

Financial Management and Procurement Policy

Of

BREAKING THE SILENCE



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30/05/17

Chairperson
Breaking the Silence

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Financial Management and Procurement Policy

1.0 Preamble

Breaking the Silence (BTS) is a non-government organization (NGO) which envisions a protective environment in the society and state for promoting child rights with particular focus on child sexual abuse. It was established in 1994 as a group of activists and evolved over time as an organization with legal entity for social development and expanded its program to address wider spectrum of child rights.

Breaking the Silence is one of the few organizations, which addressed Child Sexual Abuse with special focus. It was a very poorly discussed issue in any open forum due to its sensitivity. As the child Sexual abuse takes place in most cases within the familiar environment, there is a great deal of discomfort in addressing the issue openly. Moreover, children and their caregivers also lack appropriate skill in how to address the issue. Starting with the voluntary activism for combating child sexual abuse, BTS expanded its programmatic scope to address child friendly governance and child participation. Being emerged as a legally entitled organization, BTS started implementing projects in contract with development partners. Thus, the organization got bigger which requires a well-defined policy for managing its human resource.

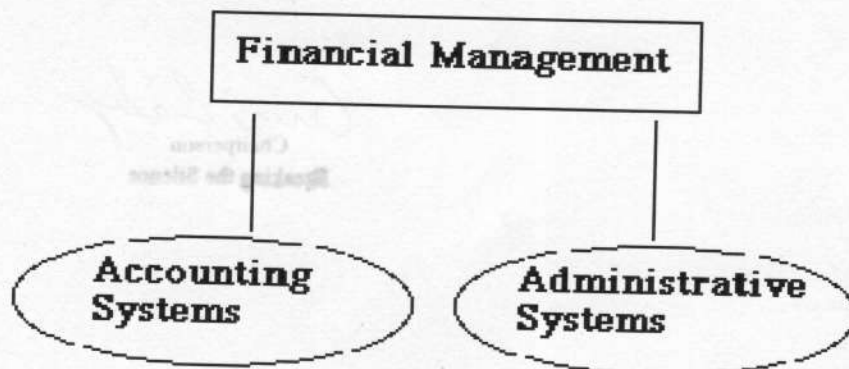
1.1 Purpose of the Manual

This manual presents the standard procedure and policies of financial management of Breaking the Silence (BTS). This is a guiding rule for all projects/programs, staff members of BTS, which serves the interest of all its stakeholders.

Each section of this manual defines the policies and procedures of financial management; however, not all events can be incorporated/defined. As such, under special cases management shall try to remain true to the intent of welfare of the stakeholders of Breaking the Silence.

1.2 Basic Concepts and Components of Financial Management

Globally, there is a legitimate concern among the government, donors and the stakeholders about accountability and transparency of the Organization's financial operation. Financial Management is the key area of Organization's management system, which controls and guides an organization in a very effective and transparent way. Having a good financial system is considered as a key strength of an Organization. Therefore, every organization requires a financial management system - many Organizations may only have an accounting or book-keeping system. Accounting or bookkeeping is the subset of financial management system. Financial management systems can be broken down into administrative systems and accounting systems:



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Administrative systems assist the Executive Director in making administrative planning, communicating, controlling and deciding.

Accounting is concerned with identifying financial information, expressing the information in numeric terms and communicating this information to interested parties. An accounting system provides the framework for this to happen. However, administrative and accounting systems may be required to change over time in relation to changes within the Organization and changing informational needs.

1.3 Salient features of the Accounting System

1.3.1 Accountability

In principle, Breaking the Silence's expenditure can only be authorized by the Executive Director but, in practice, to a certain extent, this authority is delegated to the operational management – Accounts Chief/ Finance and Accounts department. So that Breaking the Silence can be managed on a day-to-day basis without the direct involvement of the Executive Director.

1.3.2 Authority


It is understood that the Executive Director and Finance and Accounts department will exercise the delegated authority with due respect to the BTS's standard procedure and budget resources. But, responsibility for ensuring compliance with the procedure rests solely with the Accounts Chief & Executive Director.

1.3.3 Process of updating

The financial procedure and policy of Breaking the Silence is not a static document, it is expected to review and update time to time to be a living and evolving document. It is to be assumed that the accounting system of an organization reflects its organizational requirements. Therefore, as requirements change it is imperative that this Manual is also updated/modified/review with approval of the Executive Committee. Changes to the manual shall be notified by the Chairperson. All pages are dated to ensure accuracy.

1.3.4 Commencement

This reviewed manual is effective from the **1st day of July 2017** and shall apply to all financial transactions undertaken by Breaking the Silence.


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2.0 Financial Procedures

2.1 Accounting Procedures

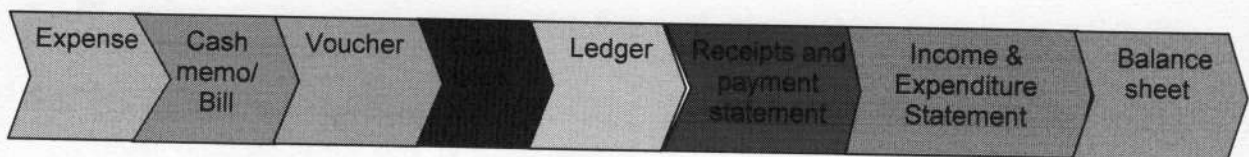
It is the responsibility of the management to clarify to all staff that accountability is a joint responsibility and does not rest solely with the accounts/finance officer.

The accounts/finance officer job is to ensure that-

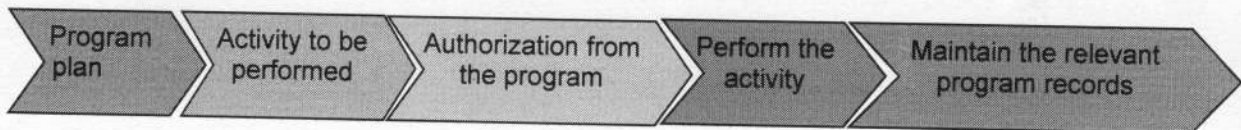
- The payment has been properly authorized,
- Ensure that it is charged to the correct expenditure head,
- Check that payee details are correct and make the payment,
- The person initiating the payment will ensure that the correct amount has been authorized,
- And that the particular expenditure was necessary and due.

2.2 Maintaining Accounting trail

Every transaction would need to be traced back and forth since the account books are maintained in a set pattern. The accounts trail is as follows



A programmatic trail:



The accounting trail is important as it helps to check/countercheck expenditure incurred/activities done and thus helps in maintaining a transparent system.

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- Bank accounts are to be reconciled monthly and cheques or deposits outstanding for more than one month must be investigated and followed up in compliance with administrative and financial procedures.

3.1.3 Accounts Payable

- Invoices from suppliers will be checked against purchase order and the receiving report. Differences, if any, will be promptly followed up and an authorized person approves adjustments arising there from.
- Recording of the supplier's invoice is to be made promptly and accurately.

3.1.4 Accounts Receivable

- Invoices against credit supply will be checked against supply order and the delivery report. Differences, if any, will be promptly followed up and adjustments arising there from are to be approved by an authorized person.
- Recovery of payment is to be followed-up on a regular interval keeping the management informed on the status.
- Recording of the credit invoice and payment acknowledgement is to be made promptly and accurately.

3.1.5 Procurement

- Proper requisition for any procurement is to be raised, verified and approved by appropriate authority.
- Procurement must be in congruence with the procurement policy section of this manual
- Procured items are to be received with quality certification by relevant department (Store / Accounts / Program etc.)
- Procurement committee will be consist of three persons
- Procurement Committee duration will be 3 years.

3.1.6 Sales

- Price of the saleable items (if any) are to be fixed by the appropriate authority, ensuring all associated production costs are covered plus a mark up.
- Sales invoice and/or money receipt is to be issued.
- Accounts section must be informed immediately in case of credit sale.
- Sales register must be maintained for recording of sales
- Sales register and pricing is to be verified periodically by the management.

3.1.7 Inventories (Stock of Stores)

- All incoming materials are to be certified and properly recorded by the assigned personnel
- Issue of goods from store will be signed by both the issuer and receiver.
- The materials held in store will be inaccessible to anyone other than the store personnel / assigned person
- Stored in an orderly manner

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3.0 Internal Controls and Cash Management Issues

Accounting controls assist in the preparation of fair and transparent reports and the safeguarding of assets. Controls can include compliance with generally accepted accounting principles, voucher systems, dual cheques signing, multiple approvals for large expenditures etc.

The accounting procedures incorporated in this section have been designed to provide adequate internal control for Breaking the Silence. The essential elements of internal control are as follows:

- The organization plan with particular reference to the allocation of Staff functions
- Authorization recording and custody procedures including internal verification
- Managerial supervision and reviews including audit.

3.1 Areas for Applications of Internal Controls

- a) Receipts
- b) Payments
- c) Accounts Payable
- d) Accounts Receivable
- e) Procurement
- f) Sales
- g) Inventories (Stock of Store)
- h) Fixed Assets

3.1.1 Receipts

The duties and functions of person receiving **Cash** should be segregated as much feasible from the under noted duty:

- Approving credit vouchers & money receipt

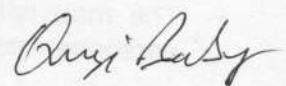
A pre-numbered receipt is to be issued to the payee for all Cash collections and a copy is to be retained as official record.

In case of **Kind** receipts (donation), the following procedures will be followed:

- The Executive Director will confirm the receipts through an internal note
- Items of Fixed Asset nature will be valued at market price and be made accounts for.
- Items of Fixed Asset nature are to be included in the Fixed Asset Register
- Items of consumable nature are to be deposited to the store and properly recorded.

3.1.2 Payments

- All payments above Tk.10,000/= - are to be made through crossed "Account Payee only", other than exceptional circumstances but with prior written approval of the Executive Director/Assigned Person.
- Preparation and Approval of payment voucher must be segregated;
- Internal payments may be made through cash cheques;
- All cheques are to be signed by joint signatories as approved in the Executive Committee. Only persons authorized to prepare or supervise the preparation of cheques have access to the cheque book;
- All void cheques are to be retained;


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- Store records are verified periodically by physical count (Account / Admin department).

3.1.8 Fixed Asset

Purchase of Fixed Asset will be processed with the administrative and financial authority as laid out below:

- Fixed Assets refers to real or tangible property having: a) A value greater than or equal to BDT 2000 and b) having an estimated useful life of greater than one year from the time of acquisition. Additional items to be listed as fixed asset by Executive Committee considering any one option i.e. value or longevity.
- Actual cost will be checked against sanctioned budgeted cost of the Fixed Asset;
- Assets purchased must be recorded in the register immediately after receipt of the item;
- Identification no. should be recorded in the register and affixed in the respective Fixed Asset;
- Sales and disposals of fixed assets will be made only after specific authorization of the Executive Committee within the organizational policy;

3.2 Broad Principles of Internal Control

Over and above, the following broad principles of internal control system of Breaking the Silence are to be maintained:

3.2.1 Establishing Responsibilities

Responsibilities should be clearly established. Good internal control necessitates that responsibilities are clearly established and for a given task, Executive Director/Assigned Person is to be made responsible.

3.2.2 Maintenance of Adequate records

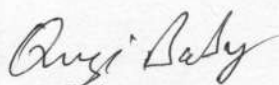
Adequate records should be maintained as per donor agreement and government rules and regulation which is maximum. Good records provide a means of control by placing responsibility for the care and protection of assets. Poor records invite laxity and often misused.

3.2.3 Separated Record Keeping and Custody

Record keeping and custody should be separated. A fundamental principle of internal control requires that the person who has access to or is responsible for an asset should not maintain the accounting record for that asset, viz. in store, when issue and receipt of goods are recorded in the register by the Accounts / Admin department while the Accounts / Admin department will sign Material receipt Requisitions.

3.2.4 Divided Responsibility for Related Transactions

Responsibility for a divisible transaction or a series of related transactions should be divided between individuals or departments in such a manner that the work of one acts as a check on that of another.

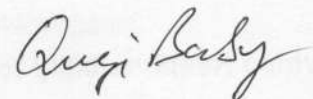

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3.3 Proposed broad functions of Finance and Accounts department, Breaking the Silence

Finance and Accounts department is responsible for the overall management and supervision of Accounts related activities. Assigned Person of Finance and Accounts department will ensure the discharge of the responsibilities in cooperation with other assigned members of the department.

Following are the major area of responsibilities of the Finance and Accounts department:

1. Overall Management and Supervision of Accounts Department activities;
2. Ensure compliance of Financial and accounting procedures of the organization;
3. Facilitating Budget preparation, revision and finalization;
4. Preparation of Financial statements and reports;
5. Perform accounts payable and receivable functions;
6. Organizing and facilitating periodical audits;
7. Respond to donors queries on financial issues;
8. Maintain coordination and supervision of Project Office/Partner Organizations/Sub-Office accounts matters;
9. Assurance of compliance of statutory, regulatory and contractual requirements in financial operations;
10. Conduct occasional crosschecks of bill and vouchers on sample basis;
11. Conduct internal audit in both project office and head office as well as strengthen capacity of financial staff.
12. Allocate/ distribute/ re-distribute the responsibilities of Accounts Section staff as when required.
13. Organizational budget (Master budget) will be prepared by the Finance and Accounts department.



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4.0 Budget

The Effective management process of an organizational activity consists of two basic elements: Planning and Control. Planning denotes to Budgeting, which is an important mechanism of organizational internal control. Budget acts as an instrument to provide focus on the future, performance evaluation, coordination, communication as well as a source of motivation.

Budget is the principal instrument, through which the Executive Committee provides policy guidance to Breaking the Silence's programs and activities. The Operational Management of Breaking the Silence prepares the Annual Work Plan and corresponding Budget and places to the Executive Committee through the Executive Director/Assigned Person for approval.

Budget of an organization performs the following functions:

- Expression of broad policy guideline in terms of specific activities;
- Provides guidelines for administrative performance;
- Sets limits of expenditures in specific areas of activities;
- Establishes personnel requirements for the organization;
- Provides the means of monitoring of performance and evaluation of impact.

4.1 Budget preparations and program planning

Generally Budget is prepared and maintained according to fiscal year from January to December. Considering Donor While preparing the budget, due considerations are required on the following factors:

- Strategic orientation of the organization
- Consistency between program priorities and resource allocation
- Planned activities of the organization
- Availability and Source of Fund

Budget is developed with strategic thrust of program planning. Each Program Unit develops its annual work plan with details of activities with expected income and expenditure, which is submitted to Finance and Accounts Departments. Finance and Accounts Departments review the budget and share with the Senior Management Team (SMT). The SMT will finalize the draft budget for approval of the Executive Committee.

The assigned person of Finance and Accounts Departments prepares following types of budget as mentioned:

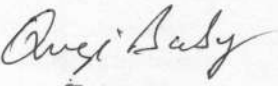
Cash flow Budget: To indicate the cash requirement with time frame for Donors for consideration of contribution to the program.

Detailed Working Budget: To indicate the approved activities with financial implication for all program units to follow and maintain budget line activities and expenses.

Summary Consolidated Budget: To indicate overall Program wise Receipts and Expenses for Management to monitor and take necessary steps.

Organization Budget: Overall Organization Budget (Master Budget) according to Receipts and Expenses which help Management to monitor and take necessary steps.

Revised Budget: To accommodate the over/under income or expenditure, in view of changed situation during the implementation period.


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4.2 Budget Accountability

In case of bilateral projects, budget limits are determined within the project agreement. Such agreement also specifies the limit of flexibility either in terms of percentage or amount.

In case of extreme requirement, over expenditure up to maximum of 20% over the budget of a particular line item is allowable. Any expenditure in excess of 20% will require prior approval of the Executive Committee. However, in any case, the actual expenditure shall not exceed the overall budget limit.

4.3 Budget Revision

In case of shortage of funding or essential requirement of additional expenditure beyond allowable limit, the Management may require to revise the approved budget at any given period. In such cases, the revised budget to be placed before the Executive Committee and respective donor for its approval and onward implementation.

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5.0 Financial Records and Accounting

Books, Forms and Registers

Books, forms and registers are the primary records in which day-to-day transactions are recorded. Following is the list of books, forms and registers maintained at Breaking the Silence:

1. Cash Book (Cash Register)
2. General Ledger
3. Salary Register
4. Fixed Assets Register
5. Advance Register
6. Voucher Forms:
 - Debit Voucher
 - Credit Voucher
 - Journal Voucher
 - Transfer Voucher
7. Stock Register
8. Money Receipt

5.1 Cash Book (Cash Register)

Transactions relating to cash and bank, which are recorded in a book in a chronological manner, is called a Cash Book.

Breaking the Silence has a number of projects/programs and the organization maintains separate bank accounts for each individual project.

5.2 General Ledger

Cash/bank and non-cash transactions are recorded in a particular book classified according to their heads of accounts is called a General Ledger. Daily cash transactions are recorded in the cash register according to their heads of accounts. All the transactions from Cash Book are entered into the General ledger. For non-cash transactions, journal vouchers are prepared and posted in the general ledger directly.

General ledger is the principal book of accounts. The financial position of an organization can be easily ascertained at a particular point of time by preparing financial statements from general ledger data.

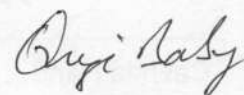
5.3 Salary Register

Salary and benefits is the largest part of the operating expenses. Details about salary/payroll register have been discussed in Payroll section of this Manual.

5.4 Fixed Assets Register

Fixed assets play an important role in every organization. The following data are very essential as regards to fixed assets:

- a. Date of purchase.
- b. Source of funding (Project)
- c. Description of assets.
- d. Quantity of assets.
- e. Value of assets.
- f. Depreciation rate.
- g. Annual depreciation



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- h. Accumulated depreciation
- i. Written down value
- j. Location
- k. Identification mark (Name of the Organization and Development partner, Project name, Location, serial number, asset category);

5.4.1 Depreciation:

Breaking the Silence will follow the Straight-line method for calculation of depreciation on fixed assets. The annual rates of depreciation on different categories of assets are as follows:

Group of Asset	Rate of Depreciation
Building (Pucca)	5%
Building (Semi Pucca)	7.5%
Building (Kacha)	10%
Furniture and Fixture	10%
Office Equipments	20%
Foam Mattress	20%
Vehicle	20%
Other Assets	20%
Laptop, Computer, printer, Camera, Multimedia Projector	25%
Photocopier	20%
Crockery	20%
Loose Tools	20%
Other machineries	15%

Any change in the rate of depreciation will be done through the approval of the Executive Committee.

5.4.2 Fixed assets write off:

In case an asset is damaged or becomes unserviceable, the Finance and Accounts / Admin department will certify the condition and propose for write off. Accounts Section will place the proposal with the relevant data of cost, year of purchase, depreciation charged, written down value etc. to the Management for appropriate decision with the consent of the Executive Committee. Sale proceeds of the asset written off (if any), will be considered as Other Income.

a) Necessary journal for write off will be as follows:

Accumulated Depreciation – Equipment.....	Dr.
Grant Fixed Assets Account.....	Dr.
Equipment.....	Cr.

b) Necessary journal for sale proceeds (if any):

Cash in Hand.....	Dr.
Other Income Account.....	Cr.

Dr. G. G. G.
Chairperson

5.5 Advance Register

Advance is a normal phenomenon of an organization. To carry out various activities, it becomes essential to procure goods and services from different persons or organizations at different point in time and in doing so, advance payments need to be made from time to time. Depending on the particular situation, these advance payments are made directly to third parties and sometimes to own staff.

Advance register is a controlling tool by which proper control on advance payment could be established. It is a subsidiary record in addition to general ledger. It is essential to maintain all necessary information properly in respect of advance payments and their subsequent adjustment. While preparing financial statements, list is prepared for unadjusted advances from this register and the total of such advances is compared with that of the general ledger.

Following is the form of advance register:

BREAKING THE SILENCE Advance Register						
Date	Voucher No.	Employee Name / To whom	Amount	Purpose	Adjustment Date	Dr / Cr.
1	2	3	4	5	6	7

5.6 Voucher Forms

Vouchers are primary document to record financial transaction of a business organization with all essential-supporting documents.

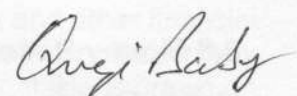
Elements of vouchers:

- Name of the organization
- Number and nature of voucher
- Date of preparation
- A brief narration about the transaction
- Signature of appropriate authorities
- Attachment of bill/cash memo and other supporting documents
- Recipient's Signature
- Indication of Cash/Bank

5.7 Types of voucher

Four types of vouchers are used in Breaking the Silence as follows:

- Debit voucher
- Credit voucher
- Journal voucher
- Transfer voucher


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5.7.1 Debit Voucher

Debit vouchers are prepared for recording of revenue and capital expenditure such as staff salary, traveling & transportation etc. and plant & machinery, furniture & fixtures etc. respectively. Notable that, this voucher is prepared for all types of cash / bank expenditure. Necessary original supporting documents should be attached with Debit voucher except original telephone, electricity, gas, water and contract documents which is to be filed separately.

5.7.2 Credit voucher

Amount received from donor agencies, advance refund from staff or amount received by any means through sale, transfer etc. is recorded in books of accounts through credit vouchers. Before approving this voucher, it is ensured that all necessary supporting documents have been attached thereto.

5.7.3 Journal Voucher

Transactions other than cash are recorded in the books of accounts through vouchers are called Journal voucher. PF, income tax, advance adjustment, deduction from salary, depreciation on fixed assets etc. are recorded in the books of accounts through journal voucher. Necessary supporting documents are attached with this voucher before it is approved.

Preparation of journal voucher:

Voucher no, date are same as debit and credit voucher. Others are as follows: -

Heads of account	: Debit and credit sides of transaction are mentioned here.
Debit (Taka) and Credit (Taka)	: Amount is written down here.
Source	: Source of journal is mentioned here. For example, circular no., minutes, approval, working sheet, etc.
Particulars	: Explanation of transactions is written down in this column as follows-
	a. Provision - the provision was made against for the month of
	b. Adjustment - the amount is adjusted as per schedule/list attached.
	c. Rectification - Rectification entry is made against voucher no (reference of previous voucher)..... Dated
	d. Transfer - the amount is transferred to from as per circular/minutes/others etc.

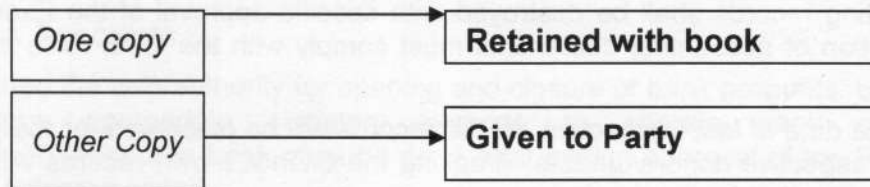
5.7.4 Transfer Voucher

Cash withdrawal/deposits from Bank are recorded in the books of accounts through transfer voucher. Necessary supporting documents attached with this voucher before it is approved.

5.8 Money Receipt

Money Receipt is the acknowledgement of money for both cash and cheque. This is the primary evidence based on which amount received by any means is recorded in cash book. While receiving any amount a money receipt of two copies each is used as follows:

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Format for Money Receipt:

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MONEY RECEIPT

Amount

Receipt No.

Date:

Received with thanks from Mr./Ms./M/S.....

A sum of Taka/US Dollar (in words)

Drawn on _____ Date _____

On account of _____

Received by

Approved by

5.9 Record Keeping

5.9.1 Accounting Records

Finance and Accounts department ensures proper maintenance of accounting and financial records, and other essential records, their protection from damage (by fire or other means) and unauthorized access or removal. Further, the Accounts staff ensures, where appropriate, that the copies of records and cheque books and cash are kept in safe custody.

5.9.2 Printing of Financial Documents

Executive Director/Assigned Person approves printing of financial documents. Distribution of financial documents to outside organization requires the authorization of the Executive Director/ Assigned Person.

5.9.3 Processing of Financial Documents

Using pencil is prohibited in the processing of expense claims, vouchers, and other financial documents. Erasers (including use of correction fluids or chemicals) are not permitted in any records and books of account. In case of necessity of correction the straight line is drawn on the incorrect line/ record to keep it legible. However, concerned person making the correction puts his/her initials.

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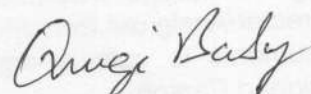
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5.9.4 Destruction of Financial and Accounting Records

Accounting records shall be destroyed with specific approval of the Executive Committee. Destruction of accounting documents must comply with the GOB rules and regulations for NGOs.

From the date of last transaction, all the records will be preserved for the period as required by the respective donors/funders. Breaking the Silence's own records will be preserved for the following matrix.

Sl no.	Type of record	Preservation Period
01	Cash Book	Life long
02	General Ledger	
03	Fixed Asset Register	
04	Audit Notes	
05	Meeting Minutes	
06	Constitution of the organization	
07	Service Rule	
08	Voucher (any type)	Five years
09	General file and records – program	



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6.0 Banking

6.1 Official Bank Accounts

Executive Committee the sole authority for opening and closure of bank accounts. Executive Committee assigns appropriate signatory persons to operate bank accounts. Correspondence with respective bank must be done after getting approval of the Executive Committee in the following cases:

- Opening and closing of bank accounts;
- Alteration to the designation of account signatories;
- Appointment of cheque signatory persons; and
- Cancellation of appointments as signatory persons.

6.2 Operational Procedure of Bank Account

a. The following signatories jointly operates BTS own Fund bank accounts of Breaking the Silence:

- Chairperson
- **Treasurer (Mandatory)**
- Executive Director

Project based signatories jointly operates Project bank accounts of Breaking the Silence:

- Executive Director (Mandatory)
- Assigned person of the project.

Project based fund: Field/Project office:

- Project Office In Charge / Project concern staff (Mandatory),
- Project Finance.

b. All payments above Tk.10,000/= - are to be made through crossed cheque "Account Payee only", other than exceptional circumstances but with prior written approval of the Executive Director / Assigned Person.

c. According to the NGOAB (NGO Affairs Bureau) rules all grants / donation must be received through one bank account (Mother account) by the Organization but more than one operational bank account may be operated for implementing the project activities. Following the procedure to operate bank accounts:

- i) After receiving all grants in foreign currency or foreign grants originating abroad but received in local currency through only one bank account (mother account), the account number with address of the bank must be furnished to the NGO Affairs Bureau.
- ii) The foreign grants received in above manner, may be transferred to separate accounts (operational bank account) for smooth and better functioning of program activities.

6.3 Receipt of Cheques

Following steps are to be followed against receipt of any cheque:

- i) Official Money Receipt (MR) to be issued against each receipt of cheques.
- ii) All the cheque(s) received to be crossed as "Account Payee" after receipt.
- iii) Cheque(s) received during the day to be deposited to respective bank book /cash book within the next 03 working days.

Arzi Babz
Chairperson
Breaking the Silence

6.4 Cheque Register

When a cheque book is collected from the bank, the Accounts Department shall make an entry in the cheque register mentioning the number of cheque leaves. For recording of the cheques issued, the Accounts Department shall maintain a "**Cheque Register Book**" which should contain the following information at least:

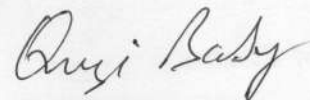
- Cheque number
- Date of issue
- Payees' name/Purpose
- Amount of cheque
- Type of cheque
- Recipient's Signature

6.5 Reconciliation of Bank Account

At the closure of each month the bank reconciliation statement must be prepared and checked within 07 days of the following month. The Accounts Chief/responsible person shall sign the reconciliation statement and checked by Executive Director/Assigned Person.

6.6 Cancellation of spoilt cheque forms or issued cheque

Cancelled cheque should be marked by red pen, and marking "void" should cross-spoilt cheque. Any signature on the cheque should be removed and destroyed. The cancelled and void cheques should be kept in the safe for subsequent audit.



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7.0 Cash Transaction

7.1 Cash Payments

- i) For handling of daily cash transactions, project wise Tk. 10,000/= (maximum) cash shall be maintained by the responsible finance person, who will be responsible for it.
- ii) At the end of days' operation, the Accounts Chief/Responsible person shall check the physical cash with cashbook and confirm the balance by putting his initial in the cash book. The Executive Director/Assigned Person shall make random checking of the cash balance on a regular interval and certify the cash balance.
- iii) Ledger posting from the cash book shall be made by an Accounts Chief/Responsible person other than the person responsible for maintenance of cashbook.
- iv) After payment "PAID" seal with date to be stamped on all the supporting bills
- v) Revenue stamp to be affixed on the bills as per GoB rules.
- vi) Petty cash shall not be advanced for personal use.

7.2 Changes of custody

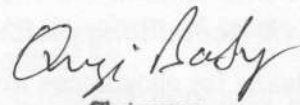
Should there be a change in custodianship, a formal hand-over of cash and vouchers should take place and be recorded in the cash book. Both the outgoing and incoming custodians should sign the declaration of cash balance and the same to be countersigned by the Accounts Chief/Responsible person.

7.3 Use of petty cash will be confined to-

- Reimbursement of fares, and cost of local trip expenses
- Postage/Stamp and supplies
- Local Conveyance
- Utilities
- Meeting expenses
- Repairs and maintenance
- Casual staff
- Fuel
- Petty stationeries below 500.00
- Contingencies

7.4 Cash Receipts

Official Money Receipts shall be issued against cash received by way of sale proceeds/refund of advance etc. The Accounts Chief/Responsible person to ensure that all the cash received during a day is deposited in the relevant bank account within the next working day without fail.


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8.0 Payments and Receipts

8.1 Advances, claims and accounting for advances

Three types of advance shall be paid by Breaking the Silence:

- i) Advance Payment to Staff for Travel/Workshop/Training/meeting/Orientation/Field Visit.
- ii) Advance payment to Suppliers/Contractors
- iii) District /Project/Field/PNGO Office advance.

Contractual agreements shall be made between Breaking the Silence and Suppliers/Contractors before making any advances and all the advances shall be made through "Account Payee" cheque only.

8.1.1 Approval and Processing of Advance

The Accounts Chief/Responsible person shall ensure that the following procedures are followed/implemented when dealing with the advance payments.

- i) Advance for overseas/domestic travel/program expense is approved by the Executive Director/Assigned Person.
- ii) Requests for advances must be submitted to the Accounts Chief/Responsible person at least 03 working days prior to an event takes place. The amount of advance shall be based on the estimated travel costs and allowances. In case of emergency and/or demand of donor agency, Executive Director shall approve advance requisition in same date of submission.
- iii) Advance payment to Suppliers/Contractors shall be based on the contents of the contract/work order.
- iv) No additional travel advance will be provided where a previous advance remains unadjusted.
- v) Advance paid to staff member shall be adjusted within 07 working days after the event is completed. In case of emergency and/or demand of donor agency, Executive Director shall approve additional advance requisition for interim period.
- vi) Contractors/suppliers advance shall be adjusted from the final bill.
- vii) Advance requisition will be submission of concern person of the project. The requisition ceiling are mention below:

Level of Staff (referring to Recruitment and HR Management Policy)	Maximum limit of Advance request(in BDT)
Grade- IX	Any amount
Grade- VIII	150000.00
Grade- VII	100000.00
Grade- VI	75000.00
Grade- V	50000.00
Grade- IV	20000.00
Grade- III	15000.00
Grade- II	10000.00
Grade- I	80000.00

8.1.2 Accounting (settlement) for advances

Claims for allowances and reimbursement of costs, and accounting for advances shall be made on the basis of Travel Expense Report.

- i) A staff member who has undertaken the travel shall carefully prepare the travel expense claim. He/she will ensure that the expenses are dated, itemized and referenced.

By: [Signature]

- ii) Original receipts, that is, ticket stubs and boarding pass, train fares or bus fares, receipts for taxi fares, receipts for business mobile bill and faxes, and hotel bills wherever applicable, shall be appropriately numbered and attached. Claim for travel expense shall be calculated as per Recruitment and Personnel Management of Breaking the Silence.
- iii) The Travel Expense Report shall be certified and verified by the respective Accounts Chief/Responsible person and approved by the Executive Director/Assigned Person, as the case may be, prior to submission to the Accounts Department.
- iv) A staff member shall be submitted a brief tour/visit report with Travel Expense Report.

8.2 Payment of Salaries and Wages

For the purpose of salary, all staff members those have monthly total salary more BDT 8000 shall open personal bank account with any commercial bank and inform the account number to Accounts Department in writing. Monthly salary of the staff members shall be transferred to their respective bank account from the 25th to the end of each month based on fund availability. During the special occasion (e.g. Eid, Puja), Monthly salaries and allowance shall be transferred to the respective bank account of staff before 15 days of the respective occasion with prior approval of Chairperson of Executive Committee.

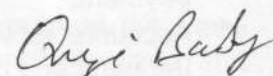
8.2.1 Payroll Processing

Accounts Chief/Responsible person will process project wise monthly payroll. He/She will follow the following procedures:

- i) Relevant payroll input documents of all appointments; promotions, transfers, resignations, removal from office etc. are promptly recorded.
- ii) Entries on these documents are supported by the necessary approvals, advice etc. and verified properly.
- iii) Prepare the payroll from 25th to the end of each month.
- iv) Payroll shall contain the information like – Name, Designation, Basic salary, House Rent Allowance, Medical Allowance, Transport Allowance, Special Allowance (if any) and deductions like Provident Fund Contribution, PF Loan, PF Loan Interest, Income tax etc., if applicable based on BTS Recruitment and Personnel Management Policy and fund availability. As well as the Net Pay and bank account number with bank name and branch shall contain in payroll.
- v) For own fund, Accounts Chief and Executive Director shall recommend the payment and the same will be submitted to the Treasurer for approval.
- vi) For project fund, Accounts Chief shall recommend the payment and the same will be submitted to Executive Director for approval.
- vii) An "Account Payee" cheque/debit advice along with a copy of the payroll shall be sent to bank for organizing payment to relevant staff members bank account.

8.2.2 Payment of Salaries, PF, Gratuity due to an employee at the time of resignation dismissal

Payment of salaries, PF, gratuity to an employee at the time of resignation or dismissal will be administered by the Recruitment and HR Management Policy of Breaking the Silence.


 Chairperson
 Breaking the Silence

8.2.3 Payment of salaries and benefits due to a deceased employee

In case of death of an employee the following steps will be followed for settlement of dues to the successors:

- A list containing entitled dues, allowance etc. will be provided to his/her nominee(s)/ successor(s). (Format to be developed for nominee declaration)
- Unpaid salaries, wages, allowance and Provident Fund balance shall be paid to the nominee(s)/ successor(s) of the deceased employee upon receiving appropriate documents from the nominee(s)/ successor(s).
- Payments will be made through "Account payee" cheque(s).

8.2.4 Records to be maintained for each Employee

Accounts Chief/Responsible person will ensure that the following data in respect of each employee is maintained in the Accounts Department.

- Employment contract
- Bank account information
- Insurance records
- Leave request
- Payment of annual benefits or Provident Fund

8.2.5 Payroll Taxes

As per prevailing law, Income Tax will be deducted at source from the monthly/half yearly/yearly.

8.3 Accounts Payable/Payment to third party:

The transaction starts through issuance of a contract, agreement or work order to any supplier, contractor or consultant. The nominal clauses that should be incorporated in every contract are as follows:

- Both party signs the agreement
- Materials to be delivered (in kind or by service)
- Specific time frame
- Payments shall be made through "Account payee" cheque only
- Mention that tax will be deducted at source as per relevant Income tax rule
- Arbitration clause, in case of any disagreement/discrepancies

8.3.1 The payment process:

- The party shall submit bill and challan to the user section. The concerned section shall attach fill up the relevant columns, confirm receipt of goods/services and pass it to Accounts Department.
- Accounts Section shall check the invoice and other relevant documents, and the Accounts Chief/Responsible person recommends payment on the payment initiation form. For purchase of fixed assets, new asset number to be allocated.
- Depending on the amount, the Executive Director/ Assigned Person approves the payment.
- Accounts section issues cheque in favor of the party, receives Money Receipt from the party and pass it to relevant person for cash book and ledger posting.

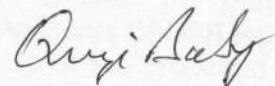
Angi Baby

9.0 Accounts Receivable

- i) The Accounts Chief/Responsible person shall prepare all accounts receivables invoices or "Request for Advance" for projects/contracts. Request letters shall be signed by the Executive Director/ Assigned Person. Invoice shall be prepared for all revenues.
- ii) Invoices will be prepared using Breaking the Silence's invoice form. An invoice number will be obtained from the invoice book, which will be kept by Accounts Chief/Responsible person. Accounts Chief/Responsible person will sign all invoices, and copies of them will be sent to concerned Accounts Chief/Responsible person for raising journal voucher and posting to the General Ledger.
- iii) The Executive Director/Assigned person will approve all the journal entries.
- iv) Accounts Chief/Responsible person will ensure the recovery of all outstanding invoices. He/She will ensure the followings actions:
 - Issue of invoice in due time;
 - Issue of reminder notices;
 - Consulting the Executive Director/ Assigned Person in cases of doubtful debt.

9.1 Writing off of irrecoverable amounts due to Breaking the Silence

- i) Before classifying a debt as irrecoverable, either of the following conditions must be satisfied:
 - The debtor became non traceable;
 - It is uneconomic to follow up recovery action due to the relatively small value of the debt;
 - Legal proceedings through the courts have proved unsuccessful.
- ii) The Executive Director/ Assigned Person will propose to Executive Committee for approval of writing off the irrecoverable Breaking the Silence.
- iii) The party shall not be informed regarding the decision of writing off the irrecoverable Breaking the Silence.



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Breaking the Silence

10.0 Procurement – Policy and Accounting Procedures

10.1 Procurement Policy

Breaking the Silence policy for purchasing goods, supplies and services are designed to ensure that Breaking the Silence gets best price for the best products in purchasing goods, supplies and services. The following are the rules to be followed:

- Concerned section shall raise a requisition for procurement of an item and submit it to Accounts Section for verification with budget provision.
- The Executive Director/Assigned person shall approve the requisition for purchase.
- The Executive Director/Assigned person shall constitute procurement committee where one Accounts staff from other project is mandatory to ensure financial procedures are maintained, depending on the volume of amount to arrange procurement following the formalities and give decision.
- The Executive Committee shall form sub-committee consisting at least 03 members at project/field office to assist procurement committee in collecting quotations and vendor information.
- BTS shall prepare enlistment of different vendors/suppliers and/or single source by type of item at head office and project office area for regular purchasing item i.e. stationaries, food, hotel services etc. BTS shall follow all the requirements of a full procuring process to select/enlist a single source to purchase of goods or services.
- Procurement Committee will decision on selection of suppliers and prepare Comparative statement for price comparison.
- Concerned Section shall issue a work order to suppliers.
- The goods supplied must be officially received and performance certified by the requisitioning section.
- Accounts section will verify bills along with challan, and Purchase Committee decision for payment to the supplier.
- The bid solicitation procedure may not be required while the procurement is made from Government/ Semi-Government/ Corporation or exclusive dealers and that should be properly documented.
- Advance payment at the time of placing work order to any party shall consider based on pre-condition of vendor.
- Good Receivable Notes should be maintained.
- After approval of the requisition, procurement to be arranged following the Bid solicitation procedure mention **below**.

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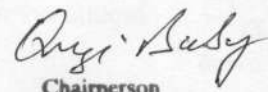
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10.2 Bid Solicitation Procedure

Estimated Value in BDT	Purchase Procedure	Approval authority
1/= (One)-15,000/= (Fifteen Thousand Tk.)	Cash purchase through Market verification	Executive Director
15,001/= (Fifteen thousand One Tk.) - 100,000/= (One lac Tk.)	Obtain at least 3 spot quotations from supplier and make comparative statement and buy from cheaper ones.	Purchase committee (Head of purchase committee)
100,001/= (One lac and One TK.)-15,00,000/= (Fifteen Lac Tk.)	Obtain at least 3 sealed quotation from potential vendors/suppliers and observe other standard purchase procedure (RFQ) including market survey (if require)	Purchase committee (Head of purchase committee)
15,00,001/= (Fifteen Lac One Tk.) - 1,00,00,000/= (One Core Tk.)	Purchase though inviting sealed quotation from potential vendors/suppliers and observe the standard purchase procedure (Advertisement to local newspaper)	Purchase committee (Head of purchase committee)
Above 1,00,00,000/= (One Core)	International Advertisement	Executive Committee
Single Source Selection	Following the standard procedure as mention in section 10.5 of this policy	Purchase committee (Head of purchase committee)
Enlistment of vendors/suppliers	Enlistment through inviting purchase proposal from potential vendors/suppliers and observe the standard purchase procedure including visiting potential vendors/suppliers by purchase committee, approaching to potential vendors/suppliers, supply prescribed application and proposal guideline etc.	Purchase committee (Head of purchase committee)

10.3 Accounting Procedures

- An invoice must be received for all goods and services procured. Only original invoices prepared by the supplier are acceptable. Supporting documents such as quotations or the documentation report should be attached.
- Payment certification to be done through Payment Initiation Form.
- Accounts Chief/Responsible person to confirm that new asset number is mentioned on the Payment Initiation Form in case of fixed assets procurement.
- All invoices shall be stamped "PAID" and dated. Accounts Chief/Responsible person will check the correctness and appropriateness of the invoices before payment.
- Cash book entry and ledger posting to be done by relevant Accounts Chief/Responsible person.
- In case of failure by the supplier to meet its obligations of supplying contractual goods and services the prompt action will be taken by Accounts Chief/Responsible person to safeguard organization interest. Any security deposit provided by the supplier will be forfeited.
- Should it become necessary to terminate a procurement contract (for purchasing goods or services) at any time during its performance, the Accounts Chief/Responsible person will be responsible for investigating the legal aspects of the proposed action, and, where appropriate, negotiate terms of settlements. These actions shall be carried out in consultation with the Executive Director/Assigned person.
- Reporting will be software based and Donor requirement system.
- Daily cash counting (*Demonstration*) should be maintain.
- Any amount Voucher for project related cost will be approved by the Executive Director.


Chairperson

- k) Any amount Voucher for BTS Own fund will be approved by the Treasurer and seen by Executive Director.

10.4 Procedures for Enlistment of Suppliers

The enlistment of firms/suppliers/vendors shall be carried out at the beginning of the fiscal year through circulation of request for proposal (RFP) to different vendor or supplier for a period of two years. The procurement committee will carry out evaluation of the prospective firms/suppliers. The final listing is to be done after necessary approval of the Executive Director/Assigned person. In addition, a potential supplier may apply to be enlisted at any time, and have his/her application properly considered at the time of submission following above described procedure.

Vendor/Suppliers shall show that they possess:

- I. the professional and technical qualifications and experience to supply the goods and related service;
- II. satisfactory financial resources;
- III. satisfactory production/manufacturing/qualified staff capacity, where necessary;
- IV. after-sales service, where necessary;
- V. managerial capability, where necessary;
- VI. prior experience of the goods and related service;
- VII. satisfactory reputation for diligent and non-problematic;
- VIII. appropriate personnel required to perform the contract, both in terms of numbers and skills; and
- IX. Suppliers shall show that they have fulfilled their obligations to pay taxes.

In order to verify that a potential supplier meets the requirements specified above BTS will check the documentary evidence or other information from appropriate authority or organization that shows the potential supplier.

10.5 Single Source Selection (SSS)

The organization shall follow the subsequent steps to select single source:

- a) SSS will be conducted based on RFP. Before preparing the RFP, management shall identify the items with justification to purchase from single source.
- b) The RFP shall be sent to the potential vendor or supplier, together with (i) a cover letter on the Purchaser's letter head and (ii) a request for a price quotation or commission offer.
- c) The Vendor/Supplier price quotation or commission offer shall remain valid for 1 years, and completed and signed by an authorized representative of the Vendor/Supplier.
- d) After receipt of the Vendor/Supplier's price quotation or commission offer, and acceptance in principle of the draft contract, negotiations may be held.
- e) Procurement Committee will take decision on selection of Vendors/Suppliers and prepare Comparative statement for price/commission comparison.
- f) On successful completion of the contract negotiations, the discussed/agreed contract shall be issued and signed.
- g) There will be no public opening of the price quotation or commission offer; BTS is not bound to accept the proposal and reserves the right to accept or reject the proposal without assigning any reason whatsoever.

Angi Baby
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Breaking the Silence

11.0 Delegation of Authority

The following chart provides the detailed of authority level that the senior and mid management can exercise as decided by the Executive Committee:

Sl. No	Instrument/ Document	Authority/Signatories	Extent of Authority	Remarks
1	Cheque signatories	BTS own fund: Chairperson, Executive Director, Treasurer (Mandatory)	Any amount	Any two signatories including Treasurer (mandatory)
		Project based fund: , Executive Director (Mandatory) , Director or Project staff: Finance person	Any amount	Any two signatories including Executive Director (mandatory)
		Project based fund: Field office: Project concern staff (Mandatory) , Finance person.	Any amount	Any two signatories including Project concern staff (mandatory)
2.	Re-allocation of budget items	Executive Director/ Assign Person		Sharing with Executive Committee.
3	Capital Expenditure	Executive Director/ Assign Person	Full	Provided budget provision and purchase procedures are followed.
4	Write off of asset, Bills Receivables etc.	Executive Director/ Assign Person	Full	Sharing with Executive Committee.
5	Renting/ Leasing	Executive Director/ Assign Person	Full	Sharing with Executive Committee.
6	Salary, Allowance and other benefits	Executive Director/ Assign Person	Full	As per Personnel Manual of Breaking the Silence.
7	Local Travel Advance/ Overseas Travel advance	Executive Director/ Assign Person	Full	With concurrence to recommendation from concerned Section In charge.
8	Party bills	Executive Director/ Assign Person	Full	All formalities to be followed.
9	Cash expenses like conveyance, entertainment, petty stationery purchase etc.	Executive Director/Assign Person	Full	As specified under section of cash transaction
10	Air-fare	Executive Director/ Assign Person	Full	Provided budget provision.
11	TA/DA	Executive Director/ Assign Person	Full	Recommendation from concerned Section.
12	Professional fee like audit, surveyor	Executive Director/ Assign Person	Full	
13	Consultants bill	Executive Director/ Assign Person	Full	
14	Utilities bill	Executive Director/ Assign Person	Full	

Explanatory Notes:

- Where financial authority is given to the Executive Director/Assigned person, in his absence Chairperson exercise the authority.
- No payment can be made unless there is appropriate provision in the budget.

Prasanna
Chairperson
Breaking the Silence

12.0 Sub- Office/PNGO Office Accounts

Breaking the Silence maintains its accounts centrally but the project /PNGO offices are allowed to maintain subsidiary accounts and adjust balances following the Breaking the Silence's fiscal year.

12.1 Procedures for Project Office / PNGO Office's

a) Description

At the District level, accounting will be purely on cash basis, since the volume of transaction and amount involvement will be very low in comparison to BTS office.

The accounts of Project Office / PNGO office will be maintained by the assigned staff of the respective district, who is not likely to be finance back ground person but have basic knowledge of keeping simple accounts.

b) Fund Transfer

Fund transfer to a Project Office / PNGO office shall be based on the calculation/requisition of 3 (three) months expenses as per budget.

When the fund is transferred to a Project Office / PNGO office, the same will be treated as Advance to the Project Office / PNGO. The advance account will be cleared against Expense Report of that Project/PNGO office.

c) Maintain Book

The district office shall maintain relevant books of all accounts.

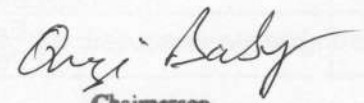
- i) The Project Office In Charge / **Chief of PNGO** shall check entry in the Cashbook.
- ii) Project Office In Charge / The **Chief of PNGO** is authorized to approve payments like Salary, Program expenses, local conveyance, Beneficiary allowance, client conveyance etc. within the rates specified by Breaking the Silence and within the budget limit provided to PNGO office with the fund disbursement advice.
- iii) No payments can be approved by the Project Office In Charge / **Chief of PNGO** **unless** the same is recommended by the concerned **Para Counselor**.

d) Reporting to Central Office

The Project Office / PNGO office shall send the Expense Report on monthly basis within 07 days of the next month. All the vouchers of the expenses shall be retained by the Project Office In Charge /PNGO office with due care for **next 5 years** as per rule of Breaking the Silence. The **Chief of PNGO** Project Office In Charge / **and the Para Counselor** responsible for maintenance of accounts shall sign the Expense Report.

e) Internal audit

In addition to Project Office /PNGO office internal checking system, the expenses incurred by PNGO/Project office shall be checked by BTS Office Accounts section at regular interval not less than once each 06 months.


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Breaking the Silence

13.0 Donor Fund

Breaking the Silence's major projects are financed by donor grant/donation. So accounting treatment for donor grant is one of the major issues in Breaking the Silence's accounting system. Breaking the Silence's grant related accounting issues would be identified under the following categories:

- ☐ Donor fund - General
- ☐ Donor fund - Investment in fixed assets

Grant related to assets and revenue will be accounted for as per following norms:

13.1 Grant Related to Assets

Grant related to assets including non-monetary grants at fair value should be presented in the Balance Sheet by setting up the grant as Deferred Income.

13.2 Grant Related to Income/Revenue

Grant should be recognized as income over the periods necessary to match them with the related cost, which they are intended to compensate on a systematic basis. They should not be credited directly to own fund.

13.3 Donor Fund - General

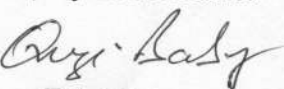
When donation is received, it is recorded under this account irrespective of the nature of donation. Thereafter, donations utilized for assets are transferred to respective accounts. Donation utilized for revenue type expenses for a period is transferred to income. The balance remaining in this account represents unutilized donor fund.

Sometimes Breaking the Silence finds shortage of fund in donation account. In such a situation it creates receivable on donors' account and this accrued income is matched against expenditure or Breaking the Silence arranges the deficit financing from its own fund. On creation of receivable, donation receivable account is debited and donor fund-general account is credited.

The accounting entries related to donor fund-general are as follows:

- | | |
|------------------------------------------------------------------------|-----|
| a. When donation is received | |
| Cash and Bank A/c | Dr |
| Donor Fund-General A/c | Cr. |
| b. When donation is utilized for fixed assets | |
| Donor Fund-General A/c | Dr. |
| Donor Fund-Investment in Fixed Assets A/c | Cr. |
| c. When donation is utilized for revenue expenses | |
| Donor Fund-General A/c | Dr. |
| Donation Income A/c | Cr. |
| d. When fund utilization exceeds, donation receivable is accounted for | |
| Accounts Receivable A/c | Dr. |
| Donation Income A/c | Cr. |

The fund utilization entries are made at year-end based on consolidated project accounts.


Chairperson

13.4 Donor Fund-Investment in fixed assets

When donation is utilized for fixed assets, related donation is transferred from Donor Fund-General and recorded under this head and this portion of the fund is treated as Deferred Income. At the end of the year income will be recognized from this fund to the extent of depreciation charged on the related asset by making the following entry:

- | | |
|------------------------------------------------------|-----|
| ▪ Donor Fund-Investment in fixed assets A/c | Dr. |
| ▪ Income & Expenditure A/c | Cr. |
| (Only for depreciation on donor funded fixed assets) | |

13.5 Completion of a phase/project

On completion of a phase of a project the remaining donor funds are treated in the following manner:

Donor Fund-General

The balance of this fund is treated as per the terms of the agreement. If any refund clause exists in the agreement, then the related unutilized fund is refunded to the donor concerned. Otherwise it is carried forward to new phase or in case of completed projects, transferred to General Fund (capital fund) account.

Donor Fund-Investment in Fixed Assets

On completion of a phase, the remaining balance under this head is transferred to the capital fund. At this stage the following accounting entry is passed:

- | | |
|---------------------------------------------|-----|
| ▪ Donor Fund-Investment in Fixed Assets A/c | Dr. |
| ▪ Capital Fund A/c | Cr. |

Ayaz Bady

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14.0 Financial Reports

Financial reports and statements are the ultimate product of the accounts department. All financial transactions generated throughout the year are recorded in a set of books and records. A systematic recording system facilitates an Accounts Chief/Responsible person timely to prepare financial report as per the requirements of the users.

Financial statements and reports contain a typical presentation of financial data. Statutory financial statements are prepared in accordance with accounting concepts, convention and other applicable standards. In other cases, reports and statements are prepared on the basis of requirements of the users. However, the financial data for both the cases are generated from same set of books.

Following is a list of the users of Breaking the Silence's financial reports:

- ☐ Internal users
- ☐ Donors
- ☐ Government of Bangladesh
- ☐ Financial Experts/ researchers
- ☐ Others

To meet the requirements of above users, the reports are prepared under the following groups:

- ☐ Internal reports
- ☐ Donor reports
- ☐ Statutory reports

The Accounts department is responsible for preparation of these financial reports.

14.1 Internal Reports

These reports are prepared for the purpose of internal users only. The internal reports are as follows:

- Monthly Cash and Bank balance/certificate
- Monthly project-wise receipts and expenditure statement

This statement presents monthly receipts and expenditure as well as cumulative picture up to that month. It enables programme head to monitor the financial position of the project.

The users of this report are Programme/Project Heads, and related Accounts Chief/Responsible person.

Chyi Baby

Chairperson.

Breaking the Silence

Form of this statement is given below:

BREAKING THE SILENCE Name of Project: For the month of -----					
Particulars	Budget Month-month	Actual Expenditure		Balance Month-month	% of Budget spent
		For the Month	Cumulative Up to this month		
1	2	3	4	5=(2-4)	6
<u>Receipts</u>					
Total receipts					
<u>Expenditure</u>					
Total expenditure					
Closing balance					

14.2 Periodical Receipts and Expenditure statement (All Projects)

This statement includes accounts head wise position of all projects cash receipts and payments in order to understand mainly the cash and bank position. It helps making next months projections because it shows cash and bank balances at the month end. It also helps comparing data with similar previous period, as it contains previous data beside the current period data.

Key personnel like Executive Director/Assign Person are the users of this statement.

Form of this statement is given below:

BREAKING THE SILENCE Receipts and Expenditure Statement For the period from to			
	August 2016 Taka	Sept. 2016 Taka	Increase/(Decrease) %
<u>Receipts</u>			
Total receipts			
<u>Expenditure</u>			
Total expenditure			
Closing balance			

14.3 Project-wise budget variance analysis

This analysis is done on monthly and quarterly basis. It provides a columnar analysis of budget with actual data and also contains the percentage of variance and the reasons for variance.

Accounts and Programme Head are the users of this statement.

Orji Baby
 Chairperson
 Breaking the Silence

Form of this statement is given below:

BREAKING THE SILENCE Name of Project: _____ Periodical Financial Report For the period from to				
	Budget Taka	Actual Taka	Variance Taka	Variance %
<u>1</u>	<u>2</u>	<u>3</u>	<u>4=(2-3)</u>	<u>5</u>
<u>Expenditure</u>				
Total expenditure				

14.4 Donor Reports

As per donors' requirements following reports are prepared

14.5 Periodical financial report

It is a columnar financial report prepared as per donors' requirement. This report also contains budget and actual data for the relevant period. It also contains analysis of budget variance.

14.6 Project Audit Report

At the end of each project phase, a chartered accountancy firm is appointed to report for the total project period conducts an external audit. This report includes – Independent auditors report, Donor fund utilization report (Receipts and Payments), and certification of the Income and Expenditure Statement and Balance Sheet.

14.7 Statutory Reports

These reports are prepared to fulfill statutory requirements. Some of these are required by the constitution of the organization while some have legal requirements. These reports are as follows:

14.8 Annual Financial Statements

The following financial statements are to be prepared at each fiscal-end on December 31. These statements are basically a consolidation of all projects' annual financial statements. Consolidated financial statement includes:

- ☐ A Balance Sheet
- ☐ An Income & Expenditure Statement
- ☐ A Cash Flow Statement and
- ☐ Related explanatory notes

This financial statement is audited by the independent auditor and published in the annual report of Breaking the Silence for public use.

Arzi Bady

Chairperson
Breaking the Silence

14.9 Reports for NGOB (NGO Affairs Bureau)

NGOAB has a requirement to submit a set of financial reports along with auditor's certificate (FD-4) for each donor-funded project. These reports are required to be submitted annually, i.e. project year. The following are the project wise requirements of NGOAB as per circular dated 23rd October 2000:

1. Independent Auditors' Report
2. Balance Sheet
3. Income and Expenditure Statement
4. Receipts and Payments Statement (As per FD-6)
5. A Brief project description along with related notes, Budget variance if required.
6. FD-4 Certificate with Anex-A/1
7. Auditors observation
8. Others, if any.

14.10 External Audit

- ❖ A chartered accountancy firm for fulfillments of statutory requirements must complete annual audit of accounts.
- ❖ Selection of auditors will be decided by the Executive Committee.
- ❖ All possible efforts will be made to complete the yearly audit within 03 months after the fiscal year.
- ❖ Accounts Chief/Responsible person will ensure submission of final accounts of relevant schedule/document and required clarification arising out of the audit.
- ❖ Accounts Chief/Responsible person will finalize the TOR (attached) in consultation with the Executive Director/Assign Person taking into considerations on requirements of the donors.

Anji Baby

Chairperson
Breaking the Silence

Formats of financial statements are given below:

a) Balance Sheet

BREAKING THE SILENCE			
Name of Project _____			
Balance Sheet as of _____			
Property and Assets	Note	Current Project Year	Previous Project Year
Fund and Liabilities			

b) Statement of Income and Expenditure

BREAKING THE SILENCE			
Name of Project _____			
Statement of Income and Expenditure			
For the year _____ to _____			
Income	Note	Current Project Year	Previous Project Year
Expenditure			
Surplus/(Deficit) of Income over Expenditure transferred to: Capital fund			

c) Statement of Receipts and Payments

BREAKING THE SILENCE			
Name of Project _____			
Statement of Receipts and Payments			
For the period (Project financial year)			
Receipts	Note	Current Year	Previous year
Opening balance			
Grants received			
Total			
Payments			
Head wise (As per FD-6)			
Total			
Closing balance			

Arji Babu

Chairperson
Breaking the Silence