

Financial Policy of Vimukthi Vidya Samsthe, Chitradurga (Vimukthi)

Purpose of Financial Policy

The purpose of the financial policy is to describe and document how the organization wants financial management activities to be carried out. In order to accomplish this, following purpose are framed:

1. Assignment of authority for necessary and regular financial actions and decisions, which may include delegation of some authority to staff leaders
2. Policy statement on conflicts of interest or insider transactions
3. Clear authority to spend funds, including approval, check signing, and payroll
4. Clear assignment of authority to enter into contracts
5. Clear responsibility for maintaining accurate financial records

Philosophy

The purpose of financial management in the operation of all Vimukthi activities is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, Vimukthi commits to providing accurate and complete financial data for internal and external use by the Executive Director and the members of governing Board.

Authority

The President on behalf of the governing Board is ultimately responsible for the financial management of all activities. The Secretary is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the governing body.

- The Director is responsible for the day-to-day financial management of the organization. The Board authorizes the Director to hire and supervise staff, accountant and independent consultants, pay bills, receive funds, and maintain bank accounts.

- The Director is authorized to sign checks up to INR 15,000.00 Cheques for amounts greater than INR 25,000,00 shall require the signature of the President and Secretary of Governing Board.
- The Director is authorized to enter into contracts for activities that have been approved by the Board as a part of budgets or plans. The Governing Board must authorize any contracts outside of these parameters and all contracts with a financial value within than INR 25, 00,000.
- The President/Secretary, either of them authorized to enter into contracts for activities that have financial value greater than INR 25,00,000
- The Executive Director is authorized to manage expenses within the parameters of the overall approved budget, reporting to the Finance Committee on variances and the reason for these variances.
- The Governing Board must approve any use of the board designated cash reserve fund.

Responsibilities

The Executive Director shall:

- Account for donor restricted and board designated funds separately from general operating funds, and clearly defines the restrictions applicable to these funds.
- Report the financial results of Vimukthi operations according to the schedule established by the Finance Committee, but at least quarterly.
- Pay all obligations and file required reports in a timely manner.
- Make no contractual commitment for bank loans, corporate credit cards, or for real estate leases or purchases without specific approval of the Board.
- Record fixed assets with purchase prices greater than INR 50000 as capital assets in accounting records.
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing in excess of INR 100,000 per unit. Selection will be based on cost, service, and other elements of the contract.

Vimukthi may award the bid to any provider and is not required to accept the lowest cost proposal.

The Governing Board shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fulfill his or her financial oversight role.

Financial Transactions with Insiders

As and when required personal or program advances of funds to employees, officers, can be availed at the discretionary of the Director. Similarly As and when needed the Director can be availed advances by the authorization of the Secretary. Direct and necessary expenses including travel for meetings and other activities related to carrying out responsibilities shall be reimbursed.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with board-approved priorities, long-range organization goals, and specific five-year objectives, the Executive Director shall:

- Submit operating and capital budgets to the Finance Committee in time for reasonable approval by the Board prior to each fiscal year.
- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Gift Acceptance

Vimukthi Vidya Samsthe shall accept contributions of goods or services other than cash that are related to the programs and operations of Vimukthi. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

Remuneration to Board Members

In order to avail the expert knowledge and resource of board members, who is willing to render their valuable time, apart from usual/official attendance of the meeting, for the benefit of the admin and field work of the organization, such board members can be compensated with justifiable remuneration, based on the quantum of service rendered and budget availability.

Asset Protection

In order to ensure that the assets of Vimukthi are adequately protected and maintained, the Executive Director shall:

- Insure against theft and casualty losses to the organization and against liability losses to Board members, staff, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its board, or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorized access, tampering, loss, or significant damage.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

This financial policy was presented to Governing body of Vimukthi Vidya Samsthe, Chitradurga and it was approved by the board on 9.07.2023