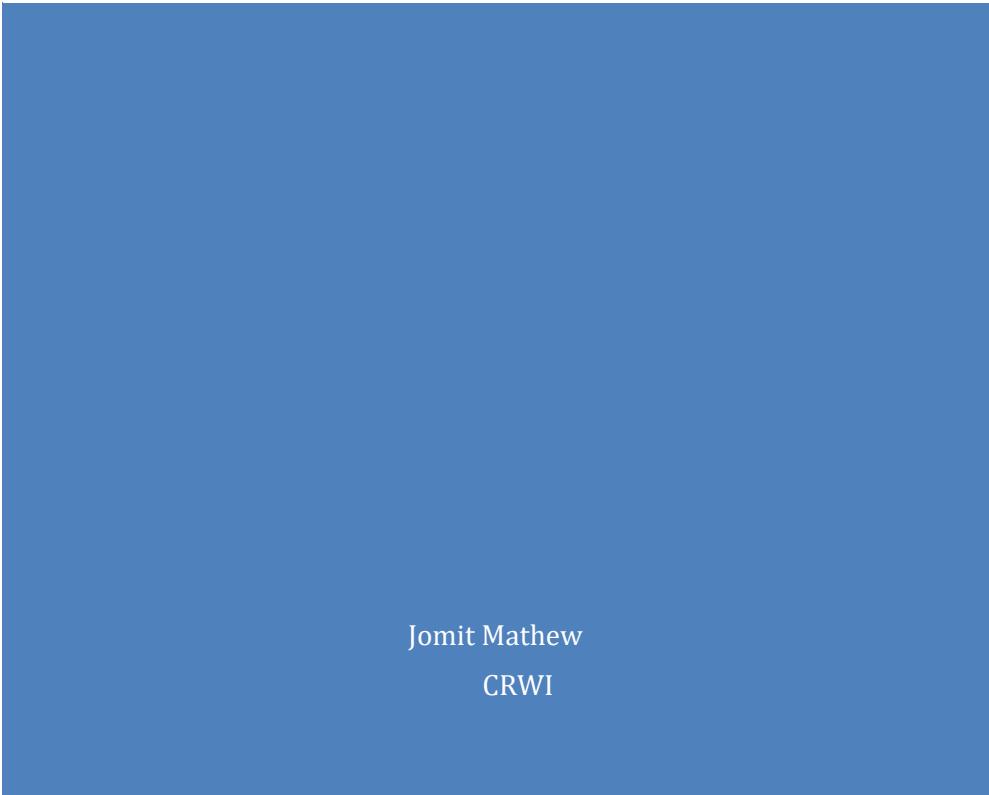




FINANCE GUIDELINES



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CRWI



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1. INTRODUCTION

Developing and adopting written financial guidelines is a valuable practice for any nonprofit organization, no matter how small or large. Financial guidelines clarify the roles, authority, and responsibilities for essential fiscal management activities and decisions. In the absence of an adopted guideline, staff and board members are likely to operate under a set of assumptions that may or may not be accurate or productive. Even though there may be occasional deficits, or periods of tight cash flow, the following characteristics are good indicators of a financially healthy Organization over the long-term.

CRWI implements all its projects/programs directly across India. Hence, it is important to have an implementing and financial guideline for projects implementation. This guideline is to provide financial guidance for project implementation.

USERS OF THE GUIDELINES

The intended users of the Guidelines are: CRWI staff in all offices (All program, Finance, Partners, and other support functions) – who implement, oversee, monitor, evaluate and report.

OWNERS OF THE GUIDELINE AND AUTHORITY TO EDIT AND CHANGE:

The CRWI Board of Governors are the only owners of the guideline and are authorized to edit, revise, and take it back based on the recommendation of the Finance Committee of CRWI

2. PURPOSE

- a) The purpose of fiscal management in the operation of all CRWI activities is to fulfill the organization's mission in the most effective and



efficient manner and to remain accountable to all stakeholders, including clients, partners, funders, staff, statutory authorities, and the community. To accomplish this, CRWI commits to providing accurate and complete financial data for internal and external use by the Executive Director and the Board of Governors.

- b) Financial Guideline clarify the roles, authority, and responsibilities for essential fiscal management activities and decisions. The purpose of the financial guideline is to describe and document how the board/ management wants fiscal management activities to be carried out. To accomplish this, every financial policy needs to address the following five areas:
- c) Assignment of authority for necessary and regular financial actions and decisions, which may include delegation of some authority to staff leaders.
- d) Policy statement on conflicts of interest or insider transactions
- e) Clear authority to spend funds, including approval, check signing.
- f) Clear assignment of authority to enter contracts.
- g) Clear responsibility for maintaining accurate financial records.

3. PRINCIPLES ON WHICH GUIDELINE IS EVOLVED



A. General

The spending / expense incurring person/authority should not be approving the authority.

B. Accountability

- i. Accountability for financial control purposes is the delegation of authority to specified persons to initiate, approve, process, and review CRWI transactions and the holding of those persons responsible for the validity, correctness, and appropriateness of their actions.
- ii. Each department/ Administrative Offices/ Project Partners has the responsibility and is accountable for managing the resources it administers on behalf of CRWI.
- iii. The department/Administrative Offices/ Project Partners head may delegate the overall fiscal management responsibility to the Finance person. Delegating authority does not relieve the department/ unit/ State Office head of accountability for activities under his/her direction. The Finance Officer is responsible for developing an appropriate structure for handling the department's financial resources. This will involve delegating a variety of tasks to staff within the unit.
- iv. Each department/ Administrative Offices/ Project Partners head shall be responsible for developing an accountability structure that adheres to the basic Principles and Responsibilities.



C. Conflict of Interest

- i. CRWI's overall policy on conflict of interest specifies that none of its staff, Executive Director and Board of Governors shall engage in any activities which place them in a conflict of interest between their official activities and any other interest or obligation.
- ii. It requires that all CRWI staff recuse themselves from participating in a CRWI decision when a financial or other conflict of interest is present.
- iii. CRWI staff are responsible for ensuring CRWI's activity and service is conducted with integrity in an open, uncompromised, transparent environment.

D. Data Integrity

- i. Fiscal management decisions affect every aspect of CRWI. Accurate data is critical to the decision-making process. Consequently, each department/ Administrative Offices/ Project Partners must establish and implement a system to ensure data integrity. This system must provide reasonable assurance that transactions are in accordance with management's authorization and are recorded in the CRWI records in an accurate and timely manner.
- ii. Each department Administrative Offices/ Project Partners head shall be responsible for developing a system that adheres to the basic Principles and Responsibilities



E. Financial Management

- i. Each department/ Administrative Offices/ Project Partners requires financial resources to perform its role in the CRWI's mission and Vision of reaching to the community.
- ii. Each department/ Administrative Offices/ Project Partners head is responsible for ensuring their department/ unit/ State Office financial resources are managed in an efficient and cost-effective manner consistent with the intended purpose of the funds. As stewards of the CRWI, department/ unit/ State Office management has a fiduciary responsibility to adhere to CRWI requirements and donor intent.
- iii. Each department/ Administrative Offices/ Project Partners head shall adopt the basic Principles and Responsibilities to ensure sound fiscal management.

F. Regulatory and Statutory Compliance

- i. Every staff who conducts transactions affecting CRWI funds must comply with all applicable laws, regulations, and special restrictions.
- ii. Each department/unit/ Administrative Offices/ Project Partners shall adopt the basic Principles and Responsibilities of complying with the guidelines and applicable laws.

4. PROPRIETORSHIP & UPDATING OF GUIDELINES

- a) These Guidelines are the property of CRWI, meant for internal circulation & usage.



- b) Without the approval of the Board Members these Guidelines cannot be circulated outside the organization. Any updating will be reflected by carrying out appropriate changes to the said Guidelines.
- c) The guidelines will be reviewed whenever required and if there are changes which will be approved and oriented to users.

5. BANK – OPERATING INSTRUCTIONS

- a) Bank accounts will be operated based on the operating matrix and as per the operating instructions submitted to the bank. If the operating instructions give the amount limit above the payment matrix, the maximum payment amount is to be maintained as per operating matrix.
- b) All the Foreign Money should be received in the FCRA Designated Bank Account (SBI, New Delhi), and the money can be transferred to the FC Utilization Accounts at the Administrative Offices/Organization for utilization. The money can be transferred from FC Designated account to utilization Account and vice-versa, but the money cannot be transferred between utilization accounts. No fund from the Indian Source will be deposited into the FC designated and utilization Accounts.
- c) The Director will prepare a resolution/note for the opening and closing of bank accounts. Resolution/note needs to be approved by the



Board of Governors for opening and closing of every Bank a/c.

- d) No deposits should be made in the FC /LC utilization bank accounts; NO THIRD-PARTY DEPOSITS AND GRANT/DONATIONS can be deposited in utilization bank accounts (FC and LC).
- e) All local contribution (donations) raised (cash/cheque/bank transfer) should be documented and receipt issued.
- f) A Separate Register shall be maintained for all local donations indicating details of the donors.
- g) If advances are refunded by staff or vendors out of FC fund it can only be deposited with prior approval from the Director.
- h) All bank accounts of the organization must be joint operation. In exceptional case either/survivor should be prior permission from the Board Members

6. APPROVAL LIMITS

Refer Financial Delegation

7. CASH

- a) There must be a plan for monthly cash withdrawal and approval is to be obtained from the unit in charge for each cash withdrawal.
- b) Only two-time cash withdrawal is allowed per month once in 15 days.



- c) Cash withdrawal cannot be more than Rs.2500/- at a time Cumulatively Rs. 5000/- in a Month
- d) Program activities entitled only through bank transfer.
- e) No cash deposit is allowed in FC utilization bank accounts.
- f) *No cash Payments above INR 2000 per payment/transaction is allowed. The same person or entity is also not allowed to receive more than two-times of cash payment.*
- g) The maximum petty cash holding limit is INR 5000/- in any Centre/Administrative offices.
- h) The maximum cash withdrawal limit is Rs INR 2000/- for any program activities with approval from the Executive Director. Above this limit, there should not be any cash withdrawal.
- i) Cash physical verification with books is to be conducted by the Treasurer/Superior fortnightly. The denominations are to be recorded in the cash book by the Finance Officer with his/her signature.

8. ADVANCE



Travel advances to be settled within 3 working days after return from travel (use prescribed format for advance and settlement)—No fresh advance till earlier advance is settled.

There should be very minimum program advances as far as possible and make direct payments to Parties by A/c Payee cheque/online payment.

Advance cannot be availed for local travel expenses of field level staff.

A. Program Advances for Remote Partners/Activities

- a) Advances to staff should be minimized and as far as possible and payments to be made directly to parties/vendors/others.
- b) Advance and proactive planning is necessary to minimize advances and seek options to make direct payments to parties/vendors by cheque/online payments from office.
- c) Program advance cannot be more than Rs.2,000/- for an activity/program. Advance requests must be in the prescribed format.
- d) Advances can be taken for more than one program. If the request is for more than one program, separate request and break-up of each program is to be submitted/mentioned on the request. If advance is required for multiple programs, which are conducted at the same time and require more than Rs.2,000 then it must be obtained separately in the name of other staff and must be settled within the deadline as per each program.



- e) Fresh advance can be applied after settling the previous advance only.
- f) Advance form must be filled with details/break-up of expenses specifying the budget line.
- g) Advance payments above Rs.2000 should be paid from project/Administrative Office/Partners by banking transactions (cheque/electronic) up to the limit fixed and as per payment matrix.
- h) No direct beneficiary payment (cash support) can be made through advance (obtaining advance from office and making payments to beneficiaries).
- i) Program advance must be settled within five working days after the program in the prescribed format.

In case any of refund of advance, it needs to be settled with prior approval and through approved mode of transaction.

Program advances to non-staff members is not permitted (e.g., Volunteer etc.)

9. ACCOUNTING/RECORDS

Tally software is to be used for accounting.



A. Following Manual registers to be maintained

- Cheque Register
 - Petty Cash Book
 - Fixed Asset Register
 - Stock (consumables)/Inventory Register for amount less than Rs.10,000 and only for consumable items.
 - Attendance Register
 - Logbook for office vehicles and if personal vehicle is used for official travel.
 - Stock register/record for materials (construction, distribution etc.).
- a) Vouchers should be Tally printed Vouchers.
- b) Accounts should be updated every day and voucher prints to be signed by the Finance Officer and Director before making payment. The Director should ensure the vouchers are printed and signed regularly before making payments. If the Director is not available, the person designated by the Director is to ensure the process.
- c) The Finance Officer should ensure adequate supporting documents for all expenses and payments (a list of documents is provided in the payment matrix). If the nature of expenses is not mentioned in the payment matrix such expenses/payments must be



supported with documents as per the normal accounting documents and CRWI process) before initializing any payment.

- d) Each Bill and Supporting documents attached with voucher should be defaced with a rubber stamp which mentions the project number.
- e) Vouchers should be filed as per category –Payment, Receipts, JV and Contra chronologically in respective files.
- f) Original vouchers with all documents along with Financial Report, Trial Balance, Voucher Registers (from Tally), BRS and bank statement copy of manual cash book and cheque issue register, are to be sent to HO (Administrative Office,). The deadline to reach the documents to HO (Administrative Office,) is 10th of every month for previous month.
- g) Vouchers and supporting documents should be scanned and kept, in the manner specified, in each office and it must be saved (as per the space and structure provided time to time from HO (Administrative Office, Bangalore) before sending to HO (Administrative Office, Bangalore).
- h) Funds will be transferred to state/field offices monthly from HO based on Fund requests and financial report of previous month. The fund request/report should reach HO (Grant Management Unit) by fifth of every month. Funds will be released only after receiving the hard copies of monthly documents of previous month (For fund request of February, hard copies of December should reach HO).



- i) For making payments all partners should take prior approval from their respective Treasurer/Executive Director.
- j) Fund requests can be submitted only after utilizing 80% of the funds transferred for the previous month.
- k) Fund will be transferred to Partner offices within three working days after recommendation by Director. A fund transfer intimation from Finance Officer/ Admin finance will be sent to respective offices with details of fund transfer.

B. Project file to be maintained. File must contain copy of

- i. Proposal
 - ii. Donor agreement
 - iii. Copy of budget approved ED or designated authority along with sequentially dated revised versions of the budget.
 - iv. Revised budget, if any, with approvals.
 - v. DIP with regular updates and signed by the project Manager
 - vi. Field visit reports of the State Coordinator, unit in-charge, Rural /Urban Coordinator.
 - vii. Financial and narrative reports submitted.
 - viii. All-important correspondence.
- k) Ensure TDS compliances while making payments to vendors/consultants /rent etc. Payments can be made only as per the limits provided in the payment matrix.



- l) TDS deductions to be intimated to HO Finance by the state/field finance officer on last working day of a month in the prescribed format.
- m) A PAN Card must be obtained for all TDS deductions.
- n) Vendor (Vendor, Consultant, Volunteers) Income Tax Return status for the last 2 year must be verified before selection. If they are default in filing return TDS is to be deducted at a higher rate as per the prevailing Income Tax Act. A declaration must be obtained from the vendor (Vendor, Consultant, Volunteers) in this regard in the prescribed format.
- o) All Coordinators, mobilisers and in general field staff should maintain a daily dairy which should be verified by the unit/project in-charge once in a month.
- p) *The community meeting minutes must be maintained by the project in charge in the prescribed format and the copy of the minutes should be attached with documents of expenses.*

10. PROCUREMENT AND DOCUMENTATION

Procurement is a process of selection that involves choice from available alternatives, assessment of the alternatives available in the market and being able to negotiate prices based on volumes



and procure the same from reliable vendors. The basic purpose of having a procurement guideline is to ensure that the right item/ goods/commodity/ service is availed, at the right price, at the right time to be extended to the right people.

At CRWI this is an effort to standardize the process of procurement of different goods and services to be followed by different sets of people at different locations at different times to ensure uniformity and avoidance of ambiguity. The sole intention of the guideline is to clearly outline the process of procurement and make the entire process a transparent one and minimize subjectivity in the process of selection. It may be possible that the funding agencies may prescribe their own procurement processes and the same needs to be adopted by adapting the procurement process of the organization.

The guidelines and procedures mentioned in this document would cover all transactions involving the procurement of goods/ items/ commodity and services be it movable and in-moveable, tangible, or intangible in nature.

A. SECTION ONE: Prerequisites and non-negotiables

- a) Procurement process to be initiated only by President/ Executive Director/ Finance Officer as per the limit matrix.
- b) RFP is to be filled and get approved by the staff who want to initiate.
- c) A procurement committee at all levels (Project/State/HO) to be constituted having a minimum of 3 members from within different projects within the state (for project and state offices only)



- d) The list of Procurement committee at all levels to be shared with the Procurement officer HO in the first week of every financial year.
- e) All changes in procurement committee to be intimated to the procurement officer HO within one week of change.
- f) Orientation of Procurement committee on the processes, responsibilities, and authority to be undertaken by Procurement Officer HO once the list of PC reaches HO.
- g) It would be ensured that no purchase orders/Work Orders are issued on anticipated grants and only such agencies or vendors would be given preference, who maintains well established standards.
- h) No preferential treatment to any vendor/ consultant is to be done nor promotion of any vendor/ consultant happening to be known or unknown to the member/s or to the staff of CRWI.
- i) The organization shall ensure that wherever possible, it would resort to bulk buying / purchase after considering the normal requirement.
- j) Procurement of an item/ commodity/ good/ services will also not be split into several smaller purchases to circumvent the ceilings.
- k) Ensure quality of the item/ commodity/ goods/ services at the best available price in accordance with the National /International Law
- l) No vendors/consultants/contractors/service providers can be engaged who are relatives of CRWI



staff/volunteers/consultants (already a service provider)
etc.

- m) Vendors/Service Providers also come under the purview of CRWI policies such as Anti-bribery, Child Protection etc.

B. SECTION TWO: PROCUREMENT PROCESS

(Also refer to the responsibility and accountability matrix specific to procurement in the Financial Guidelines)

- a) Need Analysis of the project/ office based on the project proposal, or the office is to be done by the respective Project Managers/Director. Also, the line item, Item Name, Budget amount are to identify accordingly.
- b) Initial go ahead / approval necessary from the Program Manager/Finance & Admin/Director at HO and respective Units in the regions/states (as per the approval limits), before initiating the process of procurement through the Finance Officer/ State Finance Officer/ Procurement Officer (HO). Prior approval from Director is mandatory for procurement of items/ goods/ commodities/ services as listed under section Mandatory Approval of Director/ Board
- c) Request for Quotations to be initiated by Finance Officer/ State Finance Officer/ Procurement Officer (HO). Minimum three quotations to be obtained through email/ hardcopy.
- d) Minimum 3 CVs/profiles along with quote/amount to be collected in the case of service provider (e.g.,



consultant, resource person, technical expert, civil engineer etc.)

- e) Analysis to be done on quotations by the Finance Officer/Procurement Officer (HO) if done over email or manually.
- f) Preparation of the Comparative statement-based on the analysis and observations recorded if done over email or manually.
- g) Recommendation of procurement committee to be sought once the comparative is complete if done over email or manually.
- h) Approval of procurement committee as well as the Approval Authority as per approval limit is mandatory before Purchase Order is placed with selected vendor.
- i) Preparation of Purchase order and communication with Vendor/ Consultant as well as release of advance if stated in the quotation.
- j) Receipt of goods/ items/ commodities/ services by the staff of CRWI or staff assigned by Office In charge. (Quality Assurance and quantity to be done at this level)
- k) Obtain e-way bill and challan in the case procurements of goods.
- l) Preparation of Completion/ Expense Certificate and submission to office for final/ balance payment to Vendor/ Consultant
- m) Release of Payment as per the completion / expense certificate



- n) Consideration, Care, completeness during the process if done over email or manually.
- o) Samples should be sought from the vendor as far as possible to ensure quality (size, color, shape, make, texture.) when there are chances of huge variations.
- p) The documents relating to purchase procedures are:
 - i. Filled up the procurement requisition form (PRF)
 - ii. Filled out a request for quotation (RFQ). *The dates on all requests on hardcopy to be same or the email sent should be on same time and date.*
 - iii. Filled up Quotations from suppliers. Hard copies of quotations to be collected on the same date. Effort should always be to collect quotations in sealed envelopes irrespective of the value of the procurement.
 - iv. Online quotations (email to dedicated ID) are also acceptable with date and time of receipt mentioned and recorded. (Sealed quotation will not be opened before the expiry of the last date)
 - v. In hard copy quotations pages where amounts/quote is given must be signed by the Finance Officer / State Finance Officer and the immediate supervisor
 - vi. In the case of online (email) recommendations and approvals the evidence is to be attached with documents of procurements.
 - vii. Cost Bid Analysis by Procurement committee (Comparative Statement)



- viii. Budget provision must be mentioned in BID comparison (Comparative Statement). In case of procurement above the budget relevant approvals to be obtained internally and if required, externally (from donor) before issue of Purchase order/ Work Order/ ToR.
- ix. Issue of Purchase order/ Agreement/Work Order/TOR.
- x. In the case of advertisements/open tender relevant evidence is to be attached with procurement documents.

C. SECTION THREE: PROCUREMENT RULES

- a. In the case of advertisements/open tender relevant evidence is to be attached with procurement documents.
- b. The rules and procedures applicable to property, supply, work, and service contracts financed by the project is to be respected at all costs.
- c. All purchases worth Rs 10,000- and above need to have a Purchase order/ agreement/Work Order/TOR generated.
- d. All purchase exceeding Rs.10,000/- would be supported with 3 valid quotes and a Cost bid Analysis.
- e. Sealed Quotations must be collected with same specifications from all Vendors as per the amount limit fixed in the following matrix.
- f. If there are multiple procurements of the same items/products, even below 10,000/- the



procurement process should be followed.

- g. If quotations are less than 3 due to any reason in a rarest of rare cases, it must be documented with a justification note and approval must be obtained from OPS/RM/TL for Rs. 10,000 - 50,000 and above from Director (D). However, this approval can be given when there is no other option which needs to be substantiated.
- h. The quantities specified in the budget may not be exceeded without prior consent/ approval. However, the team can decide if quantities are to be increased if they are permissible as per the project agreements and balance budget is available.
- i. The purchase committee should meet and decide on the supplier within 2days of receipt of all three quotations.
- j. The contract must be awarded to the most competent bidder. Deviations must be justified, recorded and documented
- k. A contract /agreement/Work Order/Purchase Order/TOR signed in the prescribed format with detailed procurement (Quantity, Price, Payment terms and Penalty clause etc.).
- l. The actual purchase will then be affected by the latter that will organize the delivery of the item to the requisitioner on payment out of the budget governing the item.
- m. It is recommended that all 'Urgency requirements' be carried out but only with the approval of Finance Officer/Director.



- n. Adherence to statutory rules and regulations such as PAN, GST registration, IT return and other such relevant details are to be strictly checked during vendor verification.
- o. The contract / purchase order will contain all the terms of payment, advance payment strategy, penalty clauses in case of violation of contract by vendor/supplier, transportation, installation, etc.
- p. The lead time for purchase and delivery should be made clear at the beginning during floating of RFQ.
- q. Additional orders of the same commodity/ goods/ items/ services must be documented properly and discussed with the procurement committee as per the limit in matrix. In case the previously selected vendor offers additional quantities at same price, terms, and conditions then the committee may pass a decision to continue with same quotation. Instances of price variation for the same item/ commodity/ goods/ services for additional number or change in terms and conditions will invite a fresh procurement process.
- r. The above point is applicable in cases where venues are selected for conducting activities such as exposure, training, orientation, seminars. The validity of the quotation, terms and conditions can be requested during request for quotation itself or if the vendor/supplier agrees in writing on a later date but within 6 months of the first procurement.
- s. Agreement with concerned parties is mandatory for work /service contract. For all work orders and procurement related to construction, NOC and



clearance from the appropriate authority is mandatory before issue of Work Order or Purchase order.

- t. As far as possible, Relief goods/ commodities/ items must be bought locally or regionally.
- u. When purchasing from local smallholders with whom no formal request for bids can be made, care must be taken to ensure that the current local market prices are not exceeded.
- v. If Relief goods are purchased and distributed from the project Funds, the distribution must be shown by means of Distribution Lists. All documentation such as muster roll, photographs, identity proof etc. should be maintained.
- w. **Material Rejection Note:** Any material that is purchased must be inspected for technical specifications, quantity, defects, breakage, loss, pilferage, specifications (size, shape, texture, color, weight) etc. If the material sent by the Supplier is not as per the specification or not suitable than it must be returned with a **Material Rejection Note**. (It should be issued only when no exchange of material is done towards replacement of defective material by the supplier.) Necessary information must be communicated to the Accounts Department and instructions must be noted on the Delivery Challan. Accordingly, the Invoice must also be amended, or changes must be incorporated.
- x. The administration department should maintain a list of vendors/suppliers/ agencies for the various products or services required along with phone number, email id and address.



- y. Based on delivery service, quality, time consumption and competitiveness there would be provisions to include new vendors and suppliers.
- z. Stock register must be maintained wherever the movement is happening once the goods / commodities/ items are received from the vendor till it is being utilized/ exhausted.

D. SECTION FIVE: MANDATORY APPROVAL BY ED/ BOARD

- a) PRIOR APPROVAL OF PRESIDENT IS REQUIRED TO INITIATE THE PROCUREMENT PROCESS IRRESPECTIVE OF THE VALUE IN THE FOLLOWING
- b) Purchase of Major assets.
- c) All IT related procurements (All items/ commodities/ goods/ services such as Computer and Computer peripherals, installations, maintenance, services
- d) All publications and printing, documentation (Any report, document, audio, video,)
- e) For purchase any assets for CRWI above the value of Rs. 500,000 Director should seek Board approval before initiating the procurement process. Besides all major repairs, renovation costing above Rs. 500,000 should be approved by the Board of Governors.

E. SECTION SIX: SUMMARY OF PROCEDURES

- a) Proper list of material needed to be purchased is to be prepared and approved.
- b) Quotations to be obtained with sample material.



- c) Minimum 3 quotations must be obtained for purchase of each item...
- d) List of vendors to be prepared with address, phone no. etc...
- e) Details of Vendor's track records / certificate from previous customers could be obtained.
- f) Vendors must be registered with the necessary license & Pan Nos...
- g) Vendors GST Registration certificate to be obtained/Verified.
- h) Quotation to be opened by the committee on pre-fixed date.
- i) Quotation must conform to the terms of advertisement.
- j) Analysis of the quotation to be prepared.
- k) Discussion of the quotation with the committee, minutes to be recorded.
- l) Selecting of the vendor - Resolution to be passed by concerned.
- m) A final negotiation with the vendor for the best material / rate could be made.
- n) Agreement / purchase order/TOR/Work Order to be signed should contain and not limited to: -
 - i. Delivery terms/Services& condition
 - ii. Transportation Challan copy and E-way bill.
 - iii. Transportation cost if any.



- iv. Delivery date/Service Period
- v. Payment Details
- vi. Delivery Challan copy.
- vii. Penalty details and storage rate
- viii. Taxes to be defined.
- ix. Place of Delivery
- o) Award of Purchase order/TOR/Work Order.
- p) All items purchased to be checked for Quality and Quantity.
- q) For transfer of items from one place to another –it must be done with Delivery Challan and E-waybill.
- r) Final Payments only after delivery of the goods/services& bills and other documents as per conditions laid down.
- s) Rules and regulations to be followed in delivery of goods/services as per procedure pre-define.
 - i. Purchase of any fixed asset would require preapproval from the Executive Director.
 - ii. For any procurement above Rs.10,000–it is mandatory to obtain three quotations and procurement policy and guidelines to be followed.
 - iii. Procurement from Government agencies can be done with a single quote and justification note/rational is to be made attached with the procurement documents with approval.



- iv. If quotations are less than 3 due to any reason in a rarest of rare cases, it must be documented with a justification note and approval must be obtained from OPS/RM/TL for Rs. 10,000 - 50,000 and above from Executive Director (ED). However, this special approval is only in exceedingly rare cases and any excuse of not getting quotes is not acceptable.
- v. If programs are to be conducted in the same city/area continuously and repeated hiring of venues, quotations can be obtained from minimum three Institutions/venues and can obtain approvals as per the procurement process. The process followed is valid for 6 months and the approved venue can be hired for 6 months. If there is a need to continue the same process the procurement and approval process is to be followed 6 months.
- vi. If there are multiple procurements of same items/products, even below 10,000/-, the procurement process should be followed.

F. Workshops/trainings/meeting

Activity planning, review and replanning must be done on a monthly basis as per the implementation plan of the project.

G. Budget

A detailed budget break-up based on the planned expenses for a month is to be made and approved by the Unit in charge. The budget break-up as per



each activity will be made by the program in-charge and reviewed by the finance officer.

H. Venue

- a) If venue is to be hired to conduct programs it must be selected as per the following procedure:
- b) Minimum 3 Quotations are to be collected for an amount above Rs.10,000.
- c) A comparative statement will be made and presented in the committee for recommendation and approval to be sought as per approval limit. Budget and budget line item to be specified on the comparative.
- d) If quotations are less than 3 due to any reason in the rarest of rare cases, it must be documented with a justification note and approval must be obtained from OPS/RM/TL for Rs. 10,000 - 50,000 and above from Executive Director (ED). However, this approval can be given when there is no other option which needs to be substantiated.
- e) A venue booking letter to be issued with details of the facilities required.
- f) Payment for the venue (hotel or training centers) will be made directly to the party as per payment matrix after receipt of all the documents.
- g) Continuous booking of institutional (centers/facilities provided by institutions) venues/halls/meeting centers etc. and other facilities, the procurement process to be followed at least once in 6 months and approval is to be obtained for the next 6 months. This



also should ensure the institutional venue rates are lower than the other venues as compared with the same facilities in the market. The following points to be kept in mind while booking institutional venues.

- h) There should be a proper bill with details of the facilities available in the venue.
- i) In the case of lodging the details of persons stayed with name, address, organization, room number, number of days, date from and to etc. are to be obtained.
- j) The payment for the venue and other services will be treated like a payment to vendor and it is not a contribution/donation to the institution. Hence, all the documents should be obtained the same as a vendor.
- k) TDS should be deducted on the payments, if applicable as per the Income Tax Act.
- l) Obtain GST bills if the vendor is registered under GST. *GST Compliance of the vendor is to be verified before placing/submitted the order/letter. In case of defaults avoid selecting such vendors.*

I. Resource person

- a) CVs to be collected and an invitation letter to be issued with deliverables, fees, and payment terms. If the amount exceeds Rs.10,000/- procedure for hiring of consultant to be followed. Following documentation to be completed before making payment to the Resource person, apart from the procurement process.



- b) The CV of the person must correspond with the activity/training to be accomplished along with the experience of the resource person in the same activity /training content.
- c) ToR signed by both parties as per approval limit.
- d) Expenses certificate.
- e) Invoice/Bill to be obtained before making payment.

J. Training materials

- a) If any training material is required for the program, it will be purchased following the procurement procedure and limits mentioned therein. Utilization of the same should be clearly mentioned in expenses certificate.
- b) Stationery is to be reduced as far as possible and purchased as minimum as possible. The purchase of stationery should be entered in the inventory register (consumable register) and then issued for the program.
- c) All purchases must be made with purchase/procurement request (RFP) and approval in the prescribed format.
- d) Unused stationaries must be brought back and entered into the inventory register kept at the office.

K. Documentation after program

- a) The following documents must be collected/submitted after completion of the program.
- b) Agenda of the program.



- c) Program Report with photographs.
- d) List of participants with name, address, phone number/email id and signature for each day is to be submitted in the prescribed format.
- e) Institution bill to be obtained with list of persons stayed with room numbers.
- f) All bills (bill of venue and any other bills related to the program)
- g) Duly filled and signed Expenses certificate to be submitted.

L. Procurement and distribution of benefits

- a) It is mandatory to draw a procurement plan on a quarterly basis (3 months in advance) while it is recommended to make an annual procurement plan at the state/project level.
- b) Purchase request to be made in the prescribed format with approval.
- c) Procurement procedure is to be followed as per finance manual if the amount exceeds Rs.10,000
- d) All Major procurement processes should begin with planning at least 2 months in advance and even earlier.
- e) All procurement and payment matrices should have dates of payment / fund release / settlement by support units to plan the work as per schedule. This also should be drawn up 2 months or 3 months earlier.



- f) Insurance and immunization are mandatory for all livestock, and it should be included as part of the procurement process of livestock.
- g) The CVs of all the consultants and their prior experience should correspond with the purpose for which we are hiring.
- h) A comparative statement will be made and presented in the committee for recommendation and approval to be sought as per approval limits.
- i) If quotations are less than 3 due to any reason it must be documented either separately or on the comparative statement. In case of a situation where it is not possible to get three quotes, it has to be documented with a justification note and approval must be obtained from the Program Manager for Rs. 10,000 - 50,000 and above from Executive Director (ED). This option is available only after ensuring that all attempts were made to get three quotes and not able to get suitable ones.
- j) A TOR is to be made in the prescribed format detailing the deliverables and fees.
- k) Payments to be made as per the payment schedule agreed in the TOR obtaining the work status and certification from the reporting person with proof.
- l) Bill needs to be obtained prior to final payment or as per the agreement made with the consultant.
- m) Expenses certificate along with the report from consultant to be submitted to release final payment.



- n) Payments to the consultants will be made from HO/State office/Regions/Field Office through online/cheque as per the limit fixed in payment/approval matrix/manual after receipt of all the documents.

M. Addendum to TOR

If any change is to be made in the TOR/agreement or extension an addendum is to be made and approved by the approving authority who signed the TOR.

N. Contractor/Contract and procedure

- a) Contractors may have to be hired during implementation of program activities. The following procedure and documentation are to be made while hiring a contractor.
- b) If Amount exceeds Rs.10,000/-procedure for work contract to be followed (refer procurement policy).
- c) Minimum three quotes are to be collected as per procedure laid down in the procurement policy along with PAN, registration document of the firm, and GST.
- d) For big contracts (above 100,000 Rs), it is mandatory to do a reference check and the same is to be recorded along with a recommendation for approval. The expertise of the contractor for the purpose for which he/she hired should be proved beyond doubt.
- e) Comparative statement will be made in the prescribed format and presented in the committee for



recommendation and approval to be sought as per approval limits.

- f) If quotations are less than 3 due to any reason it must be documented either separately or on the comparative statement. However, this is for rarest of rare cases, and it must be documented with justification and prior written approval must be obtained from Program Manager for Rs. 10,000 - 50,000 and above from Executive Director (ED). However, this must be done at least two months in advance and not be done few days before the start of the activity.
- g) A TOR/agreement is to be made in the prescribed format detailing the deliverables, contract amount and payment terms in the prescribed format of CRWI.
- h) Payments to be made as agreed in the TOR obtaining the work status and certification from the reporting person.
- i) Bill to be obtained prior to final payment.
- j) Expenses certificate along with a completion report from contractor to be submitted for release final payment.
- k) Completion certificate should be authenticated by the State Officer/Regional Manager/Project Manager and the village/community leaders.
- l) In situations where an external expert is appointed, a certificate of completion is to be obtained from the consultant/expert after verification based on the agreement/BOQ/work order.



O. Addendum to Contract

If any change is to be made in the TOR/agreement or extension an addendum to be made and approved by approving authority who signed the TOR

11. TRAVEL AND VEHICLE HIRING

- a) Field travel claims of animators and coordinators are to be submitted within three working days after a month in the prescribed format along with monthly work report. If there is any delay, in rare cases, the reason must be documented and approved by the approving authority.
- b) Field travels claim of manager/unit in-charge is to be submitted within 3working days after a return from travel in the prescribed format. If there is any delay, in rare cases, the reason must be documented and approved by the approving authority.
- c) *If field staff travel is fixed based on availability of budget, then it must be documented with proper justification and approved by the Director or representative as approved by ED.*
- d) *Payment must be made by cheque/electronic transfer.*
- e) *If own vehicle is used reimbursement can be made up to Rs.8 per KM for two wheelers and up to Rs.15 for fours wheelers (travels within city for official work and not for regular travels to field). However, the rate and*



reimbursement must be within the approved budget and as per need.

- f) Reimbursement of use of own vehicle is allowed only for the staff and not for volunteer *own vehicle is used vehicle Logbook must be maintained for recording starting and ending KMs of travel for official purpose along with other details in the prescribed format.*
- g) If vehicle is hired for the program, Proper bill with vehicle number, travel starting place and ending, KMs travelled along with other details must be obtained/mentioned on the bill.
- h) The vehicle number must be verified on the Govt. site with number mentioned on the bill and to ensure both are matching.
- i) Approval must be obtained from Program Head/Executive Director if own vehicle is used for official purpose continuously.
- j) If own vehicle is used for official purpose the staff must have valid driving license and must have proper vehicle documents.

A. Out Station Travel

- a) Travel expenses/claims must be submitted in the prescribed format within five working days after return from tour irrespective of advance is taken or not.
- b) The ticket fare which is booked by office must be mentioned in the travel claim form under 'and the total expenses is to be accounted for.



- c) Approved ticket booking request must be submitted in the prescribed format for booking of tickets (train/flight).
- d) Travel claim is to be submitted with copy of approved tour itinerary, Original Ticket, Boarding Pass, lodging bill (if any) and tour/trip report in the prescribed format.
- e) Refer HR manual for eligibility of Per Diem, Mode of Travel and Lodging.

B. Hiring of Vehicles

- a) Hiring of vehicles for any travel must be requested by duly filled vehicle request form.
- b) For continuous and long-term requirement of vehicle, an agreement can be made with the vendor/s following the procurement procedure.
- c) Bill must be obtained in the name CRWI along with duty slip.
- d) If duty slips are not available ensure the travel details are mentioned on the bill like, place travelled, KM, rate per KM any extra charges, name of person traveled, vehicle number and type of vehicle etc.
- e) The kilometer mentioned in the bill must be verified and cross signed by the person who travelled.
- f) The vehicle number must be verified with number mentioned on the Govt. website on the bill and to ensure both are matching.
- g) Eligibility criteria for staff as per band for hiring vehicles must be followed as per the Finance manual.



- h) A vehicle hiring request is to be made by the person who is to undertake travel and not by any other staff or accompanying staff. In the case of group travel the senior most staff needs to take approval from his/her supervisor.
- i) The payment to the travel agency if any would be made directly from Head office/ State office/Regions/Field Office as per the limit fixed in payment/approval matrix /manual after receipt of all documents.

C. Skill building program

- a) Beneficiary identification/selection process and criteria of selection to be documented and submitted with documents before making payments.
- b) If possible, an application form to be filled in by the beneficiary to validate the selection criteria, especially in the case of skill building programs/courses etc.
- c) Collect identity proof and education/qualification proof as per the selection criteria. (Staff must follow the data privacy policy of the government)
- d) If there is tie up with other training institutes, admission letter of all beneficiaries with training/course selected, course period etc.
- e) After the training/course/program completion certificate is to be obtained from the institute for each beneficiary separately or together with completion date training/course.



D. Common meeting of staff (e.g., Monthly meeting at office)

- a) All staff meetings/training, even if they are for an hour, should be documented.
- b) If expenses incurred for staff meetings are to be made and attached with expenses vouchers.
- c) Meeting agenda
- d) Signed participants list.
- e) Minutes/report of the meeting with photographs

E. Payments

- a) Payments are to be processed based on need and not strictly follow the payment days.
- b) Scan/soft copy of all documents (cancelled cheque, legal documents, GST, Comparative statement, quotations, RFQ, PO etc.) to be submitted for releasing advances.
- c) Advance and final payments - All payments can be processed based on scanned documents like acceptance of PO, E-way bill, Final bill, delivery challan and others. Hard copy of these documents must be submitted by the Procurement Officer immediately after the payments.
- d) Advance to vendor –one hundred % advance payment to vendors is not permissible (except for rarest of rare cases with special approval from ED). A maximum of 60% advance can be released of the total amount to the vendor. This needs to be ensured



and agreed with the vendor before purchase order is issued. (A joint/Mutual decision is necessary between the procurement officer and vendor to fix the percentage of advance and further instalments).

- e) Delivery Challan should be counter signed by the person authorized by the ED/RM at the delivery location.
- f) It will be the responsibility of the procurement officer to submit the final original bill and other procurement documents to the finance department within fifteen of completion of the process.

12. ADVANCES DURING EMERGENCY RESPONSE

- a) Advance to be transferred within one working day after approval.
- b) Payment in advance for each transaction, per person should be within Rs. 8000.00 and it must be through banking process and not cash payments.
- c) Advance of Rs. 40,000.00 should be settled to the tune of expenses incurred within 14 days from the day of advance taken. If required, the next advance can be taken when 80% of the first advance is expensed.
- d) The submitted bills should be processed by the Administrative Office within 3 days.



- e) Original bills and related documents to be submitted fortnightly.
- f) Program Advance to Relief Coordinator / Officer can be up to Rs. 10,000/-. Advance should be settled to the tune of expenses incurred within 14 days from the day of advance taken. If required, next advance can be taken when 80% of first advance is expensed.

13. CLOSURE OF PROJECTS

- a) All program activities should be completed well within the project period.
- b) It is advisable to complete all the program activities before a month of the project end date and last month can be used for winding up.
- c) All expenses related to the project must be booked before the end date.
- d) All advances and payables must be settled before the end date.
- e) All expenses which are to be paid after the end date must be booked (audit fees, end term evaluation)
- f) Expenses (example; travel expenses) of a closed project cannot be booked in any other project or source. So, care should be taken to book all expenses within the project period and avoid disallowance expenses.



- g) Exchange gains/loss (if any), bank interest etc. should be communicated to the implementing team immediately after its realization. Bank interest to be shared after allocation.
- h) A closure report must be generated and make sure that same has reached the Donor Agency

14. INTERNAL AUDIT

Internal Audit in CRWI is a process adopted by a set of people within the organization for providing unbiased, independent reviews of systems (financial as well as program), governance, and processes. The internal Audits role is to provide CRWI a realistic picture of the sources of information regarding the practices, risks, control, effectiveness, and efficiency adhering to the applicable laws and compliances as expected from time to time.

A. Purpose:

- a) Assess an organization's performance against the set standards, policies, regulations, and beliefs having an alignment with the vision and mission.
- b) Evaluating the effectiveness/efficiency of operations involved or adopted in implementation of projects and that by the offices.



- c) Identify weaknesses within the organization's processes and control the environment internally so that they can be fixed as quickly as possible to prevent harm to the organization or its stakeholders and at the same time disseminate the good practices followed in any of the processes.
- d) Express strategic needs and or corrective measures to be adopted by the organization to facilitate transparency, ease, and acceptance.

B. What are subjects to internal audit:

- a) CRWI internal audit is being envisaged for any project currently being implemented and of offices, irrespective of the geography, donor, theme, and volume of fund involved and as directed by the Senior Management Team.
- b) This will also include offices or projects where repeated complains issues or issues have been highlighted.

C. Who will do it:

- a) An Internal Audit at CRWI will be done through the existing staff. The staff will be drawn from different Units, Thematic, States depending upon the need and specificity. However, to ensure that the audit meets its purpose, a core team will ensure that the finer element of the audit is employed from planning – execution – sharing.
- b) The external auditor of CRWI will visit two offices/Regions/States in half a year.



D. How is the team constituted?

- a) Internal Audit will be conducted by a team of a minimum of two people.
- b) As because the very term 'Audit' implies scrutiny of documents and people, specifically in context to finance, administration, and procurement it will necessarily have a senior finance person having sound understanding of the organizational policies, manuals, processes, system, and functioning. To compliment it, the other team members can be from any of the Unit, Department, Thematic as suggested by the Core Team (preferably a senior person with program knowledge)

E. Responsibilities of the Team members

- a) Plan the audit.
- b) Conduct the audit at the selected project/office.
- c) Debrief the team on the findings.
- d) Share the report with necessarily follow up actions.



15. GENERAL

- a) All bills/documents should be prepared/obtained in the name of CRWI.
- b) The Donar guidelines are part of Finance and HR Manuals
- c) Budget for the activities is to be followed as per the approval. Unit head is to approve the monthly activity plan with budget break-ups for each activity and no further approvals required to implement the activity. However, all processes must be followed as per the manuals, guidelines, and approvals to be sought as per the limits fixed for approval of expenses, procurement, issuance of TOR/Agreements/Work order etc.
- d) Program support and administrative budget (expenses heads and amount) need to be followed as approved by Executive Director.
- e) No procurement shall be split or broken up to circumvent the monetary limits specified anywhere in the manual guidelines.



- f) Quarterly procurement plan to be made and shared with HO Admin in the prescribed format for better plan, coordination, and support.

16. FINANCIAL DELEGATION:

| Limit | Authorized Persons | Remarks |
|--|--|--|
| Up to Rs. 5,000 (Rupees Two thousand only) and not more than Rs. 2,000/- | Finance Manager/Program Manager/Executive Director | All expenses including Program, Admin & fixed assets |
| From Rs. 5,001 to 10,000 (Rupees Ten thousand only) | Executive Director | All expenses including Program, Admin & fixed assets |
| From Rs. 10,000 and more. | Executive Director/President | All expenses including Program, Admin & fixed assets |