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GOVERNANCE MANUAL

Action for Community Transformation India Foundation Trust.
(ACT India Foundation.).

3/477-1 Kurumbapatti Road Kunnuvarankottai Post ,Nilakottai Dindigul Tamilnadu India --624220

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1. Introduction

Every organization follows certain processes that guide how it is run and how decisions are made. These are called governance processes. In some organizations, these processes are formal and clearly defined. In others, they may be more flexible or informal. Sometimes, governance and management are not seen as separate, even though they serve different purposes.

Having a well-defined governance process helps an organization function more effectively. It brings clarity, consistency, and accountability to how the organization operates. To make governance easier to understand and follow, it is important to write down these processes and bring them together in one place.

This **Governance Manual** serves as a reference guide for the internal governance of the organization. It outlines key roles, responsibilities, policies, and procedures that help ensure the organization is well-managed, transparent, and aligned with its mission.

2. Purpose of the Manual:

The purpose of this Governance Manual is to provide a framework for the ethical, transparent, and effective management of [Insert Organization Name]. It defines the structure, roles, responsibilities, and procedures related to governance to uphold accountability, foster trust, and ensure sustainability. In specific terms, this manual will;

1. Help Board members and management understand their roles and responsibilities clearly.
2. Explain the difference between governance (oversight and direction) and management (day-to-day operations).
3. Act as a guide or blueprint for how the organization should be governed.

3. About the Organisation

Action for Community Transformation India Foundation Trust (ACTIF Trust) was formally established in 1995, evolving from grassroots initiatives that began in the late 1980s among tribal and marginalized communities in the Kodaikanal hills and adjoining regions of Tamil Nadu. The organisation was founded with a strong commitment to social justice, human dignity, and sustainable development, especially for tribal communities, women, children, and vulnerable workers.

Over the years, ACTIF Trust has worked extensively on community empowerment, access to education and healthcare, sustainable livelihoods, and the protection of human rights. A significant area of ACTIF's work has focused on the wellbeing of women employed in textile and garment industries, particularly those engaged in global supply chains. The Trust addresses issues of workplace safety, dignity, and gender-based violence by promoting awareness of labour rights and strengthening grievance redressal mechanisms.

ACTIF Trust actively supports the implementation of the **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act)** through capacity-building, awareness programmes, Internal Committee training, and survivor-centred support systems within factories and communities.

In addition, the organisation promotes sustainable agriculture, organic farming, climate resilience, and environmental conservation. Through strong partnerships with community institutions, civil society organisations, and donors, ACTIF Trust continues to work towards inclusive, equitable, and sustainable community transformation across Tamil Nadu.

4. **Vision of the Organisation**

To build a **just, inclusive, and equitable society** where marginalized communities—especially **women, children, tribal populations, and workers in informal and textile sectors**—live with **dignity, safety, and equal opportunities**, and are empowered to claim their rights, improve their livelihoods, and shape sustainable futures free from discrimination, violence, and exploitation.

5. **Mission of the organisation**

To empower marginalized communities—particularly **women, children, tribal groups, and textile and informal sector workers**—through **rights-based interventions, capacity building, advocacy, and sustainable livelihood initiatives**, while promoting **safe, dignified, and violence-free workplaces** in line with the **POSH Act, 2013**, strengthening community institutions, and fostering social justice, gender equity, and inclusive development.

6. **Values of the organisation**

ACT India Foundation is committed to equity, gender justice, and social inclusion**, ensuring dignity and equal opportunities for all, especially women, children, workers, and marginalized communities. The organisation upholds** safe and respectful workplaces**, strictly adhering to the** POSH Act, 2013 **with zero tolerance for harassment or discrimination. We value** integrity, transparency, and accountability **in governance and financial management, encourage** community participation and collaboration**, and promote** sustainable and responsible development **through ethical practices and continuous learning.**

7. **Overview of the Structure:**

(insert Organogram of the organization)

- Board Composition : ACT India Foundation is governed by a committed Board of Trustees comprising experienced professionals and social development practitioners. The Board provides strategic direction, ensures statutory compliance, approves key policies and budgets, and oversees the organisation's programs, governance, and overall accountability in alignment with its vision and mission.
    1. Managing Trustee P.R.Ashok Raja 2.Financial Trustee Mr.M.L.Sahaya Valdaris 3. Trustee Ithaya nanthini
- Committees and their Functioning ; ACT India Foundation has constituted key committees to strengthen governance, transparency, and effective functioning of the organisation. These include the Finance Committee, Human Resources Committee, POSH Internal Committee, and Child Protection Committee. Each committee operates within clearly defined terms of reference approved by the Board. The committees meet periodically to review policies, monitor implementation, address grievances, ensure statutory and ethical compliance, and make recommendations to the Board. Through structured reporting and regular oversight, these committees support informed decision-making, risk management, and the organisation's commitment to accountability, equity, and safe working environments.
    1. Director ✚ Training coordinator ✚ Program in charge ✚ Peer Educators

- Executive Leadership : The Executive Leadership of ACT India Foundation is responsible for translating the organisation's vision and policies into effective programs and operations. Led by the Director and supported by program and finance teams, the leadership ensures strategic implementation, staff management, compliance, and achievement of social impact goals.

8. Role of the Board:

The Board of [Action for Community Transformation India Foundation Trust] shall:

- Provide strategic direction and vision :
- Ensure compliance with statutory obligations.
- Approve policies, budgets, and strategic plans.
- Appoint, support, and evaluate the Chief Executive Officer (CEO).
- Support in Resource mobilization
- Prevent Conflicts of Interests
- Monitor and evaluate organizational performance.
- Ensure good governance, risk management, and ethical integrity.
- Develop succession planning

9. Role of Members:

While the board works together to lead the organization, each member also has their own individual responsibilities. Members of **Action for Community Transformation India Foundation Trust** are responsible for:

- Uphold the mission and values of the organization.
- Elect the Board as per the approved constitution or bylaws.
- Participate in Quarterly & Annual General Meetings (AGMs).
- Review and approve key decisions, budgets, financials, and reports.
- Support the organization's strategic initiatives.
- Be a spokesperson of the Organization

10. Role of Officers (Please mention as outlined in byelaw)

(President, Vice Presidents, Treasurer, Etc)

1. **Managing Trustee ;** The Managing Trustee functions under the overall control and supervision of the Board of Trustees and is authorized to act on behalf of the Trust. The Managing Trustee represents the Trust in all administrative, legal, and operational matters and ensures the effective management of its affairs.

   The Managing Trustee is responsible for maintaining proper accounts of income and expenditure, operating bank accounts in the name of the Trust, incurring expenditures for administration, collecting funds, and ensuring the safeguarding and insurance of Trust assets when necessary. The Managing Trustee may initiate or defend legal proceedings on behalf of the Trust, as decided by the Board.

   Further, the Managing Trustee may delegate any of the vested powers to one or more Trustees and has the authority to revoke such delegation at any time. All actions of the Managing Trustee shall be carried out in the best interests of the Trust and in line with its objectives.

2. The Financial Trustee: The financial Trustee oversees the Trust's financial management, ensuring funds and assets are used efficiently, transparently, and in line with its objectives and laws. They support the Board in approving budgets, monitoring income and expenditure, and authorizing financial commitments, including salaries, procurement, grants, and investments. The role includes maintaining accounts, ensuring statutory and donor compliance, coordinating audits, safeguarding assets, and promoting financial accountability, risk management, and sustainability across all Trust operations.
3. Trustee ; Trustees manage all Trust affairs and institutions, make rules, authorize representatives, receive donations, and donate funds to aligned causes. They can acquire, sell, or mortgage assets, grant or borrow loans, oversee financial and operational matters, and sign/register all agreements, contracts, and receipts, ensuring proper governance and accountability.

11. Role of Management (CEO/ Secretary)

- Work with the Board to guide the mission and vision of the organization, ensuring that clients and communities receive quality services.
- Understand the environment the organization works in and think creatively and strategically to plan for the long term.
- Carry out strategic plans using data, financial information, and future projections.
- Build and lead a strong senior leadership team.
- Attract, retain, and support skilled and committed staff.
- Keep the Board informed about key internal matters like staffing, funding, and program progress.
- Maintain strong relationships with local media and oversee the organization's social media presence.
- Represent the NGO in the community through public talks, events, and conferences.

12. **Election/Selection of Board Members** (Suggest criteria for selection of members)

Board Members shall be:

- Elected by the General Body during an AGM or as defined in the constitution.
- Nominated through a transparent and participatory process if vacancies arise mid-term.
- Selected based on their experience, expertise, commitment, and alignment with the organization's values.

13. Term of Board Members

Each Board Member shall serve a term of 3 years (with eligibility for re-election for a maximum of 3 consecutive terms (3 terms).

14. Age limit for Board Members:

In order to ensure active engagement and capacity, promote generational diversity and leadership renewal and meet stakeholders' expectations, the Organization (Insert Name) adopts.....years (70-75 years) as the maximum age for members as a best practice to ensure effective governance.

15. Induction of Board Members

New Board Members will undergo an induction program which includes:

- Orientation on the mission, vision, and strategic priorities.
- Overview of organizational policies, financials, and governance structure.

- Roles and responsibilities as Board members.
- A governance handbook and key policies shall be shared during induction.
- Field visit to program areas

16. Board Development and Succession Planning:

Board Development and Succession Planning help organizations ensure smooth leadership transitions, maintain strong governance, retain institutional knowledge, promote diversity, and support long-term growth. It reduces disruption and prepares the organization for the future. Our organization (insert Name) will design and take up;

- Ongoing Professional Development
- Succession Planning for Board Leadership Roles

17. Removal / Disqualification of a Board Member

A Board Member may be removed from office before the expiry of their term by a resolution passed by a two-thirds majority of the Board Members present and voting at a duly convened meeting, on one or more of the following grounds:

- Violation of the organization's governing documents or policies.
- Misconduct or behaviour detrimental to the interests or reputation of the organization.
- Conflict of interest not disclosed or resolved to the satisfaction of the Board.
- Financial irregularities or misappropriation of organizational funds.
- Criminal conviction involving moral turpitude.
- Repeated absence from Board meetings without valid reason (e.g., three or more consecutive absences)
- Incapacity (physical or mental) to perform duties.
- Non-performance or dereliction of duties (eg: continuous absent to meetings, not taking responsibility etc.)

The member shall be given a fair opportunity to present their case before any decision is made. The decision of the Board shall be final and binding.

18. Conflict of Interest

All Board Members must:

- Declare any potential or actual conflicts of interest at the earliest opportunity.
- Recuse themselves from decision-making where a conflict exists.
- Sign an annual Conflict of Interest declaration form.
- Conflict of interest will be handled as per the organization's Conflict of Interest Policy.

19. Honorarium or Compensation

Action for Community Transformation India Foundation Trust Board Members:

- Shall serve in a voluntary capacity and not receive regular compensation.
- An honorarium may be provided to one Member only if explicitly approved by the Board and disclosed in financial statements.

20. Board Meetings Protocols

- The Board shall meet at least [Insert Number] times annually.
- A quorum, as defined in the bylaws, must be present for decisions.
- Meeting minutes shall be documented, approved, and archived.
- Special meetings may be convened with proper notice as per organizational policy.

21. Board Committees: (suggested minimum four committees – finance, audit, HR and Program)

Some of the Committees that could be considered are Executive Committee, Finance cum Audit Committee, Risk Reduction Committee, Nomination Committee, Governance Committee, Program Committee & Ad hoc Committee. Our Board shall have Committees.

- Ad hoc committees established as needed with clear Terms of Reference.
- Committees will report regularly to the Board or Management Committee.

22. Decision-Making Processes:

Effective decision-making is a key responsibility of the non-profit Board. A clear and consistent decision-making process helps the Board make informed choices, encourages active participation, and strengthens trust among members. Process will include.

- Voting procedures
- Reaching consensus
- Approval processes for major organizational decisions

23. Appointment of the CEO and Appraisal of the CEO: (Appraisal can be based on agreed indicators -eg: including staff retention, admin, leadership fiscal management, public relations and effectiveness)

- The Board shall lead the process to recruit and appoint a qualified CEO.
- The selection process shall be transparent and merit-based.
- The CEO shall report directly to the Board and be accountable for organizational operations.

24. Board Appraisal and Evaluation (for small organizations, keep indicators simple and specific indicators)

- An annual self-assessment and peer review of Board performance shall be conducted.
- Tools and templates may include rating scales, questionnaires, and feedback mechanisms.
- Findings will inform improvements in Board performance and capacity-building plans.
- Organizational Performance Assessment – against agreed Goals, Objectives and Indicators.

25. Designing and Approving Policies.

The Board is responsible for:

- Approving core governance, HR, Financial, and operational policies.
- Ensuring periodic review and updating of all policies every [Insert Number] years or as required.

- Ensuring alignment with legal requirements and sectoral best practices.
- Code of ethics and Conduct
- Conflict of Interest Policy
- Confidentiality and Privacy policies

26. Risk Management and Reserves

- Maintain an operating reserve of at least [Insert Number] months of average operating costs.
- Regular reviews of financial and operational risks.

27. Accountability and Transparency

- Publish annual reports and audited financial statements.
- Provide members and stakeholders access to non-confidential governance documents.

28. Amendments to the Governance Manual

- This manual may be amended by the Board with the approval of a two-thirds majority.
- Any changes shall be communicated to Members and incorporated into Board practices.

29. Appendices and additional resources: (Templates, formats, checklists)

*Approved by the Board of [**Action for Community Transformation India Foundation Trust**] on [12-12-2025]*

1.	P.R.Ashok Raja	Managing Trustee
2.	M.LSahaya Valdaris	Financial Trustee
3.	S. Idhaya Nanthini	Trustee

Managing Trustee
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