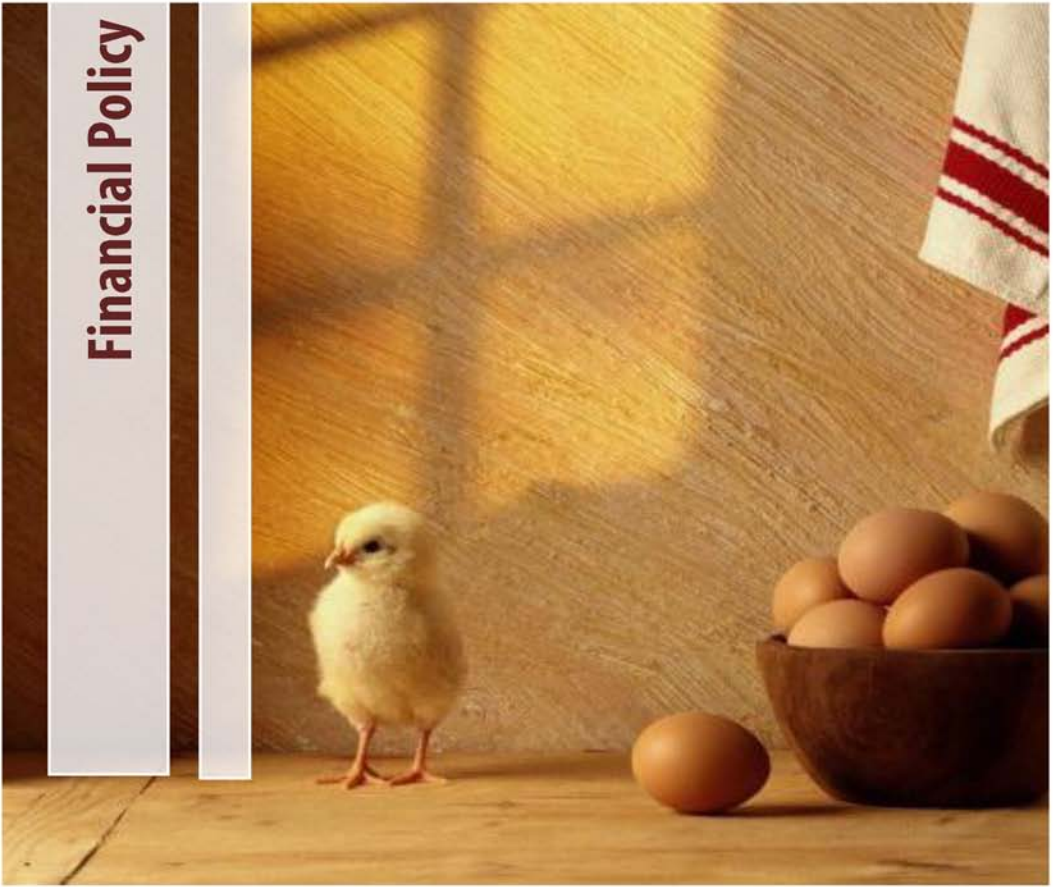


Financial Policy




Smile
always

..... *It's your life !*

Where every penny is valuable and Accountable

Purpose

The purpose of this financial policy is to set down the policies, guidelines, right and obligations of Smile always Foundation ('Smile always') pertaining to the financial management of the 'Smile always' and the document is to specify:

- Financial planing and reporting that 'Smile always' should undertake each year.
- Financial policies to be followed by every person in the Smile always Foundation.

'Smile always' board adopted to use an operational name for its ongoing program. All the policies procedures are applied to the program Smile always Foundation.

Governance

The Smile always Foundation were formed during the year 2005

Since the Society consisting of Executive committe is governing the activities of 'Smile always ' through its Bye Laws and Objects.

The Executive committee (Board) is responsible for formulation and review of the Policies, Vision, Mission, Values and review of Bye Laws. The board meets quarterly every year. The President/ Managing Trustee of the society has also the title of Director of the Organization. The Society is having the Director as CEO and other appointed staff to undertake the activities of the Society.

There is a Management Committee established which is responsible to the Board and meets in between the Boards to review the Management operation and process.

Legal Status

Bank Account

- 'Smile always' holds a Bank Account in an Nationalized Bank as per to FRCA.
- All 'Smile always' Income and Expenditure operates through bank account only.
- The Signatories to the 'Smile always' Bank Account are jointly operated by the President and Accountant or any nominee.

FCRA

The Smile always Foundation was registered with Government of India under Foreign Contribution Regulation Act 2010 in the year 2012.

Income Tax

Smile always is a Non-Governmental Organization (NGO) and it is Exempted as Non-Profit making Charity Organization under Government of India Income Tax Act.

Key Principles

The key principles on which all 'Smile always' Financial Policy is based are:

Organisation Funds

- Organizational fund belong to 'Smile always' should not be used for private purposes, including private grant or loan.
- Funds should be carefully used in an effective way in the best interests of the organisation.
- All Board, Staff and members are responsible for the careful and honest use of funds.
- Funds granted to the 'Smile always' for specific purpose should be used for that purpose accordingly.

Collective Accountability

- All the Board members and staff of 'Smile always' have a collective (shared) responsibility for the financial health of an organisation
- Each person has specific financial responsibilities. Some responsibilities are larger than others, for example the Director and the Accountant. However, everyone on the Board and all staff dealing with finances must share responsibility for the careful and honest use of the organisational funds

Transparency

- All the financial documents and the reports are available to all members of the Board and all staff members with financial duties.
- Annual accounts are available to all members.
- Generally there is no reason for the Board to withhold any financial report from a member.

Separation of Duties

- This principle states that no one person covers all financial tasks. Where ever possible, financial tasks are split between two or more people.
- Usually one person will **DO** the task and another person will **CHECK** the task is done correctly.

Signatories to Cheque Books

- The President of 'Smile always', its Treasurer or one of the Accounting Staff will be joint signatories to Smile always cheques. As per to the Boarddecision this can be operated jointly and singly as the circumstances arise.

Financial Planning

- A full organizational budget will be prepared Annually
- A Budget review will be undertaken after six months

Income

- All income is Received
- All income will be deposited in the 'Smile always' Bank Account

Expenditure

- All expenditure must have an approved budget allocation
- No blank cheques are to be signed by any cheque signatory
- All payments over Rs.20000 are to be paid by cheque payment
- Every cheque payment must have a Payment Voucher completed
- Each Payment Voucher is to be authorised by the people who sign the cheque it relates to
- Payment vouchers are to be signed by the person who receives the cheque wherever possible
- Separate Payroll records are to be kept for all salaries and wages
- Small payments under Rs.5000 may be paid using the petty cash, at the discretion of the Administrator
- The office petty cash should maintain within Rs. 20000

Record Keeping

The following Books and Records must be maintained by 'Smile always'

- Cash Book
- Ledger
- Petty Cash Book
- Disbursement Register
- Fixed Asset Register
- Vouchers
- Bank Pass Book
- Receipt Book

Petty Cash Policy

Purpose and Scope

The purpose of this policy is to ensure that requests for reimbursement of expenses through petty cash follow defined guidelines.

The Petty Cash Policy covers all petty cash transactions for Day to day petty expenses of 'Smile always'.

Policy

Petty Cash transactions will be processed according to the following guidelines:

Maximum Expenditure :	An expense of Rs.500 or less may be reimbursed through Petty Cash. Any expenses subject to other policies, such as the Travel and expenses which can be paid through cheque/petty cash.
Petty Cash Voucher:	<p>A Petty Cash Voucher needs to be completed for the expenditure reimbursed from petty cash. The purpose of the expenditure should be explained on the Petty Cash Voucher.</p> <p>A Petty Cash Voucher should be submitted within 30 days of incurring the expense.</p>
Documentation:	Supporting documentation in the form of original receipts should be attached to the Petty Cash Voucher. Receipts should clearly document the purchase. All the bills/receipts must have authorized signature and will be signed by the recipient .

Verification:	The Custodian/ petty cashier should verify all the bills and receipts thoroughly before payment of cash. Later, Accountant / Senior Accountant need to be thoroughly verified before posting into accounts.
Approval :	All expenses from Petty Cash should be approved by the supervisor /in-charge for reimbursement An employee cannot approve his own Petty Cash transactions.
Petty CashBook:	A petty cash book needs to be maintained by the petty cashier.

Failure to comply with the Petty Cash Policy may result in disciplinary actions on all the persons involved.

Policy Guidelines

Petty cash allows the petty cashier to make small purchases or reimbursements, in cash, where cheque payment is not possible. Any expenditure or purchase should not incur from the petty cash when it is possible to issue cheque.

To manage the petty cash, management need to be designate a person, called the custodian. He/She have access to this cash, and that person should be responsible for all petty cash activity. To disburse petty cash funds, petty cash vouchers needs to be maintained for documenting each transaction. All the petty cash payments need to be approved by Sr. Accountant.

GUIDELINES TO CUSTODIAN

1. Petty Cash Funds shall be used for reimbursement/ purchase of petty expenses only.
2. Funds must be safeguarded at all times. They should never be left unlocked and/or unprotected during working hours, and must be locked in a safe or otherwise safely and properly secured during non-working hours.
3. A fund should be counted and reconciled by the financial Custodian regularly on daily basis.
4. Petty Cash Funds should not be kept with any other funds such as private/personal funds.

DOCUMENTATION & USES OF PETTY CASH

All petty cash transactions must have adequate support which authenticates (1) what was purchased, and (2) that payment was made. A detailed listing of each item purchased must be provided, and the original paid invoice/ receipt attached. **Photocopies or faxes of invoices/receipts are not acceptable**

Following details need to be entered in the petty cash voucher:

1. Enter the amount of the total purchase.
2. Enter a detailed description of the purchase.
3. The person receiving the cash advance or reimbursement must sign.
4. The Financial Custodian is to enter the account head to be charged and sign the form.

Petty Cash Safeguard

- The petty cash fund should be kept safely in a locker.
- Access to the petty cash fund should be restricted to the Custodian.
- Petty cash should be disbursed only by the Custodian.
- Original receipts should be required in order to disburse petty cash. Receipts should be maintained in the petty cash fund box for reconciling.
- The person to be reimbursed should indicate on the original receipt what was purchased (if not clear on the receipt), the purpose.
- The original receipts should be approved and signed by an appropriate, authorized individual, such as the supervisor of the person to be reimbursed.
- The petty cash fund should not be used for personal expenses, personal loans, or the cashing of personal checks.
- The Custodian should be responsible for regularly reconciling the petty cash fund. (The sum of cash available in the cash box + original receipts should equal to the original amount of the fund.)
- Requests for closing a petty cash account should be made fortnightly.