

COMMUNITY ACTION FOR RURAL DEVELOPMENT

FINANCIAL POLICY 2026-27

- 1. Responsibilities of the Executive Committee** The Executive Committee is accountable for:
- a) Safeguarding the assets of the organization.
 - b) Preventing fraud and ensuring financial integrity.
 - c) Minimizing errors in financial management.
 - d) Maintaining financial records as required by the organization's Memorandum, Rules, and Regulations, in accordance with the Tamil Nadu Societies Registration Act 27 of 1975.
 - e) Preparing Annual Accounts in line with the organization's governing documents and relevant legislation.

2. Financial Procedures Compliance:

To fulfill these responsibilities, all Office Bearers, members, staff, and volunteers must adhere to the Financial Procedures outlined below.

3. Policy Distribution and Review:

A copy of this Financial Policy and its procedures will be provided to each new Executive Committee member upon election or appointment, and to all relevant staff and volunteers. The policy will be reviewed annually by the General Body and revised as needed.

FINANCIAL PROCEDURES

1. Organizational Information:

- **Financial Year:** April to March
- **Banking Partners:**
 - FCRA Account: State Bank of India, New Delhi Main Branch, New Delhi – 110001.
 - FCRA Utilization & Local Funds Accounts:
 1. Canara Bank, East Main Street, Pudukkottai, Tamil Nadu.
 2. State Bank of India, Thirumayam, Pudukkottai District, Tamil Nadu.

3. Union Bank of India, Pudukkottai, Tamil Nadu.
 4. Indian Overseas Bank, Pudukkottai, Tamil Nadu.
- **Auditor:** Mr. S. JAYARAMAN, Chartered Accountant, Pudukkottai, Tamil Nadu.

2. Bank Accounts:

- a) All bank accounts are to be held in the organization's name.
- b) No accounts may be opened in an individual's name.
- c) New accounts or mandate changes require Executive Committee approval, with decisions recorded in meeting minutes.
- d) Cheques and Internet Bank Transfers must be signed or authorized by the Programme Director or Treasurer, who are responsible for verifying accuracy.
- e) Blank cheques are strictly prohibited.

3. Authorized Signatories:

- **Programme Director:** Mr. P. Vedachalam
- **Treasurer:** Mrs. J. Gayathri Devi

4. Annual Planning and Budgeting:

- a) An Annual Budget outlining the financial plan for the year must be prepared and approved by the Executive Committee.
- b) The draft budget will be prepared by the President, Secretary & Programme Director, and Treasurer.

5. Financial Reports:

- a) A Financial Report, including Profit & Loss and Balance Sheet statements, will be prepared by the Treasurer for each Executive Committee meeting.
- b) Reports will be shared with all Committee members and discussed during meetings.

6. Accounting and Financial Records:

- a) A computerized accounting system is used to record all transactions, including receipts, payments, and Internet transfers from authorized accounts.
- b) All transactions must detail:

- Date
 - Transaction details, including payee or payer name and amount
 - Purpose and budget category, if applicable
- c) Petty cash transactions will be recorded in a Petty Cash Register, with a maximum limit of Rs.10,000/-..

7. Procurement and Payment Procedures:

Purchase Orders will be documented sequentially in the Purchase Order book, with reference numbers provided to suppliers.

- a) The Programme Director must approve purchases exceeding Rs.5,000.
- b) No Committee or staff member may authorize payments to themselves, family members, or partners.
- c) All payments require authorization before entry into the accounting system.

8. HR Policy:

- a) Staff must complete relevant vouchers to receive payments.
- b) Employee terms and conditions must be approved and recorded by the Executive Committee.
- c) Payroll calculations and annual increments are managed by the Treasurer.

9. Insurance:

- a) Employer's Liability and other necessary insurance policies will be maintained.
- b) An inventory of physical assets will be updated regularly, with a copy stored off-site at the Treasurer's address.

Approval :

This policy was approved at the Executive Committee meeting held on 12.03.2026.

P. VEDACHALAM
Secretary & Programme Director