

ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention on accrual basis and in accordance with applicable mandatory accounting standards.

B. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at Written down Value after depreciation. Cost of acquisition/construction includes freight, duties, taxes and other incidental expenses incurred until installation/commission of the asset.

Fixed assets are depreciated on the written down value method at the following rates of depreciation:

Computer		40%
Furniture & Fixture	10%	
Office Equipment		10%
Building		10%
Vehicle	15%	

Depreciation on additions is charged for the full year irrespective of the date of acquisition.

C) INVESTMENTS

Investments are made according to rules & regulations framed by the law and it are stated at cost.

D) FOREIGN CURRENCY TRANSACTIONS

Grants received in foreign currency are accounted for at the exchange rates prevailing on the date the transaction take place. And all the money received, are being kept in FCRA account and utilized through the account.

E) Organization has Internal Control system to monitor Receipts & expenditures towards the various Project. And One Chartered Accountant has been deputed for rendering his services to make strong systems and periodically monitoring of books of accounts and financial policies.

F) All the Cash vouchers more than Rs.5,000/- (Earlier it was Rs.500/-) are being affixed Revenue Stamp on supporting documents, i.e. the documents on which payment is made and acknowledgement of recipient is taken.

G) All the Vouchers are kept project wise in Separate files for each financial year.

H) All the Expense related to project are first approved by Branch In-charge and then by Project Head with the proper Authorization.

- I) All the Fixed Assets purchase are supported by at least three quotations and one quotation is being approved with the consent of financial controller and director.
- J) Organization follows decentralized System of Accounts Maintenance” wherein in Head office a Control Account of Project is maintained and a Grant Account is maintained, at Project level full Account including Cash & Bank Books are also maintained. Fund is transferred to Project on monthly basis as per their requirements because of FCRA’s Restrictions, at any point of time the difference between Grant Account and Project Control Account is Balance of Project Fund at Head office.
- K) Bank Reconciliation is being done on quarterly basis.
- L) Concerned person at Project office has been instructed to do the numbering on Fixed Assets.
- M) A log book of office vehicles are being maintained at Project office & Head office.
- N) A Term of Reference has been issued to Auditors.
- O) Salary Register is being maintained at Project Office and all these details are maintained there at the month end details duly signed by Project In-charge is received at Delhi office.
- P) Monthly Back-up of Computer Data is taken and kept in proper place.
- Q) All the major payments in Delhi Office are made through Account Payee Cheque only.
- R) Overwriting / Cutting on relevant documents are signed by Approving Authorities.
- S) Accounts Team is fully aware of Accounting Fundamentals, Income Tax Rules & Regulation, FCRA Rules & Regulation and Financial Management. They attend all concerned seminars on NGOs and accounting matters at regular intervals.
- T) in all areas, as evident from our track record that CSR has never been penalized for any default by Income Tax Department, FCRA Authorities or by any other Authority and CSR has been recognized by Ministry of Finance, Dept. of Revenue, Central board of Direct tax, as Organization of National Importance since 1995-96 and further CSR has been recognized by Charitable Institute under section 80G of the Income Tax Act, 1961 and all the donation to CSR are eligible for Income Tax Deduction.