should be made in the original entry before the accounts of the day are closed.
b) If the error is discovered after the close of the day's accounts but before 31st March, the correction should take the form of a fresh entry in the cashbook. **Note:** Errors affecting only classification i.e. receipts or payment on one side of the cash book without any change in monetary value shall be corrected in the manner prescribed at (a) above, if the same has been detected before the close of the month's account.
c) If the error is detected after the account for March has been closed, the correction should be carried out through a journal entry.
d) In all such cases, the correcting entry should be supported by a transfer entry memo approved by the Head of the office and a note of correction shall be made against the original entry in red ink.

JOURNAL

Journal is one of the important account books. Its use is restricted to only recording adjustment entries other than cash transactions. Vouchers shall support each adjustment entry passed through a Journal. Brief narration of each entry shall be given in the voucher and it shall be signed by the Head of Office. The Accountant will check each entry of the Journals with the vouchers and put dated initials against the entries checked and verified by the Accounts Officer.

LEDGER

- The Ledger is a register in which all transactions recorded in the cashbook or Journal shall be classified under different heads of accounts or objects of expenditure or any sub-unit thereof.
- The Ledger should be kept in the prescribed form. Separate pages are to be opened for each item of expenditure.
- The Ledger accounts shall be arranged and grouped in such a manner that the desired information is promptly secured.
- Combined Ledger accounts can be maintained for various detailed heads. The contingent Register may be maintained in such a manner that it is used as Ledger for recording expenditure under miscellaneous items.
- Every Ledger account is divided into two sides, the left-hand side being the "debit side" and the right hand side the "credit side".
- All items of debits and credits of the cashbook and Journal shall be posted on the same day in the respective Ledger account.
- Daily totals shall invariably be given and progressive totals shown wherever necessary.
- After the Ledger accounts have been written up and completed in respect of cash and adjustment items, the daily total of each Ledger account should be carried into the appropriate classified account and the classified account should then be totalled up and from the gross total the amount of adjustment should be deducted to bring out the net totals of receipts and payments as per cash book.
- All the Ledger accounts shall be closed at the end of the month. Totals shall also be struck in the classified account.
- Monthly totals of various Ledger accounts shall then be tallied with the totals of classified abstract and discrepancy, if any, rectified and reconciled.
- Monthly account of receipts and payments shall be prepared immediately after closing of the accounts for the month.

Bank Reconciliation

Bank reconciliation should be carried out on a monthly basis as part of the monthly closing of accounts latest by the 10th of the following month. To enable prompt reconciliation, bank pass book should be sent regularly to the bank for making up-to-date entries of credit and debit in a month and in case bank pass book is not issued, monthly bank statement should be obtained from the bank regularly.

Entries shown in the passbook / bank statement should be tallied monthly with the entries in the cashbook. Any discrepancy should be rectified and difference explained in the bank reconciliation Statement in the manner explained below:

Balance as per Cash Book……………………………………
Add:
(i) Cheque issued but not cashed……………………………………
(ii) Credit entries made in the bank but not shown in the cash book ………………..…
Total
Less:
(i) Amount sent to bank but not credited in bank account …………………………….....
(ii) Bank charges debited in the bank account but not accounted for in the cash book ……………………………………
Total
Balance as per pass book/bank statement……………………………………

Control of Expenditure

I. Persons authorised to incur expenditure must ensure that financial order and strict economy are enforced at every step and see that all-relevant financial rules, orders, directions and instructions are observed.
II. It should be seen that not only the total expenditure is kept within the limits of the budget provision but also the funds allotted / transferred are spent in the interest and service of the programme and upon objects for which provisions have been made.
III. They will also see that items of expenditure are of obvious necessity and are at fair and reasonable rates, sanction of the competent authority obtained and that calculations are correct.
IV. In order to exercise proper control, they should keep themselves closely acquainted with the progress of receipts/expenditure, commitments and liabilities incurred but not paid.

Re-appropriation of funds

I. Funds of the Society shall not be diverted or re-appropriated to meet any expenditure which has not been sanctioned by the competent authority;
II. Funds shall not be diverted or re-appropriated to expenditure on any item not provided for or contemplated in sanctioned budget estimates;
III. All re-appropriations carried out under these rules will be reported to the Project Approval Board for its information while submitting the AWP&B for the succeeding year.

Cash Book

Where manual cash books are maintained as a primary book of entry or as a back-up the following additional controls are to be exercised:-

- Cash book should be maintained on a computerized basis under double entry system. Cash book shall not be maintained on manual basis.
- Separate cash book should be maintained for each financial year.

- Cash book is the principal record of all money transactions which take place every day and all other registers are subsidiary to it. It has two sides, “Receipts” and “Payments”. The amount column in each side is sub divided into “Cash” and “Bank”.
- Each entry of receipt and expenditure should be descriptive but brief in nature.
- Each voucher should be assigned a serial number and ledger folio number, which should be noted against each entry in the cash book.
- Each entry in the cash book should be attested by the Head of Office/ Drawing and Disbursing Officer (DDO).
- Cash book should be closed daily and total cash balance struck and attested by the Head of Office / DDO after verification of the totals.
- If no transactions have taken place in a day/s the entry “No transaction” has to be noted in the cash book on that day/s and balances carried over to next day and attested by the PM/PD or designated officer as the case may be.
- In case computerized accounting software is in use, the cash book need not be maintained manually. However, print out of the daily cash transactions should be taken and pasted in cash book after attesting each entry by the PM/PD or designated officer.

Account Head

The Account head and account code should be similar to the budget head and budget code of project. If any sub-head or sub-code is considered necessary, the same shall be operated accordingly***.***

VERIFICATION OF CASH BALANCE

The contents of the cash chest / cash box should be counted by the PM/PD or designated officer or the senior most official in-charge at least once in a month and the account compared with the cash book balance.

The result of verification should be recorded in cash book each time as under:
“Cash balance verified by me today and found to be Rs. …………. (in figures) (Rupees ……………………………. (in words) on actual count as correct”

Date ………………..   Signature
(Designation of the Officer)

Record Keeping

A record of all project transactions shall be maintained with:

- Appropriate vouchers (receipt vouchers, cash/bank payment vouchers and journal vouchers) and supporting documentation for the transactions.
- These supporting documents should be cross-referenced so as to link them to each item of expenditure with budget heads, project components, expenditure categories (summary and detailed) and should be compatible with classification of expenditure and sources of funds indicated in the project implementation plan and project cost tables.
- Vouchers must be printed and approval obtained from the concerned authority and serial control over the vouchers must be maintained.
- These books of accounts together with supporting documents and project management reports should be maintained for at least one year after the final audit of the entire project expenditure.

There should be periodic review of project units and peripherals units by the in-charge of project.

External/Statutory Audit

The organisation i.e RASTA registered under the Indian Trust Act-1882 is responsible for the maintenance of proper accounts and other relevant records, as well as preparing annual accounts comprising the receipts and payments accounts and statement of assets and liabilities. Accordingly, it is mandatory that a Chartered Accountant appointed for this purpose should audit the accounts of the organisation annually and submit an annual audit report.

The financial statements must be authenticated by the Secretary, Finance Controller and adopted by the Executive Committee before the same is signed together with the audit report by external auditors.

Annual financial statements consisting of the Receipt and Payment Account, Income and Expenditure Account and Balance Sheet shall be prepared in the prescribed performa.

ADVANCE REGISTER

All advances are to be entered in the advance register. The adjustment of the advances is also to be entered promptly in this register. It should be ensured that no personal advance is outstanding for more than one month. In case, adjustment claims for personal advances are not submitted in time, penal action including charging of interest should be taken.

Monitoring of advances

The head office shall strictly monitor the progress of adjustment of advances and take remedial measures required for the speedy adjustment of advances within the time limit .

All functionaries should ensure that only actual be treated as expenditure and not the normative costs in accounting.

Procurement

Procurement policy should be based on the principle of assuring the most cost efficient and rational use of resources for goods or services that will best serve the organisation both at the present and in the long term. Organisations should follow a multi quote system procurement policy for the supply of both products and services.

Different approaches should apply to the purchase of non-expendable items, or fixed assets (such as computers, cars, printers and copying machines), on the one hand, and general purchases (such as office stationery) on the other.

All items removed from the asset register should be accounted for by the Executive Director. The asset register should be updated as soon as new items are purchased or acquired, but at least once a year.

In the case of general purchases (fuel, stationery, refreshments, cleaning material):

- a purchase order is completed before the item is purchased;
- the delivery note, confirming receipt of goods, is signed by the person of the organisation receiving the goods;
- the invoice is approved by the Executive Director for payment and signed, along with the payment request form and he or she indicates the relevant budget line item;
- the payment is made by cheque or electronic transfer;

- low cost items such as refreshments and cleaning materials are mainly purchased via petty cash.

Non-expendable items should not be removed from the office building unless for purposes relating to a programme. In such a case, prior authorisation must be given by the Executive Director. A prescribed consent form must be completed prior to the removal of the item from the office building. If a staff member removes a non-expendable item from the office without prior consent and it is damaged or stolen, the staff member will take responsibility for the damage or loss of property. However, the Executive Director may use his or her discretion if the need arises for lending out specific items. In such cases, the lender will take full responsibility for damages to or theft of the property.

Procurement Policy for RASTA

Title, Commencement and Application

- These rules may be called “RASTA Procurement Policy”
- They shall be come into force with effect from…………………..

Definition

- “RASTA” means **Regulatory Association for Social & Territorial Assist**
- “Organization” means **Regulatory Association for Social & Territorial Assist** (RASTA).
- “Secretary” means secretary of RASTA.
- “Board “means Board of Trusty of RASTA.
- “Management” means the board or any other officer authorized by the board.

Purpose

The purchase of goods and services is necessary for the smooth operation of the organization. The aim of the internal control system for the supplying of goods and services is to ensure orders are handled by individuals having skills in evaluating what purchases are required from suppliers offering the best deals, to ensure purchases made do not exceed the budget provided and to ensure purchased goods and services conform with the quantity and price specified in the order.

Committee

There shall be a purchasing/procurement committee, comprises of Secretary, Accountant and Project Coordinator, that will decide and finalise the need and budget provision for procurement of goods/things.

Methodology

Organisation shall follow certain methods in purchasing goods, equipment and services required for the needs of the organization or its projects. Use of competitive bidding shall be a priority practice. The first criterion in choosing a supplier shall be the lowest bid. However, if a supplier does not provide the required level of service or an adequate guarantee, then other criteria shall also be considered. Organisation shall specify in the purchase file the reasons the lowest bid was not chosen.

- For purchases under Rs. 5000.00, a price survey by telephone of two suppliers will be sufficient for determining the supplier.
- For purchases above Rs.5000.00, a quotation/invoice shall be obtained from three local suppliers.
- Purchases from a sole source shall be explained in the purchase file.
- For all purchases of capital good, and goods purchased in bulk like stationary and other supplies, three quotations should be obtained. Then the final supplier is decided upon. However justification should be given in case the lowest of quotes is not selected. Quotations should be attached with the relevant vouchers while submitting the same for checking.

The purchase file shall contain all the documents pertaining to each transaction, i.e. the purchase requisition, quotations, contact information of suppliers purchase contracts or orders, invoices, delivery slips and any other pertinent documents.

Control objectives

The control objectives here will be to ensure that:

- All purchases are duly authorized and approved before the goods and services are ordered.
- All goods received or services rendered are according to specification and in quantities requested for.
- Liability for all purchases is accurately reflected in the books of account and that suppliers are paid only in accordance with the agreed terms.
- Goods ordered are actually received into stores as may be appropriate and relevant accounting records updated accordingly.

Purchases

Employees making purchases as part of the project activity or organizational work shall follow these mechanisms:

a. Requisition form – the employee requesting a purchase fills this form, has it approved by the Secretary and sends it to finance division.
b. Order form – the finance division issues the order form, after it is signed by the Secretary. The concerned employee or the finance division will make the purchase successful on the basis of the order form.
c. Delivery slip – After the purchase has been made, a delivery slip will be issued by the finance division for the supplier, who will sign it and give it back to the finance division.

==

PURCHASE ORDER

Name & Vendor :

Kind Attn :

Subject :

Reference :

Dear Sir,
This has reference to your quotation mentioned above regarding purchase.. You are requested to supply the following items as per the specifications mentioned alongside.

Warranty :-

Price:-

Taxes:-

Delivery :-

All the above items should be delivered at :_________________within ___________days from the receipt of this purchase order

All carriage will be borne by vendor

Credit Period
_________________ days towards invoice processing

Thanking You
Yours sincerely

FIXED ASSESTS REGISTER

List of Assets for						
Sl. No.	Description of Assets	Qty.	Date of Pur.	Make /Brand	Supplier Name	Value Per Pc. (Rs.)

STOCK BOOK REGISTER

		Date			Date			Date		
Date	Particulars	Receipt	Issue	Balance	Receipt	Issue	Balance	Receipt	Issue	Balance