

Bakultali Mahila Sangshad

(BMS)



Bhurungamari, Kurigram,
Bangladesh.

TABLE OF CONTENTS

	Page No
Introduction	1
Objectives of BMS	1
Accounting Offices	1
Accounts-General	2
Accounts System	2
Accounting Responsibility	3
Chart Of Accounts And Structure Of Accounts Code	3
Accounting Forms And Vouchers	3
Release Of Funds, Bank Accounts, Expenditure And Audit	4
Cash In Hand	5
Authorization And Approval Of Payment Purchase Requests,	5
Quotations And Account Posting Vouchers.	6
Payment Procedures	7
General Procedure at a glance:	7
Income /Funds Received	7
Purchase Procedures.	8
Stationeries and Office Supplies	9
Training Expenditure	9
Salaries and Allowances to Employees	10
Overtime Payment to Staffs'	10
Leave Entitlement and Records.	10
Traveling Allowances, Daily Allowances and Conveyance.	10
Advances For Purchases/Procurement.	10
Advances To Suppliers.	11
Accounting Record and Books Of Accounts.	11
Vouchers General	12
Stock Issue Requisition	13
General Ledger	14
Fixed Assets Register	14
Accounting Files And Documents.	14
Accounts And Financial Statements	15
Half Yearly And Yearly Reports	15
Accounting Period And Cut-Off Date	15

1. Introduction

1.1

BMS is a local level Non-profit and Non-political organization set up in 1997 by founder Mst. Beauty Khatun aiming to elevate poverty reduction and empowerment of disadvantaged communities in all sphere of human life. From its modest beginning in 1997 BMS has been characterized as learning from experience and through a responsive and inductive process. Adjusting its strategy to prevailing circumstances, it does not pursue any rigid development model. BMS continue to maintain its cycle of innovation while provide better services and greater assistance its beneficiaries.

Leaders and managers of the organization have to develop, at the very least, basic skills in financial management. Expecting others in the organization to manage finances is clearly asking for trouble. Basic skills in financial management start in the critical areas of cash management and bookkeeping, which should be carried out following certain financial controls to ensure integrity in the bookkeeping process. New leaders and managers should swiftly learn how to generate financial statements (from bookkeeping journals) and analyze those statements so as to develop a real understanding of the financial condition of the organization. Financial analysis shows the 'reality' of the situation of an organization – and as such, is one of the most important practices in management. This guide will provide you with an understanding of common practice in financial management, and help you to build the basic systems and practices needed in a healthy organization.

1.2. Objectives of BMS

The specific objectives of BMS are as follows:

1.2.1 To promote viable economic activities based on human resources development (functional education \ skills training) and local resources mobilization, providing long – term employment opportunities or supplementary income.

1.2.2 To motivate and assist members and groups into moving from a membership primarily aimed at engaging in individual credit driven activities with minimum risk and low skill/ input / marketing requirements to homogeneous sub-group and group activities which capitalize the social technical and economic skills, which will have been developed by groups and members as a result of the project;

1.2.3 To establish channels through which credit, skills training extension services, input supply, and marketing can be provided to the target groups engaged in agricultural and non-agricultural production activities;

1.2.4 To promote social and group empowerment activities. The project will aim at: 1) developing the individual capacity of members in support of their own human development as well as that of their families and 2) developing the capacity of members to act and interact effectively within the group and as a group to claim and obtain of resources from and to defend their human development right in the community and environment in which they live and operate (through learning by doing, analysis of own experience and problems, joint decision making and action);

1.2.5 To increase agricultural productivity through dissemination of improved agricultural techniques, compatible with the economic and financial resources of the target groups.

1.3 Accounting Offices.

The project is being operated through 1 (one) Programme Implementation Unit (PIU) office (Chairperson/Executive Director Office) and Branch offices as detailed below:

Head Quarter (HQ) at Bhurungamari, Kurigram.

Page-01

2. Accounts-General.

2.1 Accounting Objectives.

The objectives of maintaining accounts of BMS Project are to provide:

2.1.1 Full disclosure of operating cost and state of affairs of the project.

2.1.2 Accounting records which can serve as the basis of ascertaining Implementation of annual work plan and budgets, preparing future work Plans and budgets, and for evaluating plan and budget demands and Proposals.

2.1.3 Financial information needed for monitoring expenditure and for exercising effective management control of operations of the project.

2.1.4 Reliable information, for report purpose, which will serve the requirement of GoB, Donors, Internal Audit, Extremely Audit, Check, Investigation, Review and other relevant agencies.

2.1.5 Periodical statements and reports to BMS Internal Audit and P&M Section for their reporting requirement.

2.1.6 To strengthen internal control, improve financial accountability, ensure The accuracy of the project's financial reports and maintain a methodical recording of financial transactions.

2.1.7 The reporting has to consistency requirement that is established between planning documents. That is , the reporting documents -monthly, quarterly and semi-annual reports-have to be based explicitly on the planning documents. When financial and other inputs are specified in the planning documents, their actual utilization should be reflected also in the reports, apart from performance specifications in relation to output targets and activities.

2.2 Accounting System.

2.2.1 BMS accounting is on " cash", and , therefore, a financial transaction is recognized only when money is received or paid. Thus one aspect of double- entry record keeping will be always cash/bank account. The other aspect will be recorded in the conceded account of expense or income or asset or liability. However, in exceptional cases, such as employees contribution to CPF, Staff Gratuity etc. and in case of Annual Accounts, accrual method be used.

2.2.2 Cost of transport & vehicles, fumitory and fittings, equipment, construction And other fixed assets, occluding incidental costs, will be booked in the Monthly implementation cost account.

2.2.3 There will be no monthly or annual depreciation charge for any fixed assets.

2.2.4 The primary documents in use in BMS Offices are as follows:

1. Money Receipts
2. Credit/Receipt Voucher
3. Debit/Payment Voucher
4. Journal Voucher
5. Stock Issue Requisition

2.2.5 The information form the above mentioned documents are recorded in one or more of the following books/registers/documents:

1. Cash Book/Daily Bank Transaction Records
2. General Ledger
3. Subsidiary Ledger
4. Fixed Asset Register (maintain by A&P Section)
5. Register of Bills
6. Salary Sheet/Muster Roll

7. CPF-loan Register (separate section under F&A)
8. Provident Fund Register (separate section under F&A)
9. Bank Reconciliation Register.
10. Cheque Issue Register
11. Stock Register (maintained by A&P)
12. Files 3

Page-02

2.3 The above mentioned books of accounts , registers and files and clarified in Chapter 8 below.

The following financial reports shall be compiled :

- 2.3.1 Expenditure Statement.(monthly/quarterly/half yearly/yearly)
- 2.3.2 Receipts and Payments Account(monthly/quarterly/half yearly/yearly)
- 2.3.3 Trial Balance (monthly/quarterly/half yearly/yearly)
- 2.3.4 Balance Sheet (quarterly/half yearly/yearly)
- 2.3.5 Schedule of liabilities, advances, deposits, prepayments etc.(quarterly)
- 2.3.6 Bank Reconciliation statement (monthly)

3. Accounting Responsibility.

3.1 The Chairperson/Executive Director is the primary drawing and disbursing Officer of the BMS is responsible not only for the financial Regularity of the transactions of the BMS but also for Maintenance of the accounts of the transactions correctly in Accordance with BMS Accounts Guidelines.

3.2 Accountant of the concerned Thana or any other person Empowered by the Chairperson/ED whose duty is to prepare the primary Documents, books of original entices, books of final entices, Responsible for their completeness.

3.3 An officer who signs or countersigned in any primary documents, books of original entries , books of final entries and reporting etc. is personally, officially and professionally responsible for the facts stated therein so far as it is his/her duty to know or to the extent to which he/she may be responsible or expected to be aware of them.

4. Chart Of Accounts And Structure Of Accounts Code.

4.1 Chart of accounts and accounts codes are listed in Annex 1.

4.2 Accounts codes used are 5 (five) digits comprising of general/Control accounts code (first 2 digits) and subsidiary account code(last 3 digits)

4.3 The general/control account code (first digits)is the code that describes the general BMS Head of Accounts which appears on the financial statements i.e. Receipts and Payments Account and Balance Sheet of the project.

4.4 The subsidiary account codes (last digits) are the codes of Individual account under each general/control accounts code, Thus providing break up of transactions under desired head Of accounts.

5 Accounting Forms and Vouchers.

5.1 The official and approved Accounting Forms and Vouchers of BMS are listed in Chapter -12 These are the only authorized Vouchers and cannot be changed, modified or altered in any Way without written approval of BMS Management.

5.2 The Forms and Vouchers have been designed to record transactions in appropriate manner for internal control, cross reference, efficient and accurate preparation of Final accounts Management Information .

5.3 The Forms and vouchers must be completed in all respects And approved and a theorized. Particular attention must be Given to numbering, coding and obtaining signatures, where Necessary, for the accounting system to work satisfactorily.

Page-03

6. Release of Funds, Bank Accounts, Expenditure And Audit.

6.1 Expenditure is only admissible for activities foreseen within This Financing Memorandum, which is included in the annual Work plans approved by EC & PIU. A Special Account in Foreign Exchange will be opened by the Government of Bangladesh(GoB) for the project. An advance equivalent to the estimated local expenditure of The first six months shall be made by the Commission at the Request of GoB to the above account. The GoB will place Requisite Taka funds against the approved work plans with The Separate project Accounts to be opened by the Executive Director for the Production & Employment creation/ Income Generating Component) Replenishment of the special account by the Commission will be requested half yearly. On Receipt of this request with appropriate statements of account, countersigned by the Controller Of Expenditure, who will check claims against justification, the Commission will transfer funds up to the amount justified, so that:

- a) the balance of the account never exceeds the initial advance:
- b) the total justified expenditure plus the balance of the amount does not exceed the total expenditure foreseen under these project elements.”

6.2 The Chairperson/Executive Director of the BMS who is the drawing and disbursing officer of the fund shall released/advance fund by account payee cheque to the Branch Offices in accordance with annual work plans obtaining requisition from the UM. The remittance shall, however, never exceed the estimated expenditure quarterly. For special expenditure (such as Construction of Union Building etc) separate advances/Allocations will be given.

6.3 Branch wise current account shall be opened with a nationalized bank for all BMS activities . Dhaka Liaison office (if necessary) and project head quarters may maintain SB/STD bank accounts with Government scheduled Banks.

6.4 All BMS funds received , including other receipts shall be deposited into these accounts.

6.5 Branch offices are not allowed to retain funds is excess of their monthly Impress. Any surplus fund must be returned to the HQ or as Directed by HQ Finance and Accounts Section.

6.6 The Chairperson/ED shall maintain/ operate all accounts of BMS, on a” cash basis”, Under double entry system of book-keeping with the help of Finance And accounts section.

6.7 The Manager shall maintain all accounts of BMS at Branch level. **On a’ Cash Basis”**, under double entry system of book- keeping with the help of Branch Accountant.

6.8 Proper records for all bank transactions must be maintained and reconciled Monthly with bank statements by concerned account section (at all levels).The Bank reconciliations shall be kept in a separate file or in a separate Page in the cash Book.

6.9 Cheque Signatory Authority Policy.

Authorization controls are designed to provide reasonable assurance that transaction, events from which they arise and procedures under which they are processed are authorized:

- a) All cheques should bear at least two signatures.
- b) Any cheques for amounts of payments should have to be signed by three signatories of whom Chairperson is mandatory and also one from other two (Accountant and

authorized by EC will have the responsibilities of signatories could be signed in the cheques within the organization financial management.

6.10 In case of temporary or permanent absence of authorized signatories, Alternates may be appointed by the project with written approval of Chairperson/ED

6.11 All branch offices shall be subject to internal audits,

6.12 The internal audit shall be done by the Internal audit Unit of BMS during the financial year or immediately thereafter as necessary. The Internal audit Unit will also be responsible for checking, Review, investigation and related duties as required by BMS Management.

Page-04

6.13 In addition to Internal audit, BMS may appoint external auditor to audit, which shall be carried out by a professional firm of Chartered Accountants, recognized by Institute of Chartered Accountants of Bangladesh (ICAB) and approved by the NGO Affairs Bureau, Government of Bangladesh. The audit shall be carried out for each financial year. Each financial year's audit should be completed not later than 30th September of the following financial year.

7. Cash In Hand.

7.1 BMS Head Quarter, Liaison Office Branch Office have no Provision for cash transaction.

7.2 In exceptional cases, such as salary payment days, or payment of bill, which could not be paid for unavoidable reasons, the restriction, in cash transaction, may be temporarily abolished to the required amount for not more than 24 hours. It will be the responsibility of the Officer-in-charge to prove such exceptions to supervisory authorities/auditors, when questioned/ investigated. It will be his responsibility to protect the cash adequately at all times.

7.3 As cash holding in BMS is generally rare, the discretion of using a safe is left with the local management (about cash payment see 3.1 below)

7.4 For withdrawal and banking of cash, office vehicles must be used at all times. Withdrawal or deposit of more than TK 10,000,00 in cash must be done by at least two accounting or Administrative staff. If adequate number of staff are not available, the cash must be broken into parcels so as not to exceed the limit.

8. Authorization and Approval of Payment Purchase Requests, Quotations And Account Posting Vouchers.

8.1 The project Implementation Unit of BMS is the final authority to authorize and approve all fund payment, purchase request, quotations and accounts posting vouchers. The PIU may delegate authority, in writing, to other BMS Project Officials, if considered necessary by them, for day-to-day Running, of the financial and administrative affairs of BMS Project, It is the responsibility of concerned officials to ensure that the expenditure is within budget and that the annual budgets is adhered to.

8.2 The authorization and approval limits may be altered or revoked by The PIU at any time without any explanations or reasons having to be given.

8.3 When the expenditure is within the authorization and approval Limit of the official, it may be authorized and approved by The same person.

8.4 For the purpose of BMS Project expenditure such as salary, festival bonus, overtime, project Allowance, performance allowance, union living cost, TA/DA and conveyance etc, CPF contributions, staff gratuities, income Tax payments, rent, telephone, gas and electricity are classified As recurring expenditure. All other expenditure are classified as Non-recurring expenditure.

8.5 The lists of authorized officials and their limits for non-recurring and recurring expenditure are given in the following two Paragraphs of Guideline.

8.6 Authorization and Approval Limit for Recurring as stated below:

Expenditure

SL#	Designation	Recurring Expenses	Remarks
01	Chairperson/ED	As per approval Budgets as	

		required	
02	Sectional/Branch Managers.	As Directed by Chairperson/ED	May approve up to any limit if delegated by Chairperson/ED

For the purpose of expenditure such as salaries, festival bonus, allowances, CPF contributions, staff gratuities, income tax, VAT etc. payments, rent, telephone, gas and electricity, repairs and maintenance of motorcycle by Branch Offices within TK. 5,000.00 etc. are classified as recurring expenditure. All Other expenditure is classified as non-recurring expenditure. For further Reference see 5.1.a) The Purchase Requisition and 3 spot quotations requirement do not apply to Recurring expenditure.

Page-05

9. Payment Procedures.

9.1 All bills and vouchers must be forwarded to the concerned accounts section for checking,
9.2 verification and payment. If found satisfactory, the concerned Accounts Section will sign and forward the bill/voucher to the authorized official for his/her approval.

9.2 Concerned Accounts Section can make a payment only if the bills or vouchers have been approved and authorized. As far as possible, the payment is to be made directly to the supplier. On payment, acknowledgement receipt from the payee must be Received. All receipts must bear proper Revenue Stamps, where Necessary. All paid bills must be cancelled with the word "PAID" And date stamped on the bill/ voucher. As far as possible payments Should be made by "CROSSED CHEQUES" (See section 3.1)In Some cases where DD or Pay Order is requested by the party or In favour of them, concerned Section Manager/Purchase Committee Shall give concurrence in this respect.

9.3 Where the concerned Accounts Section is not satisfied with any bill/ voucher, it must be sent back to the person who submitted the bill/ voucher , for an explanation as to way it was accepted.

9.4 All bills paid, cash memos and vouchers must be cancelled by Stamping "PAID" on the bill, with date of payment, by the treasurer/cashier to avoid any double payment.

9.5 Official receipts must be received from payees for all payments, Whether made in cash or cheque.

9.6 Except for inter-office payments (payment to TA/DA etc) for All payments over the exempted account, revenue stamp at The at the current rate must be affixed to the receipt. The Revenue stamp must be cancelled by the payee's signature

Across the stamp. The cost of the revenue stamp shall be borne by the payee.

9.7 When the payee does not have in Official receipt or it is not convenient to have an official receipt from the payee, the paid invoice must be treated as receipt and provisions of Para 3.5.f)

9.8 If any dispute arises regarding a bill of payment, it should first be resolved with the Disbar cement Officer of that office. Failing that, it should be rebred to the Manager F&A and failing that to ED, whose decision will be final.

9.9 Regarding Fixed TA/DA and TA/DA within the project area, Project branch offices with pay these with the subsequent month's pay bill.

9.10 At all levels , for payment of overtime bill, TA/DA and conveyance within the project area, fuel & maintenance bill of motorcycle, office rent, electricity bill, telephone bill etc.- the following time table shall be followed:

- ✚ Overtime On 10th working day of Subsequent month.
- ✚ TA/DA and conveyance Within the project area. Do
- ✚ Floe and Manteca bill of Motorcycle and jeep. Do
- ✚ Office Rent As pre contract with lesser.

⚡ Electricity Bill Within schedule time as fixed by the concerned authority.

9.11 Necessary recommendation, authorization and approval, formalities Shall be completed and the bill forwarded to Accounts and Finance Section five days before the above schedule date for payment. In case of failure to do so, the bill shall be due for payment on the next schedule date.

Page-06

9.12 General Procedure at a glance:

- a. It is necessary to procure a specific item.
- b. Budget provision is there and authorized.
- c. Bills/Memos shall be addressed to BMS Project
- d. Bill memos should be pucca.
- e. If payment is not made by the project directly, the person/ staff who Made the payment shall certify “payment made by me” and will sign On the bill/memo.
- f. Revenue stamp must be used by the supplier/party on cash payment, if the payment exceeds TK.200.00 only.
- g. Overwriting, crossing of figure on the bill is prohibited.
- h. Price will be competitive.
- i. Procurement exceeding TK.500.00 shall be done through purchase committee
- J The bill shall be approved by the appropriate authority.

10 Income /Funds Received.

10.1 All income/ fund received, such as proceeds of sale of fixed assets, books, publication, technical materials, computer software, repayments, computer software, Repayment of misappropriated money, etc must training hostel, repayment of misappropriated money, etc must be accounted for immediately when the funds are received under the same head in which procurement/payment was Made.

10.2 It is the responsibility of the person in-charge of the income generating activity to ensure that the income is ultimately received, and the Accounts Section is timely informed .

10.3 The Accountant concerned must issue proper receipts, as described in Section 8 of the manual, for all incomes received and the funds must Be deposited in the bank accounts, not later than the next subsequent Bank- day.

10.4 All income received must be accounted for in the income-accounts, with appropriate code number used .It the statements to the Monitoring Expenditure Control Cell(MECC) may the income reduce the Expenditure to which Related costs have been booked except in case of bank interest accrued.

11. Purchase Procedures.

11.1. Non-Recurring Expenditure and Recurring

11.1.1 Authorization and approval limits for non-recurring expenditures are stated in Paragraph 3.3, and recurring expenditures, such as rent, salaries, festival bonus, overtime, project allowance, performance allowance, union living cost, TA/DA and conveyance, CPF contributions, staff gratuities, VAT, income tax payments, rent, telephone, gas and electricity, repairs and maintenance of motorcycle by Thana office within Tk.1,000.00 etc. as stead in paragraph 3.4.The purchase requisition and 3(three)spot quotations requirement do not apply to recurring expenditure.

11.1.2 The responsibility for ascertaining the genuineness of the recurring Bills remain with the respective Administrative Heads of the office And the payments must be authorized by him/her by signing on the Bill/demand note himself.

11.1.3 Other purchases or procurement of goods and services in all BMS project offices can only be made by their respective Procurement officers of persons authorized by the PIU for this Purpose.

11.1.4 When any Fixed Asset has been acquired a copy of the bill Must be forwarded to the Manager Administrant, for his record And reference.

Page-07

11.1.5 As far as possible as possible stationery and printing and all other Consumable items are to be procured in bulk. Procurement for six Months at a time is preferred.

11.1.6 Training Section will place requirement for training items separately. Segregation of purchase for training section will help accounts section to Book expenses against the correct budget provision.

11.1.7 Cash payment should always be avoided (see 3.1 above).payment Should be made through crossed cheques as far possible. Only In some exceptional cases, particularity for payment of emergent Necessity , cash payment should be made.

12. Stationeries and Office Supplies.

12.1 For procurement of stationery, the stationery procedures described in Paragraph 3.2,3.3,3.4, and 5.1. must be followed.

12.2 The Chairperson/ED has the discretion to decide whether a stock level of stationery Is to be maintained or stationery for a particular office will be purchased On a “as and when necessary basis”

12.3 In all the BMS Project Offices, where a stock of stationery is maintained, A stock register showing Date, reference, Opening Balance, Receipts/Purchased, Total, Issue and Balance etc.

12.4 For requisition and issue, Standard Requisition Forms, which are available From Head Quarter on request, are to be used.

12.5 Administration and Personnel Section of the Head Quarter and Secretary of Thana Offices will be responsible for managing and keeping record of stationery.

12.6 Procurement of stationery will be made on the basis of balance of stork Register. It is the responsibility of the respective authority to set minimum stock levels for the stationery stock.

12.7 For purchase related to training, workshops and seminars requisition must Be recommended/ authorized by the concerned Manager or any other person nominated by the project authority, giving specification under which Head of expenditure the cost is to be booked.

12.8 Internal Audit Unit will be responsible for audit of stationery stock at the time of their audit of BMS Project Offices, and any discrepancies must be reported in their internal audit reports.

12.9 At BMS Head Quarter there will be a Purchase Committee shall be formed with the following members:

- | | |
|---|------------------|
| 1) Manager Admin & Personnel | Chairman |
| 3) Officer Accounts & Finance | Member Secretary |
| 5) Other Staff (as delegated by Chairperson/ED) | Member |

At BMS Branch Offices a Purchase Committee shall be formed with the Following members:

1) Manager/Coordinator	Chairman
2) Accountant	Member Secretary
3) Staff (as delegated by Chairperson/ED)	Member

12.10 **Free Shopping:** Demands valued up to TK.100.00 do not require prior quotation:

12.11 **Spot Quotation:** Demands estimated value of which exceeds TK.100.00 but not TK.5,000.00, require three Spot quotations

Page-08

12.12 **Limited Tender :** Demands, estimated value of which exceeds TK. 5,000.00 but not TK.100,000.00, require At least three limited tenders from pre-listed Firms/suppliers. Suppliers shall be selected within 15 working days from the date of tender opening. In case of short listing of suppliers, wide circulation Of tenders in different offices/institutions should be made.

12.13 **Advertisement:** All demands valued TK.10, 000.00 and above shall be advertised in a national daily news paper and at least three quotations be obtained.

12.14 **Single Tender :** Where the purchase committee is satisfied that no other firm is in position to quote(e.g. for strictly proprietary articles with a sole agency)a single tender procedure with, approval of the Chairperson/ED will be followed . In all other cases three quotations can only be dispensed with, in exceptions circumstances, by the PIU or the concerned authority.

12.15 All purchase or procurement in excess of TK.2,000.00 must be supported by an authorized and prior approved Purchase Request Form. For this purpose standard Purchase Request For this purpose standard Purchase Request For must used by all offices of BMS Project. Purchase Request Forms are available from HQ on request.

13. Training Expenditure

13.1 For procurement of Training the procedures described in paragraph 3.2, 3.3,3.4, and 5.1 must be followed. In case of any discrepancies between the paragraphs mentioned and the Training Expenditure Policy Training Expenditure Policy will apply. It is stated In the Training Expenditure Policy that:

13.2 Any expenditure beyond this policy and without the approval of PIU/Chairperson/ED will be treated as illegal”

13.3 Each Branch has to prepare a quarterly training plan, which is sent to the Training Section, which computes and summarizes the budgets for the Branches and , if necessary, adjusts quarterly plans/budgets to the annual plan/budget . PIU approve the adjusted Branches budget for the next quarter, taking into consideration the balance left over from previous quarter.

13.4 No expenditure for training can be authorized/approved if not within the frame of the quarterly budget, except in exceptional cases with prior written authorizations by Chairperson/ED.

13.5 The Branch Accountant must use the cost code numbers indicated in Training Expenditure Policy when recording the expenditure.

13.6 In case of training arranged and paid by headquarter , a budget shall be prepared by Training Section and approved by Chairperson/ED for each course/workshop/study tour etc. In the budget, before approval, it has to be stated , by code-number ,to which cost center and cost code the expenditure shall be charged on realization.

14. Salaries and Allowances to Employees.

14.1 Salaries.

14.1.1 Salaries, allowances and benefits of all employees will be calculated and paid in accordance with the Appointment letter, Personnel Policies and Procedures. The same procedures will apply for honorarium and fees for the consultants for the project.

14.1.2. Payroll of all the BMS Project employees will be prepared by the respective offices and will be according to payment procedures.

14.1.3 In case of cash payment the payment shall be made by a different person than the one who prepared the bill.

Page-09

14.1.4 Pay bill of all other offices of BMS Project shall be approved by their Disbursement Offices as authorized by the project management.

a. Salaries will normally be paid as stated :

a) Pay Scale employee On 27th day of current month.

b) Contract employee On 30th day of current month.

14.1.5 Disbursement Officers must obtain signature from staff paid by Cheque or cash as proof of payment. For staff being paid by Bank in transfers, debit of the amount on the bank statement shall be considered as proof of payment of the account.

a. Staff on muster roll basis shall be paid by a separate form Prescribed in this regard.

b. Calculation of final payment and termination benefits of all Staff leaving the project shall be made by the Finance and Accounts Section of the Head Quarter at the instructions of the Chairperson/ED. The instruction officer will be responsible for submitting To the HQ Finance and Accounts Section Clearance/Release Order duly completed, together with their "personal File" NO Field level employees final payment can be done until Internal audit has been carried out. Final payment bill must be approved by Chairperson/ED.

14.1.6 Final payment of a staff member can be made from another Office than HQ if the management of the project decides so.

14.1.7 If any dispute arises relating to final payment, it will be Referred to Manager F&A/Manager A&P in the first Instance and finally to the Chairperson/ED, whose decision will be final.

15. Overtime Payment to Staffs'

15.1 Overtime shall be calculated and paid in accordance with Administrative Rulers and Procedures.

16. Leave Entitlement and Records.

Leave Entitlement.

16.1 For leave entitlement of all employees of the BMS Project Refer to Administrative Rules and Procedures.

Records of Leave.

16.2. For record of leave of employees of the BMS Project, Refer to Administrative Rules and Procedures.

17. Traveling Allowances, Daily Allowances and Conveyance.

17.1 Project Service Rules, Administrative Rules and Procedures shall be Referred to for all project employees. Also circulars from time to time Or any amendment of rules and procedures on the basis of Chairperson/ED Decision shall be applicable.

18. Advances for Purchases/Procurement.

18.1 Advances can only be given for purchase/procurement of goods and services, for settlement of utilities bills and against traveling expenses, where it is not convenient to pay by cheque or the exact amount of the payment cannot be ascertained.

18.2 All advances must be authorized by the person authorizing/approving the Purchase Request Form.

Page-10

18.3. The authorizing/approving authority must specify in writing the amount of The advance at the time of authorizing/approving the purchase Request, or Special request for advance.

18.4. Any advances, by cash or cheque other than Advances against salaries and Those covered by Paragraph 2.1) above, to any person/persons or organizations, must have prior written authorization of Chairperson/ED.

18.5 All advances must be settled within 30 days of receipt of the advance, with writing by the Chairperson/ED at Bills/vouchers/statements and other necessary supporting documents/papers, unless allowed in the time of receiving the advance or Subsequently, that the advance may be adjusted beyond 30 days.

18.6. The Management of the project, at their discretion, may direct the Accounting Office to recover the advance from the staff's salaries, if there is any evidence or suspicion that the advance is not being

Page-03

settled according to the rules in this manual or without any reasonable ground or any undue advantage is being taken by the staff concerned.

18.7. Personal advance is strictly prohibited, besides those dealt with in clause 7.1 Above , however , under exceptional circumstances PIU may consider it.

18.8. If the cause for disbursement of an advance, for one reason or another , is Either dropped or delayed for more than 30 days , it shall be refunded immediately when this is known.

18.9. All advances must be entered and accounted for in the cash-book as well as Advance ledger.

18.10. An advance can under no conditions, whatever reasons stated, be recorded as An expenditure until realization of the advance and settlement of it.

18.11. All outstanding advances must be submitted each Accounting Office HQ Accounts Section at the end of each month together with the accounts. The Accounts Section will prepare a consolidated list for submission to PIU. Together with other monthly reports.

19. Advances To Suppliers.

19.1 Request for advance to suppliers of goods and services may be made by the official authorization/approving the Purchases Request Form. The amount of the advance must be specified.

19.2. It is responsibility of the Accounting Office, making the advance, to Ensure that the advance is adjusted or refunded at the time of making the final Payment to the supplier of services or goods.

19.3. It is responsibility of the Accounting Office making the advance to take Formal receipt from supplier for the advance taken.

19.4. A list of all out standing advances must be submitted by each Accounting Office To HQ Accounts section at the end of each month together with monthly accounts .HQ account section shall include these advances in their consolidated List mentioned under 7.1& 7.2) above.

20. Accounting Record and Books Of Accounts.

20.1. Accounting Principle.

20.1.1 BMS accounting is on “cash basis” and , therefore, a financial transaction Is recognized only when money is received or paid thus one aspect of double-Entry record keeping will be always cash/bank account the other aspect Will be recorded in the concerned account of expense or asset or liability.

Page-11

20.1.2. The full cost of the fixed assets will be booked in the monthly expenditure account in the month of purchase in accordance with the accounting principles established by this manual, and there will not be any Depreciation charge for the fixed assets in the monthly accounts.

a. The primary document in use in BMS office are as follows:

- 1) Money Receipt
- 2) Credit/Receipts Voucher
- 3) Debit/Payment Voucher
- 4) Journal Voucher
- 5) Stock Issue Requisition

20.1.3. The information from the above mentioned documents are recorded in the Following registers /documents:

1. Cash Book/Daily Bank Transaction Records
2. General Ledger
3. Subsidiary ledger
4. Fixed Asset Register
5. Register of bills
6. Salary Sheet/Muster Roll (if marauded)
7. CPF-Loan Register(separate section under F&A)
8. Provident Fund Register(separate section under F&A)
9. Bank reconciliation Register
10. Cheque issue Register
11. Stock Register
12. Files

The above mentioned vouchers , books of accounts , registers and files are described below:

21. Vouchers General

In BMS Accounting system Vouchers are “prime documents” from which Books and accounting recodes are written. Since it may not be possible to Record all details of a transaction in the limited space in the books of Accounts, vouchers are constantly referred to resolve any queries or Confusions about any entry in the books of accounts. It is therefore Important that all vouchers are complete, properly authorized and have full Details of the transaction . All original vouchers will remain in the office where they are recorded.

Money Receipt

Money Receipts shall be used for the following transactions:

1. Sales of training material
2. All other receipts

Credit/Receipt Voucher

Credit/Receipt Vouchers shall be used for the following transactions:

One or annals
Government Grants
All other income and receipts

Credit/Receipt Vouchers shall be submitted for approval approved Credit/Receipt Vouchers can be posted to the books of account.

Specimens of Credit/Receipt Vouchers are given in the List of Forms.

Page-12

Debit/Payment Voucher

Debit/payment Vouchers for payment or discharge of liabilities shall be Used for the following transaction:

1. **Payment to suppliers of materials, office equipment, furniture, stationary, books and publications:**
2. Payment of any other expenditure:
3. Payment of salary:
4. Payment for staff development:
5. Payment of TA/DA:
6. Payment for telephone, fax, electricity, gas and other utilities:
7. Payment for operation and maintenance of motor vehicles, motor bikes and bicycles:
8. Payment of Contingencies:
9. Payment of any other expenditure not covered by any other vouchers.

Debit/ Payment Vouchers shall be submitted for approval together with all supporting documents. Only duly approved Debit/Payment Vouchers can be posted to the books of accounts. Specimens of Debit/Payment Vouchers are given in the List of Forms.

Journal Voucher

Journal Vouchers shall be used for the following transactions:

Adjustment of advances:

Provision for Liabilities:

Provision for Dues:

Deductions from salaries and allowances:

Correction of any errors and omissions:

Other transactions not covered by any other vouchers:

Journal Vouchers shall be submitted for approval together with all supporting documents. Only duly approved Journal vouchers can be Posted to the books of accounts. Specimens of Journal Vouchers are given in the List of Forms.

22. Stock Issue Requisition

Is used in the BMS Project for issue of store items, with signature by the Receiving officer.

23. Books, Ledgers And Registers

Cash Book/Daily Bank Transaction Records

Cash books shall be maintained HQ/Branch wise/project wise

Cash Book shall have to following classified Heads of Account and all entries in the Cash Book shall be in ink:

Receipts

Government, Donors, others sources Grant

Other Receipt Materials Supply Cost etc.

Payments

1. Bank Account
2. Training Expenditure
3. Other Expenditure

All pages in the Cash Book shall be signed by the following:

1. In Branch Office: Manger, Accountant:
2. In HQ accounts section: Manager F&A,
3. Accounts Officer, Accounts Assistant/Cashier

Page-13

The Cash Book shall be kept up-to-date at all times balanced At the end of all pages and at the end of the month:

No Payments can be made from any BMS bank account Without first making entry in the Cash Book and without The signature of Drawing and Disbursement Officer.

A Specimen of Cash Book is given in the List of Forms.

24. General Ledger

24.1 All BMS Accounting Offices shall maintain a General Ledger, where posting shall made into type of costs as per Chart of Accounts.

24.2 The General Ledger shall be kept up-to-date at all times and balanced at the end of each month.

25. Fixed Assets Register

25.1 For procurement of Fixed Assets procedures as described in Paragraph 3 and 4 must be followed.

25.2. All BMS Offices shall maintain a Fixed Assets Register and keep a record of all fixed assets acquired or procured by that office. The Administration and Personnel Manager will be responsible for the maintenance of proper records of all Fixed Assets. He must number and mark the fixed assets immediately On purchase with non-erasing ink. The economic life in year will Be stated for each asset at the time of preparing the Fixed Asset Register card.

25.3. separate folio or set of folios shall be opened for each asset Group. All fixed assets on hand shall be recorded in the Fixed Assets Register individually.

25.4. The Fixed Asset Register shall be kept up-to-date at all times and Balanced at the end of each month.

25.5. All Fixed assets shall be inventoried at June 30th each year. Approved Inventory Sheets shall be used for this Purpose. The stock on hand per Fixed Assets Register shall be verified against The physical count, and the physical quantity shall be recorded in The Fixed Assets Register.

25.6. Excess of fixed asset shall be recorded in the Fixed Assets Register, in case of shortage of fixed assets decision shall come From Chairperson/ED.

25.7. In case of fixed asset's disposal up to TK 5000 in book value Public auction will not be required and exceeding TK 1000 Public auction shall be equipped.

25.8. Disposal of destroyed, scrapped and uneconomical fixed assets can be written off with prior intimation to Chairperson/ED irrespective of the budget head utilized for their procurement. Only the PTU

is authorized to issue instruction for disposal of fixed assets. The disposed fixed assets shall be taken out from the Fixed Assets Register and sale proceeds shall be accounted for as Specified in paragraph 4. 25.9. For the calculation of disposable value, assets will be depreciated With the linear depreciation method basis of the assets Economic life.

25.10. Internal Audit Unit will carry out a physical inventory of Fixed assets at the time of internal audit of the office and report any discrepancies in the Internal Report.

25.11. The fixed assets are to be handed over to BMS after expire Of the project duration as per PP. A specimen of Fixed Assets Register and physical Inventory Sheet is given in the List of Forms.

26. Accounting Files And Documents.

26.1. All BMS files, documents , books of accounts' sheet be maintained office- wise.

26.2.All BMS files, documents and books of accounts shall be preserved for at least 10 years.

Page-14

26.3. Following files shall be maintained for all Offices and other offices, applicable;

1. Project Funds Transfer;
2. Files for all documents/vouchers for Other Income and Other Expenditure;
3. Personnel Files for officers and support staff;
4. Files for Internal Audit, External Audit, Government Audit Investigation, ReBMS, and hoc Check, Donors, Gob, Tour programmed Files;
5. Files for Tender/Quotation including Spot Quotation, paper Advertisement Cutting;
6. Files For Training Budgets;
7. Files For Budgets;
8. Files for Quarterly Accounts Reimbursement and Fund Demand;
9. Files For Annual Accounts;
10. Guard file for Debit/Credit/Journal Vouchers, files for Contingency expenditure, Telephone, Electricity, Gas, Fuel, Salary Overtime, wages, TA/DA, printing and Stationary, Repair and maintenance etc. Files maintain and preserve.

27.Accounts And Financial Statements

27.1. Monthly /Quarterly Accounts

- a. All BMS Thana Offices, and HQ Accounts Section shall submit financial accounts each Accenting Month,
- b. Each Monthly account shall include the following Statements, schedules and certificates;

1. Monthly Expenditure Statement And Receipts And Payments Account
2. Trial Balance
3. Bank Reconciliation Statement
4. Schedule
5. Quarterly Accounts Shall Include Balance Sheet.

HQ Accounts Section shall compile Consolidated Report covering the whole project and submit to Chairperson/ED. HQ Accounts Section Shall also compile Quarterly Consolidated Repots for submission to Chairperson/ED.

Specimen of the forms are shown in the list of Forms.

28 .Half Yearly And Yearly Reports

28.1. Half yearly and yearly accounts shall be final accounts for the half and year as to facilitate for the MECCC controller of Expenditure to report to EC office for release of funds. The half yearly and yearly Accounts shall be signed By Chairperson/ED Manager F&A and Deputy Manager F&A.

Annual Accounts

28.2. Annual Accounts comprising Balance Sheet and Expenditure And Income Statement as at 30th June has to be prepared every Year to be included in the Annual Report together with Budget Comparison. The submission date for the Annual Accounts shall Be August 31st the subsequent year. The Annual Accounts shall Shall be signed ED, Manager F&A and Deputy Manager F&A:

29. Accounting Period And Cut-Off Date

(a) The periods covered by BMS accounting garters are as Follows;

1. 1st Quarter; 1st July to 30th September;
2. 2nd Quarter; 1st July to 31st December;
3. 3rd Quarter 1st July to 31st March;
4. 4th Quarter ; 1st July to 30th June.

Page-15

The monthly reports will cover the period from 1st July to end of reported month.

The accounts and financial statements for each of the Accounting Months/ Quarters shall cover the dates Stated above,

(b) Cut-off dates for closing off BMS books of accounts are as follows for quarterly reports;

1. 1st Quarter; 30th September;
2. 2nd Quarter; 31st December;
3. 3rd Quarter; 31st March ;
4. 4th Quarter; 30th June;

Cut-off dates shall be strictly adhered to each accounting Office.

At HQ Accounts Section may keep its books open a period not exceeding six working days of the following month to ensure that all repots, expenditures and apportions are reflected in the current month and current quarter.

30. Accounts Submission Date, Signatories On Reports

30.1. The submission dates for Branch Offices /Unit Offices. For their monthly/quarterly reports are the fourth calendar day of following month. The submission dates for HQ Accounts Section for consolidated quarterly accounts are as follows;

1. 1st Quarter; 5th September;
2. 2nd Quarter 5th February;
3. 3rd Quarter; 5th May;
4. 4th Quarter 5th August;

The submission dates for HQ Accounts Section for monthly repots are the 10th calendar day of the following month except for June where the Submission shall be on the 15th July.

30.2. All reports and stat mission submitted shall be signed by Thana Accountant/Branch Manager HQ Accounts Section Accountant/Manager F&A/Chairperson/ED.



Chairperson
Mst. Beauty Khatun
Bakultali Mahila Sangshad (BMS)
Bhurungamari, Kurigram.

-:THE END:-

Page-16