

An Orientation to Financial Guidelines for CCCs

Finance Guidelines

- ◆ Separate Bank Account needs to be opened for GFATM Funds received from KHPT. Minimum 2 joint signatories for bank operations.
- ◆ Separate books of accounts needs to be maintained for the project.
- ◆ If accounting package is Tally, Voucher numbers needs to be automatic and not manual.
- ◆ If Manual, Cash book, Bank Book, Ledger, General Ledger needs to be maintained.

Finance Guidelines

- ◆ All the payments more than Rs. 2000/- needs to be through cheque or draft.
- ◆ All consultancy and salary payments should be through cheque or draft.
- ◆ AMC is required for all the capital assets procured (Computer etc).

Finance Guidelines

- ◆ All the bills related to GFATM Project need to be defaced mentioning “Funded by GFATM/SPRUHA”
- ◆ The required defacing seals will be provided by KHPT to maintain the uniformity.
- ◆ TDS if applicable needs to be deducted for all consultancy payments.

Finance Guidelines

- ◆ Capital Asset Register needs to be maintained.
- ◆ Physical stock verification at least once in a year.
- ◆ All the Capital Assets needs to be branded for identification.
- ◆ Copy of Asset register needs to be sent at the end of FY along with physical verification report.
- ◆ KHPT approval is required for all the capital purchases exceeding 10K.

Finance Guidelines

- ◆ Proper procurement procedure needs to be followed as per the procurement manual.
- ◆ Minimum three quotations are required to finalize the Purchase.
- ◆ Documentation is required for all the process as a policy.
- ◆ All the drugs procurements needs to be as per the NACO guidelines (only WHO GMP certified manufacturing facility produced drugs)

Guidelines

SOE format is in the budget template itself. Unhide the columns and fill in the Actual expenditure incurred in the respective Quarter columns.

Quarterly Reports should match with books of Accounts and after sending the reports there should not be any additions / insertion, alteration or deletion of vouchers / entries. If required the same should be adjusted in the next quarter by passing necessary JV or reversal entries with justification in the narration.

Justifications

- ◆ Justification for variance for Budget V/s Actual's column needs to be mentioned in SOE format. For any variance approval needs to be taken and the same needs to be mentioned in the Remarks column.
- ◆ Carry forwarding of budget is not allowed from one quarter to another.
- ◆ Under unavoidable circumstance Carry forwarding is allowed with strong justification from partners and also from the concerned KHPT Authorized Staff. This needs to be documented and to be send to KHPT-HO for Approval.
- ◆ Agreement for planned and budgeted activities will be automatically ceased at the end of the financial year. However critical activities continue until new proposal is sanctioned. The same should be budgeted in the new proposal.

Disbursement Reconciliation

- ◆ Along with SOE, Reconciliation of disbursement sheet needs to be sent.
- ◆ Interest earned during the quarter should be shown as receipts in the disbursement reconciliations.

Closing Balance Break-up

- ◆ Closing Balance Breakup needs to be sent to disburse the next quarter disbursements
- ◆ Closing balance may be Cash in hand, Cash at Bank and net balance of any other advances issued to staff and others- (Attach schedule for advances Dr. & Cr.).
- ◆ If the advance is due for more than 3 months justification needed for the same

Provisions & Advances

- ◆ No provisional entries at the end of the financial year or end of quarter.
- ◆ Expenditures need to be booked on cash basis only.
- ◆ Advances should not be treated as expenditure.
- ◆ Try to clear all the advances at the end of the each quarter and also at the end of the financial year.

SOE Printouts

- ◆ While taking the printouts of SOE's only the following columns are required to be printed. Hide the other columns. If the SOE is for First Quarter we need the following columns only.
 1. Sl. No.
 2. Head of Account
 3. Approved Total Budget
 4. Budget of First Quarter
 5. Expenditure of First quarter
 6. Balance to be Spent
 7. Remarks or justifications

Verification & Authorizations

- ◆ Hard copies & Soft copies of SOE's and Disbursement Reconciliations with closing balance breakup needs to be signed by the Authorized person from Partner organization before sending the SOE's to-KHPT.
- ◆ SOE's needs to be sent to Manager Contracts-KHPT with copy to the Finance.

Frequency of Reports

Quarterly reports (Signed Hard copies and also soft copies) should reach on or before 10th of subsequent month to the Manager Contracts

Quarterly SOE's need to be sent even though the disbursement is not required.

If the disbursement is required before the completion of the quarter Partners needs to send the SOE up to the previous month to release the required money.

Frequency of Reports Cont..

Sl. No.	SOE	Period	Last date to Submit
1	Quarter-03	Jan-08 to Mar 08	10-Apr-2008
2	Quarter-04	Apr-08 to Jun-08	10-Jul-2008
3	Quarter-01	Jul-08 to Sep-08	10-Oct-2008
4	Quarter-02	Oct-08 to Dec-08	10-Jan-2009
5	Audited Statements	Apr-07 to Mar-08	with in 15 days after the finalization

Deviation from Budgets

- ◆ The used funds should be in accordance with the agreed financial plan outlined in **Schedule 'B'**. Operational Recurring cost and personal cost can not be re-appropriated to Capital Cost.
- ◆ With in the broad group 10% of deviation is allowed.
- ◆ No other re-appropriation can be made from the budget without **KHPT's** prior approval (in writing).
- ◆ Any funds that are not utilized in accordance with this Agreement shall be returned to **KHPT**.

Audited Statements

- ◆ Audited statements are required from all the KHPT funded NGO/CBO after the audit is completed.
- ◆ Separate Audited statements needs to be submitted for GFATM related transactions after finalizing the Financial statements.
- ◆ Internal Audit is planned for once in 6 months once in addition to your regular audits.