FINANCE POLICY OF ZYVS

6.1 Fund Receipt

6.1.1 Sources of Funds

ZYVS receives funds from the following sources:

i. Grant in Aid supported project fund.

ii. Membership fees.

iii. Income from short term professional services and consultancy assignments undertaken by ZYVS.

iv. Grants Donations received from organizations-private, governmental, business and individuals in India and Abroad

6.1.2 ZYVS Core Fund

The following are identified as ZYVS’s core programme:

A. ZYVS’s administrative expenses (house rent, utilities, administrative officer, peon).

B. ZYVS’s Childline

C. ZYVS’s Caring for Vision Programme

Any programme coming to ZYVS must allocate some funds to support this core programme.

6.1.3 Signatories to Cheque Books

The President of ZYVS, it’s General Secretary and Treasurer will be signatory to ZYVS’s cheques. Money can be released by the signatures of two signatories.

6.1.4 Types of Accounts

ZYVS may open separate bank accounts for separate projects. The FCRA Bank Account will be different and no non-foreign source money will be deposited in it.

The following two types of accounts will be maintained by ZYVS:
(1) Central Account

All income accrued to ZYVS will be deposited in the Central Account. The President, General Secretary and Treasurer are authorized to operate the bank account. Two signatures of either of these officials will be required for fund disbursement.

(2) Savings Account

ZYVS will keep fixed deposit savings account for its trust fund.

6.2 Fund Disbursement

All payments are made either by cheque or internet banking.

6.2.1 Payment by Cheque or internet banking

(1) Payment for Purchases

Payment against purchases of any amount shall be made by cheque or internet banking.

(2) Payment for Services Rendered

a. Payments for Staff Salaries

i. Payment Calendar

Staff salaries are paid within seven days following the completion of the month. Individual cheques are to be issued to the employee concerned or directly into the Bank Account through Internet Banking.

ii. Staff payroll

Staff payroll (salary sheet) is prepared by the Accountant as the basis of payment. The staff payroll contains information on the employees’ basic salary for the month, allowances if any, deductions and net salary payable. The staff payroll is checked by the Treasurer and/or Secretary General and approved for payment by the Executive Director.
iii. Advance Pay

ZYVS’s employees may take advance payment of up to 3 months (after completion of 6 months probation), if urgently required. The advance must be returned/reimbursed before the end of that particular fiscal year.

For travel purposes, ZYVS employees will pay the expenses covered on official trips. Request for expenses are prepared by the personnel concerned, recommended by the Treasurer or General Secretary and is approved by the President. All expenses for travel are to be liquidated by cheque or internet banking within a week following the completion of the trip.

iv. Tax Deduction at Source

ZYVS will deduct tax at source where applicable as per Government rules.

b. Payment for Contractual Services

Payment for contractual services is done through cheque disbursements or internet banking. The schedule of payment depends on the Terms of Reference (TOR) agreed upon by the personnel concerned and ZYVS. Payments are covered by a Request for Payment Form prepared by the accountant and approved by the Executive Director.

6.2.2 Procedures for Fund Disbursements

• All requests for payments are to be made using the appropriate forms.
• Requests for payments are to be properly substantiated with bills/receipts and essential documents.
• Requests for payments are prepared by accountant and submitted to Executive Director for checking and approval.

6.3 Book Keeping and Recording

6.3.1 Book Keeping
The recording system of ZYVS’s financial transactions allows monitoring bank balances, status of funds receipts and expenditures, and a comparative statement of budget vs. actual expenditure on a regular basis.

ZYVS will maintain records of fixed assets, supplies, inventory, the use and maintenance of office equipment.

6.3.2 Accounting

The following sets of financial reports will be prepared by ZYVS:

A. Quarterly financial reports will be prepared for review by each individual project manager of ZYVS’s specific projects as well as of its core activities. This quarterly report will be reviewed by the Board of ZYVS. Financial reports to donors will be submitted as prescribed in the agreement between donors and ZYVS.

B. Annual Balance Sheet and Statement of Income and Expenditures will prepared for each fiscal year.

6.4 Auditing

Books of Accounts of ZYVS shall be audited annually by an independent auditor appointed by the General Body.

ZYVS may hire internal auditor in order to streamline its accounting systems and procedures.