

MODERN BABY NURSERY SCHOOL SAMITI

FINANCE & ACCOUNTING
POLICY

2024

JANA BAZAR, AYODHYA

Finance and Accounts Policy for Modern Baby Nursery School Samiti, Jana Bazar, Ayodhya

Purpose:

This Finance and Accounts Policy is designed to provide guidelines for the financial management, control, and accounting procedures of Modern Baby Nursery School Samiti. The policy ensures that all financial transactions are conducted with integrity, transparency, and accountability while adhering to statutory regulations.

1. Scope:

This policy applies to all financial transactions and activities carried out by Modern Baby Nursery School Samiti, including revenue generation, expenditure, budgeting, and financial reporting.

2. Objectives:

- To establish a framework for sound financial management and control.
- To ensure accurate, complete, and timely financial reporting.
- To promote transparency and accountability in financial transactions.
- To comply with all applicable financial regulations and statutory requirements.

3. Financial Management Structure:

Governing Body: Responsible for overall financial oversight, policy formulation, and approval of budgets and financial reports.

Finance Committee: A sub committee of the Governing Body that reviews financial performance, monitors budgets, and ensures compliance with financial policies.

Accounts Department: Responsible for day to day financial operations, including bookkeeping, payments, and financial record keeping.

Treasurer/Finance Manager: Oversees financial activities, ensures compliance with policies, and prepares financial reports for the Governing Body.

4. Budgeting:

4.1 Annual Budget Preparation:



An annual budget will be prepared by the Accounts Department in consultation with the Finance Committee.

The budget will include projected income, expenses, capital expenditures, and reserve funds.

All departments must submit their budgetary requirements to the Accounts Department by the end of the third quarter of the financial year.

The draft budget will be reviewed and approved by the Finance Committee before final approval by the Governing Body.

4.2 Budget Monitoring:

The Finance Committee will monitor budget performance on a quarterly basis.

Any significant deviations from the budget (more than 10%) must be reported to the Governing Body with appropriate explanations and corrective actions.

5. Income and Revenue Management:

5.1 Sources of Income:

School fees, donations, grants, sponsorships, fundraising events, and other sources approved by the Governing Body.

All income must be supported by proper documentation, such as receipts, agreements, or donation letters.

5.2 Collection of Fees:

Tuition and other fees will be collected in accordance with the fee structure approved by the Governing Body.

Fees should be collected through official channels only (bank deposits, online payments, etc.), and receipts must be issued for all transactions.

All cash received must be deposited in the designated bank account within 24 hours.

5.3 Donations and Grants:

All donations and grants received must be properly documented and acknowledged.

Restricted funds (specific purpose donations) must be used only for their intended purpose.

6. Expenditure Management:

6.1 Approval of Expenditures:

All expenditures must be pre-approved by the appropriate authority as per the Delegation of Financial Powers (DFP).

Expenditures up to ₹10,000 may be approved by the Principal or Finance Manager.

Expenditures between ₹10,000 and ₹50,000 require approval from the Finance Committee.



Expenditures above ₹50,000 require approval from the Governing Body.

6.2 Procurement of Goods and Services:

All purchases must comply with the Procurement Policy of the organization.

Quotations must be obtained from at least three suppliers for expenditures exceeding ₹10,000.

Proper documentation, including purchase orders, invoices, and delivery notes, must be maintained for all purchases.

6.3 Payment Procedures:

Payments will be made by cheque, bank transfer, or other secure methods.

Cash payments should be limited to petty expenses (up to ₹5,000)

All payments must be supported by appropriate documentation (invoices, contracts, etc.) and approved by the authorized person.

7. Financial Reporting:

7.1 Monthly Financial Reports:

The Accounts Department will prepare monthly financial statements, including a balance sheet, income and expenditure statement, and cash flow statement.

Monthly financial reports will be reviewed by the Finance Committee.

7.2 Annual Financial Statements:

Annual financial statements will be prepared at the end of the financial year and audited by an external auditor.

The audited financial statements will be presented to the Governing Body for approval and submitted to regulatory authorities as required.

8. Internal Controls:

8.1 Segregation of Duties:

Duties related to financial transactions, such as authorization, recording, and custody, should be segregated among different personnel to prevent fraud and errors.

8.2 Cash Handling:



Cash handling must be minimized, and all transactions should be conducted through bank accounts wherever possible.

Cash on hand must be counted and reconciled daily by the Accounts Department.

8.3 Bank Reconciliation:

Monthly bank reconciliations must be conducted to ensure that all transactions are accurately recorded and accounted for.

8.4 Asset Management:

Maintain a fixed asset register to record all assets purchased or donated.

Conduct an annual physical verification of assets to ensure they are properly accounted for.

9. Audit and Compliance:

9.1 Internal Audit:

An internal audit will be conducted annually by the internal auditor appointed by the Governing Body to assess compliance with financial policies and identify any weaknesses.

9.2 External Audit:

An external audit will be conducted by a certified auditor at the end of each financial year.

The external auditor will provide an independent assessment of the financial statements and the internal control environment.

10. Record Keeping:

All financial records, including receipts, vouchers, invoices, contracts, bank statements, and other documents, must be retained for a minimum of five years.

Records should be stored securely and be easily accessible for audits or regulatory reviews.

11. Risk Management:

Identify and assess financial risks, including fraud, theft, and budget overruns.

Implement appropriate controls and procedures to mitigate identified risks.

Review the risk management framework annually and make necessary adjustments.

12. Ethics and Conduct:



All staff involved in financial activities must adhere to the highest standards of ethics, integrity, and confidentiality.

Conflicts of interest must be declared, and employees must not participate in decisions where they have a personal or financial interest.

13. Review and Amendment:

This policy will be reviewed annually by the Finance Committee and updated as necessary to reflect changes in laws, regulations, or organizational needs.

14. Grievance Redressal:

Any employee who identifies a potential violation of the Finance and Accounts Policy should report it to their supervisor or the Finance Manager.

A Grievance Redressal Committee will investigate the issue and take appropriate corrective action.

By implementing this Finance and Accounts Policy, Modern Baby Nursery School Samiti aims to ensure responsible financial management, transparency, and accountability, supporting its mission to provide quality education and services to the community.

