Section-3

Question -37: What are some of the basic accounting records that would need to be maintained at field level? Explain the contents and importance of each type of records.

Answer- This is very important to keep the basic records at filed level or project level. In a NPO there may be so many unit offices in that case it is necessary to be available the documents at filed level. All NPOs irrespective of size should have sound financial management system across all level, ranging from the country office to field office level operations. The system and processes at each level could be tailored to the needs of individual organizations.

If the organization has a big set up, it could mean that the headquarters is situated at one place, with various regional/ projects offices spread over a wide geographical area. In such a case the project offices require maintaining proper books and records to account for various financial transactions carried on by them.

The records thus maintained are called as the field level records or projects level records. These may differ from organization to organization, depending on the size and nature of accounting systems adopted. For instance, in a centralized accounting set-up, all accounting records including vouchers would need to be sent to the head-office to facilitate accounting. On the other hand, in a decentralized setup, the accounting would happen at filed level and financial statement would be sent to the head-office for consolidation purposes. In any case some basic accounting records would need to be maintained at field level.

Below the some important document that should be available at field level:-

* Cash Book

A Cash book is maintained for recording cash and bank transactions. The field office can also maintain the kind of cash book suited to its requirement. The transactions are recorded on this book in chronological order in accordance with the date of occurrence. The cash book reflects the actual movement of funds through cash and bank. The balance of cash on hand and cash in bank can thus be arrived at, on a daily basis by the field office.

* Vouchers

A voucher is a document which is prepared whenever an expense is incurred. An expense can be incurred either in regard to some project undertaken by the organization or some other general purpose. A voucher carries important information such as why an expense was incurred, who made the payment and the account head to which it should be debited. There should be adequate authorization on the vouchers for transactions made at the field level.

* Funding Agency ledgers

This ledger is required to be maintained by organizations which receive funds from more than one funding agency. This ledger is maintained to record the amount of funds received from each agency, amount utilized against various projects/programmes and the balance of funds for each funding agency.

* Record of own/ other means of contribution-

It is very important for an NPO, that the system with regard to the assessment and documentation of own or there means of contribution is well in place. Own means generally refers to the component of resources and funds mobilized or contributed by the implementing or coordinating partner of a development project. In simple words, own means is the commitment or contribution of various stakeholders to the project other than the funding agencies.

* Record of the Beneficial Communities-

As we know that every NPO works for the benefit and upliftment of the communities and society it serves. We also know that it is essential to record each and every transaction, cash or non-cash in proper books. These include some of the programmatic details, and details of beneficiaries that can be used a circumstantial evidence to support some payments.

The various documents prepared by the organization may contain the following information-

* Consultation with the communities on programme planning, implementation and evaluation.
* Contributions made by the communities to the organization/ programme.
* Minutes of the meeting with the community members
* Registers & photographs for various training given to the beneficiaries
* Registers for distributions made to the beneficiaries etc.