Financial, Procurement & Cash Policy

Society for Urban, Rural, Economic and Socio Habitation”

Thavanampalli -517 131, Chittoor District, A.P., India

1.0. BACKGROUND.

The Society for Urban Rural Economic and Socio Habitation S.U.R.E.S.H is a registered nonprofit organization committed to promoting social inclusion and equitable development among marginalized communities in rural areas of Andhra Pradesh. The organization works with a strong focus on persons with disabilities and women and children and economically weaker households who face multiple barriers in accessing basic services and opportunities. Guided by a rights based and participatory approach S.U.R.E.S.H strives to empower communities by strengthening their capacities and enabling them to lead dignified and self reliant lives. Its work is rooted in the understanding that poverty and social exclusion and lack of access to education and health and livelihoods are interconnected challenges that require integrated and community driven responses.

S.U.R.E.S.H implements a range of development initiatives including financial literacy programs and livelihood support activities and distribution of assistive devices for persons with disabilities and promotion of child rights and community awareness on health and sanitation and social issues. The organization receives support from government programs and donor agencies and CSR partnerships and community contributions which requires strong systems for responsible financial management. To ensure transparency and accountability S.U.R.E.S.H has developed this Financial Procurement and Cash Policy as a guiding framework for all financial operations. The policy helps ensure that resources are utilized efficiently and ethically and only for approved purposes while maintaining compliance with statutory and donor requirements and strengthening institutional credibility.

2.0. THE OBJECTIVES OF THIS POLICY ARE TO:

1. To establish standardized systems for financial planning budgeting accounting and reporting across all organizational functions.
2. To ensure transparency and accountability in all financial transactions through proper documentation verification and approval processes.
3. To promote fair and cost effective procurement practices that ensure quality and value for money while maintaining ethical standards.
4. To strengthen internal control systems by clearly defining roles and responsibilities and approval mechanisms and monitoring procedures.
5. To minimize financial risks and prevent misuse or mismanagement of funds through effective checks and controls.
6. To ensure full compliance with statutory requirements and donor guidelines including Income Tax provisions and FCRA regulations.
7. To promote efficient and effective utilization of financial resources strictly for approved program purposes.

3.0. FINANCIAL MANAGEMENT POLICY.

Financial management at Suravarupu Kondareddy Pupils Welfare Society (SURESH) is founded on the principles of transparency, accountability, financial prudence, efficiency and statutory compliance. SURESH adopts standardized financial systems to ensure optimal utilization of resources, prevention of financial risk and full alignment with donor conditions, regulatory frameworks and organizational objectives. All financial decisions are documented, traceable and subject to internal and external oversight.

3.1 .Budgeting.

SURESH follows an annual, needs-based budgeting process linked to program outcomes and institutional sustainability. Program Heads prepare activity-wise budgets in consultation with the Finance Officer, based on projected income, historical expenditure trends and operational priorities. The consolidated budget is reviewed and approved by the Managing Committee before the commencement of the financial year. Budget performance is monitored periodically and deviations beyond 10% require justification and approval, ensuring fiscal discipline and control.

3.2 .Income Management.

All income, including grants, donations, fees and contributions, is recorded immediately in the accounting system and supported by official receipts. Funds are deposited into authorized bank accounts within 24 hours, minimizing cash risk and ensuring audit compliance. Income utilization strictly follows donor agreements, approved budgets and statutory norm with separate tracking for restricted and unrestricted funds wherever applicable.

3.3 .Expenditure Control.

Expenditure at SURESH is governed by approved budgets and delegated financial authority limits. Payments are processed only against verified bills, vouchers, and approvals. Expenses exceeding Rs.50,000 require prior Managing Committee approval, strengthening oversight for high-value transactions. Preference is given to cashless transactions to enhance transparency, traceability, and financial control.

3.4 .Asset Management.

SURESH maintains a comprehensive Asset Register capturing acquisition cost, funding source, location, and condition of assets. All assets are tagged and safeguarded, with annual physical verification conducted to confirm existence and usability. Asset records support depreciation accounting, insurance coverage and compliance with donor and audit requirements.

3.5. Audit and Financial Review.

Quarterly internal audits assess compliance, risk exposure, and internal control effectiveness. Findings are reviewed by management and corrective actions are documented. Annual external audits by a Chartered Accountant ensure statutory compliance and credibility of financial statements, which are shared with donors, regulators and the Managing Committee.

3.6. Reserve Fund.

SURESH maintains a contingency reserve equivalent to three months of operational expenditure to manage funding delays, emergencies or unforeseen liabilities. The reserve strengthens financial resilience and is reviewed annually as part of risk and sustainability planning.

4.0. PROCUREMENT POLICY.

SURESH adopts a fair, transparent, competitive, and accountable procurement system to ensure optimum value for money, ethical sourcing, and responsible use of organizational resources. All procurement activities are aligned with approved budgets, statutory requirements, donor conditions and program priorities to ensure timely and efficient acquisition of goods and services without compromising quality or integrity.

4.1. Key Principles.

All procurement at SURESH is guided by the principles of transparency, fairness, cost-effectiveness, quality assurance, and ethical conduct. The policy ensures equal opportunity for eligible suppliers and prevents conflicts of interest, favoritism and misuse of funds.

4.2. Procurement Thresholds.

Procurement at SURESH is based on purchase value to ensure control and accountability. Purchases up to Rs. 50,000 require two quotations, Rs. 50,001 to Rs. 2,00,000 require three quotations, and above Rs. 2,00,000 require competitive bidding or tendering. Suppliers are evaluated for quality, reliability and cost-effectiveness. Approvals follow the hierarchy of Program Head, Finance Officer and Chief Functionary. Payments occur after verification, and emergency procurements require documentation and post-facto approval.

4.3 .Supplier Selection.

Suppliers are evaluated based on reliability and delivery capability, quality of goods or services, cost-effectiveness, statutory compliance including GST and licenses, and past performance or references. Only suppliers meeting these criteria are considered for procurement.

4.4. Approval Process.

All procurements follow a defined approval hierarchy. The Program Head recommends procurement based on program needs and budget. The Finance Officer verifies financial compliance and budget availability. The Chief Functionary provides final approval in line with delegated authority. This process ensures accountability and internal control for all purchases.

4.5 .Payment Terms.

Payments are released only after receipt, inspection and verification of goods or services. Payments are preferably made through bank transfer or cheque to ensure traceability and audit compliance. All transactions are fully documented for record-keeping and reporting.

4.6. Inventory Management.

All procured items are recorded in the Inventory Register with details such as quantity, location, and condition. Periodic verification is conducted to prevent loss, misuse, or wastage. Inventory records support program planning, asset management and audit requirements.

5.0. CASH MANAGEMENT POLICY.

Effective cash management is essential for ensuring security, accountability, transparency in financial operations of SURESH. This policy ensures all cash transactions are properly recorded, monitored, controlled to safeguard resources and maintain strong financial governance.

5.1. Cash Handling.

All cash receipts and payments must be recorded daily in the official Cash Book with full details including date, amount, purpose and recipient. Each transaction must have supporting documentation such as invoices or receipts to provide a clear audit trail. This ensures all cash activities are tracked, verifiable and transparent.

5.2. Petty Cash.

The Society maintains a petty cash fund for small incidental expenses such as stationery or minor office needs. The maximum petty cash limit is Rs. 5,000 at any time. Petty cash must be reconciled monthly by the Finance Officer. Any discrepancies must be reported immediately to the Executive Director. This ensures proper monitoring and prevents misuse of funds.

5.3. Cash Withdrawal and Disbursement.

All cash withdrawals require prior approval from the Executive Director or Finance Officer to maintain accountability. Wherever possible disbursements should be made through cheques or online bank transfers to reduce risks of handling cash. In exceptional cases where cash payments are unavoidable proper justification and supporting documentation must be provided.

5.4. Cash Reconciliation.

The Finance Officer is responsible for weekly reconciliation of all cash balances to verify recorded amounts match physical cash on hand. Any discrepancies identified during reconciliation must be reported immediately to the Executive Director and recorded in a Cash Discrepancy Register. This ensures prompt detection and resolution of errors or irregularities.

5.5. Security of Cash.

All cash must be stored in a secure lockable safe within office premises. Access to cash is restricted to authorized personnel only. Every instance of access must be recorded in a Cash Access Register. Large cash holdings should be minimized. Appropriate insurance coverage should be considered to safeguard against theft, loss or other risks.

5.0 . ROLES AND RESPONSIBILITIES.

S.No	Position	Roles and Responsibilities
1	Chief Functionary	Provides overall financial oversight of the organization. Approves budgets, expenditures, ensures compliance with financial policies, submits periodic financial reports to the Managing Committee and relevant authorities.
2	Finance Officer	Maintains all financial accounts accurately. Reconciles bank statements and cash records. Prepares monthly, quarterly, and annual financial reports. Coordinates internal and external audits and implements audit recommendations.
3	Program Heads	Ensure all program funds are used strictly for approved purposes. Review and approve program-specific expenditures in line with approved budgets. Maintain supporting documentation for all program transactions.
4	Managing Committee	Reviews and approves organizational budgets and major expenditures. Establishes financial policies and monitors

		implementation. Reviews financial reports and ensures accountability of resources.
5	Internal Auditor	Conducts quarterly audits of financial records, transactions, and compliance. Reports deviations, irregularities and recommendations to the Chief Functionary and Managing Committee. Ensures transparency and accountability.

6.0 REGISTERS AND PLACEHOLDERS.

S.No	Register Name	Purpose	Frequency	Authorized Signatures
1	Cash Book	Record daily cash receipts and payments.	Daily	Finance Officer
2	Petty Cash Register	Track petty cash usage and replenishment	Monthly	Finance Officer / Executive Director
3	Procurement Register	Record all procurement transactions and supporting documentation.	As required	Program Head / Finance Officer
4	Cash Discrepancy Register	Record any cash discrepancies and corrective actions taken	As needed	Finance Officer / Executive Director
5	Cash Access Register	Record authorized personnel accessing cash	Ongoing	Finance Officer
6	Budget Register	Track approved budgets for programs and operations	Monthly	Finance Officer
7	Donation Receipt Register	Record all donations received	Ongoing	Finance Officer
8	Payment Voucher Register	Record all payments made	Ongoing	Finance Officer
9	Fund Utilization Statement	Track utilization of funds per program	Quarterly	Finance Officer
10	Asset Register	Record fixed assets and equipment	Annually	Finance Officer
11	Inventory Register	Track office supplies, program materials, and stock	Monthly	Program Heads
12	Internal Audit Reports	Record findings and observations of internal	Quarterly	Internal Auditor

		audits		
13	External Audit Reports	Record findings of annual external audits	Annually	Chartered Accountant

7.0 REPORTING AND COMPLIANCE.

7.1. Quarterly Reports.

The Finance Officer is responsible for preparing and submitting detailed quarterly reports to the Managing Committee. These reports provide a clear account of fund utilization, expenditure trends, program-wise spending. By highlighting any deviations from approved budgets these reports ensure the Managing Committee has complete visibility into the organization's financial operations and can provide informed guidance to maintain financial discipline.

7.2 Annual Audit.

The accounts of the Society are audited annually by a qualified Chartered Accountant. The audit process involves a thorough review of all financial records, transactions, statutory requirements and donor requirements. Audit reports are shared with donors and relevant government authorities to maintain transparency, demonstrate accountability and build trust among stakeholders.

7.3 Statutory Compliance.

The Society adheres strictly to all statutory regulations including Income Tax, FCRA and other relevant legal requirements. All financial practices comply with these regulations to ensure legal integrity, accountability and transparency. Compliance ensures the organization remains in good standing with authorities and operates efficiently within the law.

7.4 Deviation Reporting.

Any irregularities, discrepancies or deviations from approved financial procedures must be reported immediately to the Chief Functionary and the Managing Committee. Prompt reporting ensures corrective action occurs without delay. All reported deviations are documented and monitored until resolved to maintain a strong internal control system.

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9. POLICY REVIEW AND UPDATES.

This Financial, Procurement and Cash Policy shall be reviewed annually or earlier if required, to reflect changes in applicable laws, donor requirements, or organizational growth. Such reviews ensure that SURESH continues to maintain robust, transparent and accountable financial practices, thereby supporting the effective implementation of all programs and activities.

10. APPROVALS.

S,No.	**Name**	**Designation**	**Signature**	**Date**
1	Chief Functionary/			
2	Finance Officer/			
3	Managing Committee Chair/			