THE CHILDREN'S HOME: SAIKOT
Societies Regn. No. 3116 of 1980; 194160003 of 1985 (FCRA);
12A Regn. No. 573/12A/CA/8485; 80G Regn. No. AAAAT7247D25KL02
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A world of equal opportunity where orphans, destitute and underprivileged children live with respect and dignity

THE CHILDREN'S HOME; SAIKOT
Churachandpur, Manipur, North East India

FINANCE POLICY

1. POLICY STATEMENT

The Children's Home; Saikot is a non-profit charitable organization established in 1980 at Saikot, Churachandpur, Manipur. Its purpose is to provide care, support and rehabilitation to orphans and underprivileged children, including food, shelter, clothing, education, healthcare and other essential facilities. Financial resources are therefore a means of fulfilling the charitable objectives of the Home.

The organization is committed to transparent, accountable, prudent and efficient financial management. All funds and assets shall be used only for authorized organizational purposes and in the best interests of the children and the charitable objectives of The Children's Home; Saikot.

2. PURPOSE AND OBJECTIVES

- Ensure that organizational funds are received, held, used and accounted for properly.
- Maintain complete, accurate and timely financial records.
- Ensure that expenditure is authorized, supported by appropriate documentation and related to approved activities.
- Promote transparency, accountability and segregation of financial responsibilities.
- Support compliance with applicable legal, regulatory, tax, donor and grant requirements.
- Protect organizational funds, property and other assets from loss, misuse, fraud or unauthorized use.
- Provide reliable financial information to the General Body, Managing Board, management, auditors and authorized donors or authorities.

3. SCOPE

This policy applies to the General Body, Managing Board/Key Functionaries, the Manager/Secretary, Treasurer, finance and accounts personnel, project staff, employees, volunteers and any other person authorized to receive, approve, spend, record, safeguard or report organizational funds.

4. GOVERNANCE AND FINANCIAL AUTHORITY

The Society is governed by Key Functionaries elected by the General Body for a term of five years. The structure includes the Chairman, Secretary (Manager), Treasurer and Members. The General Body is responsible, among other matters, for approving accounts, appointing auditors and setting policies. The Manager/Secretary acts as Chief Functionary and implements decisions of the Managing Board.

Authority / Position	Primary Financial Responsibility	Oversight
General Body	Approves accounts, appoints auditor and sets organizational policies as provided in the governing framework.	Overall governance
Managing Board / Key Functionaries	Approves budgets, major financial decisions and provides financial oversight.	General Body
Chairman	Provides governance oversight and presides over Board meetings.	Managing Board
Manager / Secretary / Chief Functionary	Implements Board decisions and oversees day-to-day administration and financial operations.	Managing Board
Treasurer	Supports financial oversight and review of accounts in accordance with assigned responsibilities.	Managing Board
Finance / Accounts Personnel	Maintains books, vouchers, reconciliations, reports and supporting records.	Manager / authorized authority

5. FINANCIAL PRINCIPLES

- Transparency – Financial transactions shall be documented, recorded and capable of verification.
- Accountability – Persons entrusted with funds are responsible for their proper use and documentation.
- Accuracy – Books and financial reports shall be complete, current and supported by source documents.
- Prudence – Resources shall be spent carefully and economically for approved charitable purposes.
- Segregation of Duties – As far as practicable, approval, custody/payment and recording functions shall be separated.
- Compliance – Financial activities shall follow applicable requirements and valid donor or grant conditions.
- Purpose Restriction – Restricted grants or contributions shall be used only for the purposes for which they are received, subject to applicable requirements.

6. SOURCES OF FUNDS

The Children's Home raises funds through donations, gifts and grants. Funds may also be received through other lawful charitable activities approved by the organization.

All receipts shall be properly identified, acknowledged and recorded. Where a donor or grant provides specific conditions, the organization shall maintain appropriate records to demonstrate the use of the funds.

7. BANK ACCOUNTS AND CUSTODY OF FUNDS

- All organizational funds shall be deposited into official bank accounts maintained in the name of The Children's Home; Saikot.
- Personal bank accounts shall not be used to receive, hold or transfer organizational funds.
- The organization maintains designated banking arrangements for local and foreign contribution funds as applicable.
- Foreign contribution funds shall be maintained and operated in accordance with applicable FCRA requirements and approved organizational procedures.
- Bank accounts shall be operated only by authorized signatories approved by the competent organizational authority.

- Where joint authorization is prescribed, no individual shall independently operate the account outside the approved mandate.
- Bank balances shall be reconciled regularly with the accounting records.

8. BUDGETING AND FINANCIAL PLANNING

- An annual organizational budget shall be prepared before or at the beginning of each financial year.
- The budget should reflect the Home's charitable objectives, residential care needs, education, healthcare, administration, staffing, maintenance and approved programs.
- The annual budget shall be submitted to the competent organizational authority for approval.
- Expenditure should ordinarily remain within approved budget heads and available funds.
- Material deviations, new expenditure categories or significant unbudgeted commitments require prior approval by the appropriate authority.
- Project and donor budgets shall be separately tracked where required.

9. RECEIPTS AND DONATIONS

All donations, gifts, grants and other receipts shall be recorded promptly and accurately. Appropriate receipts or acknowledgements shall be issued where applicable.

- The source, date, amount, purpose and mode of receipt shall be recorded.
- Restricted contributions shall be separately identifiable in the accounting records where necessary.
- Cash receipts shall be minimized and deposited into the appropriate official bank account without unnecessary delay.
- Donor conditions and supporting correspondence shall be retained with the relevant financial records.

10. EXPENDITURE AND PAYMENT CONTROLS

- Every expenditure shall have a legitimate organizational purpose and appropriate authorization.
- Payments shall be supported by bills, invoices, receipts, payment vouchers or other acceptable documentary evidence.
- Bank transfer, cheque or other traceable digital payment methods should be preferred over cash wherever practicable.
- Cash payments shall be limited to appropriate circumstances and supported by proper vouchers and acknowledgements.
- No employee or officer shall approve a payment solely for personal benefit or without the required authority.
- Advance payments shall be properly authorized and accounted for within a reasonable period.
- Payments against restricted grants shall be checked against the relevant approved purpose and budget.

11. PROCUREMENT AND PURCHASES

Purchases shall be made economically, transparently and in accordance with approved organizational procedures. For significant purchases, management should obtain appropriate quotations or other evidence of reasonable pricing where practicable. The organization shall avoid unnecessary conflicts of interest and shall document major purchasing decisions.

The specific financial limits, quotation requirements and approval thresholds, if any, shall be established through separate approved procedures or resolutions of the Managing Board rather than being assumed in this policy.

12. CASH MANAGEMENT AND PETTY CASH

- Cash holdings shall be kept at the minimum level reasonably required for day-to-day operations.
- Petty cash, where maintained, shall have a designated custodian and an approved limit.
- Every petty-cash payment shall be supported by a voucher or receipt.
- Petty cash shall be periodically counted and reconciled with the petty-cash book.
- Personal cash and organizational cash shall not be mixed.

13. ACCOUNTING RECORDS AND DOCUMENTATION

The organization shall maintain appropriate accounting records, including, as applicable:

- Cash book and bank book/records.
- Payment and receipt vouchers.
- Bills, invoices and receipts.
- Bank statements and bank reconciliation statements.
- Ledgers and supporting schedules.
- Payroll and remuneration records.
- Asset and inventory records.
- Annual financial statements.
- Project-wise and donor-wise financial records where required.

Financial records shall be systematically maintained, securely stored and made available to authorized auditors, regulators, management and other persons with legitimate authority to inspect them.

14. ASSET MANAGEMENT

All property and assets acquired or held by The Children's Home; Saikot shall be used only for authorized charitable and organizational purposes and shall be appropriately safeguarded.

- Maintain an appropriate asset register for significant assets.
- Record acquisitions, disposals, transfers and write-offs with supporting authorization.
- Protect vehicles, equipment, buildings, furniture and other property from loss or unauthorized use.
- Any disposal or write-off of significant organizational assets shall follow applicable legal requirements and prior approval by the competent authority.

15. PAYROLL AND STAFF PAYMENTS

Staff salaries, consolidated pay, allowances and other approved payments shall be made in accordance with appointment letters, approved pay rules, employment terms and organizational approvals. Payroll shall be supported by appropriate attendance, appointment and payment records. Applicable statutory deductions and reporting shall be handled where required.

16. PROJECT, GRANT AND DONOR FUNDS

- Grant and donor funds shall be used according to the approved purpose, budget and conditions.
- Project income and expenditure shall be identifiable in the accounting records where required.
- Supporting documents shall be maintained for donor and grant reporting.
- Unused or restricted balances shall be dealt with according to the applicable grant terms and legal requirements.
- Management shall monitor project expenditure against approved budgets and reporting deadlines.

17. FOREIGN CONTRIBUTION MANAGEMENT

The organizational profile records an FCRA registration and a designated FCRA bank account. Foreign contributions shall therefore be received, maintained, utilized, accounted for and reported strictly in accordance with applicable FCRA requirements and the conditions attached to the contribution.

- Foreign contribution shall not be mixed with local funds contrary to applicable requirements.
- Foreign contribution expenditure shall be traceable to the relevant records and approved purposes.
- Required FCRA books, statements, returns and supporting documentation shall be maintained and submitted within prescribed requirements.
- Foreign contribution assets and transactions shall be separately identifiable where required.
- Management shall monitor FCRA compliance and take timely action on statutory filings and reporting.

18. TAX, STATUTORY AND REGULATORY COMPLIANCE

The organization shall maintain financial systems and records necessary to support applicable statutory filings, tax compliance, audit and regulatory reporting.

19. FINANCIAL REPORTING

The organization shall prepare financial reports appropriate to its governance, programs and funding obligations, including:

- Periodic financial statements for management review.
- Annual financial statements.
- Project-wise financial reports where applicable.
- Donor/grant financial reports according to agreed requirements.
- Bank and cash reconciliations.
- Budget-versus-actual reports where useful or required.

Reports shall be accurate, supported by accounting records and submitted within applicable organizational, donor or statutory deadlines.

20. INTERNAL CONTROL AND SEGREGATION OF DUTIES

- Authorization, custody/payment and accounting functions should be separated as far as staffing permits.
- No person should control an entire transaction from initiation through approval, payment and recording without appropriate oversight.

- Bank reconciliations shall be reviewed by a person other than the person primarily responsible for making or recording the related transactions, where practicable.
- Financial records and supporting documents shall be subject to periodic management review.
- Unauthorized transactions are prohibited.

21. AUDIT

General Body is responsible for appointing auditors. The organization shall conduct the required annual external audit through a qualified auditor and shall provide the auditor with necessary books, records and supporting documents.

- Audit records shall be made available for inspection as required.
- Audit observations and findings shall be reviewed by management and/or the Managing Board.
- Corrective actions shall be documented and followed up.
- Statutory and donor-specific audits shall be supported where applicable.

22. FRAUD, CORRUPTION AND FINANCIAL MISCONDUCT

Fraud, theft, embezzlement, bribery, corruption, falsification of records, unauthorized diversion of funds, misuse of organizational property and other financial irregularities are strictly prohibited.

- Suspected financial irregularities shall be reported promptly to the Manager/Secretary or other appropriate authority.
- Where the allegation concerns the Manager or another senior officer, the matter may be referred directly to the Chairman/Managing Board.
- The organization may conduct an internal review or investigation and take appropriate corrective action.
- Serious cases may result in disciplinary action, termination and/or referral to competent authorities as appropriate.

23. CONFLICT OF INTEREST

Board members, officers and staff shall disclose actual or potential conflicts of interest that could improperly influence a financial decision. A person with a material conflict should not participate in the relevant decision unless permitted under the organization’s governing arrangements and the conflict has been appropriately disclosed.

24. FINANCIAL AUTHORIZATION AND APPROVAL

Financial approval limits and authorized signatories shall be established through the organization’s approved resolutions, bank mandates, budget approvals and financial procedures. This policy does not create monetary approval limits where none have been formally approved.

All persons approving expenditure must ensure that the transaction is necessary, within available resources, properly documented and consistent with the approved purpose.

25. RECORD RETENTION AND CONFIDENTIALITY

Financial records shall be retained for the periods required by applicable law, donor conditions and organizational requirements. Confidential financial information, including payroll, donor information and sensitive organizational records, shall be accessed only by authorized persons and handled securely.

26. FINANCIAL RESPONSIBILITY OF STAFF AND MANAGEMENT

Every person entrusted with organizational funds or property is responsible for exercising reasonable care and following approved procedures. Staff shall immediately report loss, suspected fraud, material errors, unauthorized transactions or other significant financial concerns.

27. POLICY IMPLEMENTATION

The Managing Board shall provide financial governance and oversight. The Manager/Secretary, as Chief Functionary, shall implement the approved financial decisions and oversee day-to-day administration. The Treasurer and finance/accounts personnel shall perform their respective responsibilities under the authority approved by the organization.

28. POLICY REVIEW AND AMENDMENT

This Finance Policy shall be reviewed periodically to ensure that it remains appropriate to the size and activities of The Children's Home; Saikot and aligned with its governing documents, funding obligations and applicable requirements. Amendments shall be approved by the competent organizational authority.

29. COMMITMENT

The Children's Home; Saikot is committed to managing every financial resource entrusted to it with integrity, transparency, accountability and prudence. All staff, management, Board members and other authorized persons shall ensure that organizational funds and assets are used solely to advance the charitable objectives of the Home and the welfare and development of the children it serves.

Document	Finance Policy
Organization	The Children's Home; Saikot
Approved by	General Body / Managing Board / Competent Authority
Effective Date	____________________________
Review Date	____________________________

For and on behalf of The Children's Home; Saikot

Chairman
Signature: _____________

Manager/Secretary
Signature: _____________