



# Vikasalaya Foundation Finance Manual

Version: 2023

Organization	Vikasalaya Foundation
Section	Finance
Issuing Date	10 <sup>th</sup> January 2023
Approved By	President
Signature	Vikas Kuma Paul



## 1. Introduction

The purpose of this Finance Manual is to outline Vikasalaya Foundation's principles, policies, and practices for managing financial activities effectively. This includes:

- Establishing clear financial routines.
- Maintaining accountability and transparency.
- Safeguarding assets and ensuring proper use of funds.
- Complying with legal and regulatory requirements.

The Finance Manual defines how we manage financial transactions, prevent fraud, and support the achievement of our organizational goals.

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## 2. Financial Principles

Vikasalaya Foundation operates under the following guiding principles:

1. **Transparency:** All financial activities are documented and accessible for review.
  2. **Accountability:** Financial decisions are aligned with organizational objectives and adhere to the approved budget.
  3. **Ethical Practices:** Bribery, corruption, and unethical behavior are strictly prohibited.
  4. **Compliance:** Adherence to local tax laws, regulatory frameworks, and donor requirements.
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## 3. Financial Routines

### 3.1 Financial Planning and Budgeting

- Annual budgets are prepared by program managers and approved by the board.
- Monthly financial reviews ensure alignment with planned activities.
- Variances from the budget are identified, justified, and corrected.

### 3.2 Accounting Standards

- Financial records comply with national accounting standards.
  - Separate records are maintained for restricted and unrestricted funds.
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## 4. Internal Controls

### 4.1 Asset Management

- An inventory of all assets is maintained and updated annually.
- Physical verification of assets is conducted periodically.

## 4.2 Cash and Bank Management

- Cash transactions above INR 15,000 require dual authorization.
- Bank reconciliations are completed monthly to ensure accuracy.

## 4.3 Procurement

- Competitive bidding is mandatory for purchases exceeding INR 50,000.
  - Vendors are selected based on cost, quality, and ethical considerations.
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## 5. Fraud Prevention

### 5.1 Reporting Mechanisms

- Any suspected fraud or irregularity must be reported to the compliance officer.
- Anonymous reporting is facilitated to protect whistleblowers.

### 5.2 Investigation

- All allegations of fraud are investigated by a designated committee.
  - Appropriate disciplinary or legal actions are taken based on findings.
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## 6. Financial Reporting

- Monthly financial reports are shared with program managers.
  - Annual audited financial statements are presented to the board and made publicly available.
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## 7. Compliance and Review

- This manual is reviewed annually to ensure compliance with legal and donor requirements.
  - Changes are approved by the board before implementation.
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This policy will serve as a foundation for the financial health and integrity of Vikasalaya Foundation.

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**Approved by:**

*Vikash Kumar Paul*



Vikash Kumar Paul

Vikasalaya Foundation