



Guideline On
Financial Policy, System and Procedures for
Garib Unnayan Sangstha (GUS)
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Foreword:

The purpose of this manual is to describe the financial accounting policies and procedures of the GUS. The manual also details the internal controls and specific methods to safeguard GUS assets, check the accuracy and reliability of recorded accounting data, and promote efficiency in the accounting operations. Sound financial management will provide board members and managers in GUS organization with a basis on which to do this.

The guideline deals with basic aspects of accounting such as budgeting, Cash and Inventory Management, Advances and Accruals, internal control, bookkeeping and bank transactions. It also gives clear directives as to what GUS requirements are in relation to these aspects.

GUS expects every staff to follow and be guided by this Guideline. If this is done accurately, the financial and accounting systems of GUS will be strengthened, thereby promoting the financial planning and follow-up of the donor supported activities.

I. INTRODUCTION

This guideline has been developed for GUS with a view to assist its staffs in the improvement of its financial and administrative systems, policies, and procedures. This also contains guidelines to assist GUS in preparing financial reports against expenditure and utilization of funds.

Through this guideline GUS aims to provide a comprehensive summary for introducing appropriate financial/administrative policies, procedure, designing a tailor-made accounting system coupled with generally accepted accounting principles and standard practices in order to ensure better degrees of financial control, transparency and accountability in its day to day operations.

Thus the main purpose of this guideline is to assist GUS for further strengthening of Financial and Administrative Systems which in turn will enable the effective and efficient management.

Through the use of this guideline it is expected that good accounting practice be made easier through the clear explanations with representative type of illustration inside, and will reduce the possibility of confusion and misunderstanding during application.

Scope

The Guideline focuses primarily on financial and accounting aspects GUS of projects.

Authority

This is a composite guideline to help strengthen accounting systems of GUS in general. The contents of this guideline may have varying degrees of authority as explained below. Essential Requirements

GUS expects that all staff will follow the guideline as much as possible. If any requirement is found to be difficult to implement, the GUS must immediately bring it to Executive Director notice in writing. Executive Director will then attempt to resolve the matter.

Modifications to this Guideline

Modifications will be formally notified to all existing GUS staffs along with replacement sheets and instructions.

II. Financial responsibilities

The executive committee's responsibility

- The finance and audit committees
- The annual operations plan
- Approval of the budget
- General controls
- Reserves
- Conflicts of interest
- Financial responsibilities
- Grants

Controls on expenditure

- Staff responsibilities
- Estimates and tendering
- Approvals for capital expenditure
- Purchase orders and invoices
- Bank mandates and cheque signatories
- Petty cash
- Project management

Controls on income

- Treasury management: invoicing, income collection, borrowing
- Gifts, Donations and In-kind
- Grants and Contracts
- Emergency fund management
- Costing and recovery of overheads
- Deficits and Surpluses

Controls on financial accounting

- Chart of Accounts (COA)
- Retention of Financial Records
- Taxes and returns
- Audits
- Reconciling cash book to bank
- Reconciling expense ledger
- Reconciling income ledger
- Reconciling payroll control
- Fund portfolio
- Regulations

Exercising budgetary control

- Budget preparation and control
- Resource Allocation
- Powers to amend budgets and spend reserves
- Budget Reporting
- Budget deficits and surpluses

Controls on human resources

- Staff complements
- Staff salaries
- Staff regarding
- Reimbursement of expenses
- Contracts of employment
- Benefits
- Casual staff and consultancy
- Severance, early-retirement and other non-recurring payments

III. BUDGET

GUS must prepare individual 'Project Budget' in a participatory way against their individual sub-grant/fund as per Appendix- B with details project budget or working sheet. GUS will submit the budget to the Executive Director for approval.

II. FUND OPERATIONAL PROCEDURE Restricted funds

Income funds which have conditions attached to how used, usually with a requirement to report back to the donor. Fund will manage as per the instruction of Donor. (Annexure-A).

Un-restricted funds

Funds held for the general purposes of the organization, for spending within the stated objectives will be managed by the organizational policy.

General Fund

Unrestricted funds which have not been reserved and which may be used generally to further the organization's objectives.

III. PROCUREMENT PROCEDURE

Procurement of goods/services will require complete recording and the expenses must be substantiated by proper documentation. No expenditure will be reimbursed for procurement if those are not budgeted, allowable, allocable and reasonable. In case of extreme emergency, prior permission must be arranged from Executive Committee/Governing Body.

Opinions need to consider during procurement

1. Quality, Performance and Price
 - Excellent quality
 - Compatibility with existing facilities
 - Reasonable price.
 - Minimal environmental impact

2. Delivery

- Punctual delivery
 - Stable supply
 - Quick response to emergency
 - Durability
3. After-Sales Service
 - Availability of service system in Japan
 - Cooperation in maintenance
 - Quick and proper troubleshooting and
 - Warranty Basic principles of procurement

GUS will follow the following principles to procure materials, equipment and services:

- Openness: By making procurement information available organization seeks transactions with reliable suppliers of high-quality products in the country or abroad.
- Fairness: Impartially selection of a new supplier in view of product quality, performance, price, delivery punctuality, operating conditions of the company, and availability of after-sales service.
- Mutual Trust: Building mutual trust with the suppliers is indispensable to ensuring the timely delivery of quality Materials at reasonable prices.
- Observance of Laws: All business relationships and dealings with the suppliers should conform to the relevant laws and their underlying principles.
- Environmental Considerations: Need to give priority to purchasing Materials with minimal impact on the environment. Need to promote the purchase of environmentally-friendly Materials.

The procedures to be followed for procurement of supplies are listed below.

1. Approval Committee: A list of approved authorities for procurement along with their approval limit need to maintain for procurement. Procurement Committee (PROC): GUS should have a Procurement Committee (PROC) consisting of at least three members (or any odd numbers like 3, 5 or 7 etc). The chief executive (CE) and Accountant/Finance Officer should not be included in this procurement committee. GUS can form the PROC consisting staffs from different program if required. The PROC will send their recommendation to CE and CE or his/her designated person will finally approve but CE will remain accountable for all procurement.

2. Standard Procurement Policy:

The following methods of procurements as stated above to be followed during procurement of supplies.

Amount	Source	Quotation	Method of Procurement
Up to TK. 5000	Open Market/ Enlisted Vendors	None	Direct purchase by Procurement Officer/In-charge/Designate
TK. 5,001 - 20,000	Open Market/ Enlisted Vendors	02 (Two)	Open market purchase by PROC. For enlisted vendor, purchase order should be issued.
TK. 20,001-2,00,000	Open Market/ Enlisted Vendors	Three	Open market purchase by PROC. For enlisted vendor, purchase order should be issued.
above TK. 2,00,000	Open Market/ Enlisted Vendors/Press Tender	Three	Through limited tender (sealed bid)/ press tender. For all cases Purchase Order will be issued.

a. For purchase TK. 5,001 to Tk. 20,000/- Procurement Committee (PROC) will arrange procurement based on two quotations obtained from different enlisted vendors. If enlisted vendors are unavailable for a particular item, then the requested item could be procured from open market by PROC with proper justification and with the consultation of project management. Purchasing from enlisted vendor should have purchase order signed by the committee members.

b. For purchase TK.20,001 to Tk. 200,000 : a summary of Bid Evaluation (SBE) must be prepared by PROC based on three quotations obtained from the enlisted vendor and a Purchase Order must be signed by Chief Executive or his/her Designate. In case of open market/ spot quotations, the PROC must visit the market to obtain such quotations. Taking 03 quotations from one vendor is strictly prohibited and will be audited time to time.

c. For purchases above TK. 200,000/- Procurement committee of Garib Unnayan Sangstha (GUS) will arrange to obtain sealed bids at least from 3 enlisted vendors which are dropped in the tender box. In case of non-enlisted vendor, a small advertisement needs to be made in the local newspaper and a notice will be hanged

in the notice board in open area. All sealed bids will be opened in presence of the bidders and also members of the Procurement Committee. A Summary of Bid Evaluation (SBE) must be prepared justifying the selection of the supplier by the PROC. Based on the decision of the Committee, Garib Unnayan Sangstha(GUS) will prepare PO and obtain signature from CE.

d. GUS will follow the GOB rules like Income Tax, VAT, Stamp charges etc. to be deducted at source during the procurement of any goods/services. The deducted money should be submitted to treasury in weekly basis

3. General Procedure for Procuring Goods and Services The acquisition process involves 6 basic steps.

a. Recognize a Need:

The process begins when purchase section receives a request to buy materials or services from open market/ enlisted vendor. The request (called a purchase requisition, PR) includes the item's description, quantity and quality desired, and desired delivery date.

When an item is to be procured, a purchase request form as per prescribed format (Annexure-M) is to be prepared by the Store Officer/Accounts Officer/Staff Member of the project and will be submitted to the Approval Authority for Authorization.

b. Select Suppliers/Vendors

GUS will procure materials through competitive quotations among the suppliers it selects from the list of registered suppliers/enlisted vendors (if any). GUS will requests the selected suppliers/enlisted vendors to submit a quotation, giving them a request for quotation that specifies the terms and conditions of the quotation and a specification sheet defining the contracting terms and specifications requested by the GUS

Submitted specifications of quotation will be first checked by the requisitioned requiring the Materials to see whether they meet the specifications of that organization. They must be approved by this department.

At this time, the procurement unit may ask the supplier to modify the specifications of quotation and propose another quotation so adjusted.

The quotation and specification sheet will be valid when submitted by a due date satisfying the terms and conditions of the quotation. For specific cases, where the Material is to be manufactured under a particular patent or where strict compatibility with existing facilities is required, a specific supplier may be selected to submit a quotation.

c. Place the order

Once a vendor is selected, a written order like Purchase Order (PO) should be issued. The PO will act as the contract for the supply of the goods/ services as per the required quality, quantity and delivery time.

d. Track the Order

Tracking includes routine follow-up of orders to avoid late delivery or deviations from requested order quantities. Suppliers are to be contacted by letter, fax, telephone, or e-mail. Follow up is particularly important for large purchase when a delay could disrupt project delivery or could mean loss of purchaser's reputation to its donors for not being able to spend the budgeted expenditures.

e. Receive the Order

Incoming shipments must be checked for specifications, quantity and quality, with the purchase order (PO), the unit placing the purchase requisitions (PR), inventory control and accounting. If the shipment isn't satisfactory, purchaser must decide whether to return it to the supplier. Records on punctuality, quality and quantity deviations as well as the price must be updated as part of supplier evaluation.

f. Delivery of the Receipted Goods

Once the goods are received and its quality is checked, then the goods should be delivered to the end users at the earliest opportunity. Information of arrival of the goods and its readiness should be intimated to all the end users at the earliest possible time. It would help to solve the storing and spaces problems, reduce the risk of pilferage, breakage, damages etc.

4. Mode of Payment:

GUS will make the payment to the vendor through Account payee cheque if it is equal to or more than Tk. 3,000 /= (Taka three thousand) against the above procurements of goods and services. Cash payment is restricted as much as possible. But for a single bill, cash purchases is limited to Tk. 3,000.00. In case of emergency spot purchases/ open market purchases where vendor is non willing to receive the check / pay order, then the CE has to approve the cash to be paid to the vendor.

5. General Procedure about Vendor Enlistment

A database of vendors pre-selected through an objective process reduces the risk of improper procurement, decreases the chance that inappropriate vendors will be selected, and improves the efficiency and effectiveness of procurement.

a. Invitation, evaluation and selection of vendor

It involves finding potential vendors and determining the likelihood of their becoming good suppliers. This phase requires the development of evaluation criteria, the eligibility factors upon which the vendors will be selected and compared with the others. The documentary needs are to be given depend upon the needs of particular supplies and number of vendors available. The selection of competent suppliers is critical. The main issues will be focused on the quality, management, technical ability, and potential for close long-term relationships, which play an increasingly important role. The vendor's company profile, its services, product's quality, price, warranty etc, its sales personnel capabilities should also be noted in the evaluation process. Finally, shorter lead times and on-time delivery also help the Procurement to maintain the projects' satisfaction. In summary, a request should be made to probable vendors to the market are with a deadline for submission their documents. Then evaluate the vendors based on their submitted documents. Upon finalization the CE will approve the list.

b. Maintaining and developing the enlisted vendor

The nature of the relationships maintained with vendors can affect the quality, timeliness, and the price of vendor's goods and services. The PROC have to make sure that the vendor has an appreciation of quality requirement, schedule of delivery, payment system and above all the procurement procedure as adopted by the GUS. Vendor development includes every- thing from training on the RFQ to delivery and billing system i.e. the whole system of procurement.

6. Purchasing strategies from enlisted vendors GUS may follow the listed three classic types of purchasing strategies from the enlisted vendors.

a. The open book purchase

It requires that the vendor will open its books to the purchaser giving all the breakdown of the costs. The purchaser fixes up the contract price based on the delivery time and materials or on a fixed cost with an escalation clause to accommodate changes in the vendor's labor and material cost. Here the negotiations can be made if high mark up is shown or some of the component prices are shown high up. This is especially useful for building maintenance and making wooden furniture and fixtures.

b. Price List purchase/Sole Sourcing

The vendor prices are fixed on a published price or index. For example, Bata shoe, prices of lubricant and fuel by the Govt. organizations, Motor Cycles from Atlas Bangladesh etc. In such case, purchases may be done based on the price list or if the vendor is the sole producer/ agent then sole sourcing can be done. But the PROC should finalize the commission/ discounts/ levy if any before confirming the goods. While purchasing under this procedure, documents evidence such as published price list, sole proprietorship, and distributorship, patent or copyrights any of the above must be attached.

C. Competitive Bidding Process

The standard procurement policy has already been discussed but here is the definition. When the suppliers are not willing to disclose the cost or where near perfect market/ fixed price listing is not available as discussed above, the competitive bidding process is often appropriate. To run this process, several enlisted suppliers are necessary. It is most suitable for 'Request For Quotations (RFQ) system where the order usually goes to the lowest bidder. The majority of purchases are done through this process. Sealed Bids/ Limited Tenders/ Press Tenders also fall under this process.

IV. CASH CONTROL HANDLING OF CASH:

a. Responsibility:

There must be at least two (2) individuals involved in the processing of cash.

i. Cash Handling: The individual who prepares the transaction voucher, writes Cheque, and also receives all cash/cheques and deposits them via a transaction voucher.

ii Recording/Accounting: The individual who enters the transaction into the Cash Book and posts it to the appropriate Ledger.

iii. Approval: The individual who approves the vouchers and may also sign the Cheque (along with other cheque signatories).

b. Cash deposit and Recording Procedure:

i. All cash receipts are to be deposited daily into the bank. If not possible for any valid reason, that must be deposited into the bank within following working day.

ii. Voucher requires supporting all cash disbursement and receipts.

iii. Disbursement Vouchers, procurement orders and invoices are to be stamped 'PAID'.

iv. Other than the employee who keeps the records regularly should review the records periodically and randomly.

PETTY CASH CONTROL

Petty Cash is used for small expenditures where it is not practical to issue Cheques usually for amounts less than or equal to TK. 2,000. Initially, this fund will start with the allocated amount and after the funds are exhausted for donor funded project, the expended amounts are replenished from the bank. Petty cash operation system is stated below.

i. GUS Petty Cash amount fixed to TK. 20,000 or less. Depending on the usage of petty cash fund it may be reduced or increased with prior approval from Chief Executive.

ii. The Petty Cash fund will be kept in a lockable metal box during petty cash hours, after the office hour, the petty cash box should be kept in a safe/secured place.

iii. All payments will be made after authorization from the appropriate person. The Petty Cashier cannot authorize any disbursement of petty cash. The Cheque signatories must sign on the bill/invoice before payment from the petty cash.

iv. 'PAID' seal will be stamped on the bills and invoices during the payment.

v. The recipient must sign on the appropriate documents while receive any payment.

vi. Cash payment will be made only for small payments. A limit for petty cash payment cannot exceed TK. 5,000/= for each bill or invoice.

vii. There should be adequate supporting documents (bill/invoice) against every disbursement. The Petty Cash transaction needs to be recorded for each payment.

viii. Petty cash ledger/book (Annexure-G) must be updated daily and the cash balance should not exceed the approval limit.

ix. The physical cash in hand at the end of the day must be counted and documented. Surprise petty cash audit will be conducted and documented by his supervisors at least once in a month.

x. Cash would be kept in safety place under lock and key. Key should be kept with another responsible person (other than the cashier).

VIII. ADVANCES AND ITS ADJUSTMENT PROCEDURES:

A. ADVANCE:

Advance covers for Travel, Project delivery, Vendor, Landlord and Miscellaneous cost:

1. When one or more staff is likely to incur expenses on the GUS behalf for travel, project or miscellaneous costs, an Advance Request ((Annexure-J) will be completed and signed by the appropriate authority of GUS e.g., Chief Executive/Executive Director/Project Coordinator/Director/Finance Manager or their designates.

2. The Accountant or the designate should review the Advance Request to determine if all previous advances have been adjusted.

3. Following this review, the Accountant or designate will prepare a Debit Voucher (Cash Disbursement Voucher) with the Advance Request as supporting documentation for the recommended amount.

4. If the advance is for one employee, the Debit Voucher and Cheque should be made with the individual employee as payee.

However, if more than one employee requires advances on the same day, a Debit Voucher and cheque are to be prepared for the total value of the Advance Request in the name of the Petty Cashier or the person who handles the other Cash. If the Advance Request is for specific project, that should be prepared in the name of Project Coordinator or designated person.

5. The person preparing the request, which is reviewed by the Accountant, signs the completed Debit Voucher (Cash Disbursement Voucher). The Debit Voucher and a cheque with the employee or Petty Cashier as payee is presented to the authorized signatories.

6. If the Cheque is made payable to the Petty Cashier or the person who handles the other Cash, they will en-cash the Cheque at the bank. The Petty Cashier or concerned person of project then disburse the advance to each employee listed on the Advance Request and, after receipt of the advance, employee must sign against his/her name.

7. For Advance, employees of Garib Unnayan Sangstha (GUS) should follow the Annexure-J.

B. ADVANCE ADJUSTMENT:

1. Upon completion of official travel or completion of expenditures related to an advance given for miscellaneous, a Travel Expense Report/Project Expenses Report/Miscellaneous Expense Report must be prepared by the employee that summarizing the allowable expenses incurred.

2. In order to adjust the advances that have been given an employee in a timely manner, the Expenses Report (ER) and adjustment should be completed by 06 (six) working days after the return from travel or completion of works.

3. The completed Expenses Report (ER) has to be reviewed by the Project Coordinator/Head or designate with regard to the field visit schedule, duty record and/or activities that were completed. Following their review, the Accountant will verify the Expenses Report with supporting documents to determine the arithmetical accuracy and proper distribution of expenses to appropriate account head. Following the verification, the Director or his/her designated person will authorize/ approve the ER.

Partial adjustment is allowed if expenses incurred minimum 70% of advance.

4. For advance adjustment, the organization may follow the Annexure-K.

C. RESTRICTION:

i. No staff will be allowed to take advance more than TK. 20,000 (TK. Twenty Thousand) at a time. If it exceeds, the staff needs approval from Executive Director/Chief Executive.

ii. GUS will not allow giving Salary Advance to the individual staff from any restricted Fund. If donor agrees then it can be arranged. One employee can receive only one advance at a time, after adjusting the advance he/she will be entitled to received 2nd advance

IX. ACCRUALS AND ADJUSTMENT PROCEDURES

DEFINITION OF ACCRUALS:

Goods or services received but payment yet not made are called accruals. An organization utilizes the accrual basis of accounting where financial transactions are recognized, they occur regardless of when funds are received or disbursed.

WHY and WHEN THIS METHOD IS REQUIRED:

- i. Requirements of Accruals may occur at the end of each month, or quarter, each fiscal year or at the end of a contractual agreement with a donor or any other unavoidable situation in order to record expenses which have been incurred but payment is yet to be made.
- ii. The process for accounting for accrued expense begins with the collection of all invoices for goods received and/or services rendered as of end of month/quarter/year but no payment has been made. For example utilities, phone bills, services rendered by contractors, etc., and in such cases the GUS should make an estimation for those expenses.
- iii. Purchase Order/contract is given but goods/services not received with in financial reporting, this cost should not be considered as accrued expenses.
- iv. The accruals shown will be carried over to the next fiscal year and reported via the Accrued Expenses Subsidiary Ledger until adjusted. In some cases, the accruals are booked based on estimated expenses, when the bills are received, there may be differences between the estimated accruals and the actual amounts of the bills. When these expenses are paid and the original amount does not agree with the payment, an adjusting entry is required to be made.

X. SERIES AND CHART OF ACCOUNTS

It is suggested that all staff would use chart of accounts. As per the Annexure-W for each accounting transaction to maintain and prepare the financial books and reports on a regular basis against individual bank account. A sample of series and chart of accounts are given below:

ACCOUNTS SERIES ARE IN RELATION TO THE FOLLOWING MAJOR HEADS:

SL# MAJOR HEADS SERIES OF ACCOUNTS

- A. ASSETS 100 to 119
- B. LIABILITIES 120 to 129
- C. INCOME 130 to 139
- D. EXPENSES 140 to 199

XI. BANK ACCOUNT OPERATION POLICIES:

1. Bank Account: GUS will maintain separate interest bearing Bank Account for the grant received from different donors. An Authorized Bank Signatory List (ABSL) along with individual authorized signatory form will be maintained to support the ABSL.
GUS will maintain the Bank account with 2-3 bank signatories for each fund.

2. Bank signatory: When an authorized signatory is transferred or separated from the GUS it is necessary to cancel the individual ASF. Accordingly GUS will notify the Bank Manager in writing to delete his/her name from the authorized list.

3. A Cheque signatory will not be authorized to prepare Cheques and vouchers.

4. Cash receipts must be deposited into bank accounts immediately after the receipt. If cash is received after the banking hours it must be deposited within the next banking day.

5. All cancelled Cheque should be marked “CANCELLED” and preserved in the voucher file along with the supporting voucher.

6. Payment Procedures:

a. All payments to the vendors must be made through Account Payee Cheque for TK. 5,000 and above. However in any case if it is not possible, cheque may be given in favor of an individual, but proper explanation has to be given justifying the situation.

b. An acknowledgement must be obtained from the vendor after payment of any bill. GUS will prepare and submit the following bank documentation with the financial report against each bank account:

i. Bank Statement/Pass Book (provided by Bank)

iii. Bank Reconciliation Report

☐ Cash Recap by Bank Account

XII. AUTHORIZATION OF EXPENDITURE

1. As per Authorized Signatory Form, Approving authority of the GUS will authorize any requests for expenditure or procurement. All such requests must be supported by the submission of appropriate bills or invoices.

II. Before making any payment, Finance Officer/Accounts Officer/Accountant shall ensure that the bill or invoice is properly approved/authorized.

III. Proper procedures for authorization:

a. Every accounting/financial transaction must be properly authorized.

b. Authorization must be documented and the documentation must contain the signature or initials of a person who is entitled to authorize the transaction.

c. GUS will preserve all financial documents under its custody for the period as stated by agreement for donor fund.

This includes:

- I. Check signatory for each bank account.
- ii. Credit Vouchers.
- iii. Debit Vouchers.
- iv. Journal Vouchers.

All documents that are associated with disbursement/receipts: Invoices, bills, receipts, quotations, contract of procurement (if any) etc. must be attached with vouchers. The accountant should write head of expenses on each invoice, bill etc. and cheque signatory or designated person should review and approve all voucher against disbursements to ensure that the information contained on each, agree with the proper supporting documentation.

XIII. BOOKS and DOCUMENTS AND REPORTS

On receipt of funds from donor, GUS will prepare, maintain and retain the following books and documents related to each transaction and submit any or all of them as required by donor. These documents must be preserved as per donor's requirement for future auditing purposes.

A. BOOKS:

- i. Cash Book
- ii. General ledger/Subsidiary ledger
- iii. Stock Register
- iv. Procurement Register
- v. Advance Register
- vi. Cheque Issue & Received Register
- vii. Inventory Register (FF&E)
- viii. Vat & Tax Register
- ix. Complaint Register & Salary Register

B. REPORTS:

- i. Bank Documentation (BRR & Cash recap by Bank account)
- ii. Trial Balance
- iii. Expenditure Statement
- iv. Furniture, Fixture & Equipment Report
- v. Material & Equipment Report (Monthly/Quarterly/Annually) as per project requirement.
- vi. Receipt and payment reports

A. MAINTENANCE OF BOOKS:

- i. Cash Book: GUS will maintain a Cash Book only for Cash & Bank transaction under individual Bank Account as per Annexure-F.
- ii. General ledger/Subsidiary ledger: GUS maintain General Ledger/subsidiary ledger for all types of financial transaction as per Annexure-I.

Types of Ledger:

- a. General Ledger - a main record of all accounting transaction which comes from the book of original entry.
- b. Subsidiary Ledger - a supporting record of the general ledger. The total of all subsidiary ledgers for an account should equal the account total in the general ledger. The subsidiary ledger usually contains more detail than the general ledger.
- iii. Stock Register: GUS will maintain a stock register (Annexure-N) for consumable item purchased.
- iv. Register for FF&E item by project: GUS maintain a register for assets (equipment/vehicles and non-consumable items) for a value of TK. 2,000 and above and a useful life of more than one year.
- v. Individual Inventory Register: GUS will maintain an Individual Inventory Register for assets item under staff custody as per Annexure- Q.
- vi. Procurement Register: a procurement register for TK. 5,000 or above against the quotation or Contract of Purchase/Purchase Order will be maintained.
- vii. Advance Register to account for all kind of advances
- viii. Cheque issue & receive register for tracking the all Bank Transactions.

B. DOCUMENTS:

i. VOUCHER:

Types of Voucher:

- a. Credit Voucher
- b. Debit voucher
- c. Journal Voucher
- a. Credit Voucher (Annexure-C), is prepared for each deposit into the bank account. All receipt, such as, cash, checks/ demand draft, bank transfers, interests, and other deposits should be recorded on a Credit Voucher (CV).
- b. Debit Voucher (Annexure-D), is prepared for each check that is written for the payment of goods or services received. All cash disbursement from the bank account, including disbursements that are the result of checks,
Withdrawals, transfers and bank charges should be recorded with the accounting entry authorized on a Debit Voucher (DV). All necessary/adequate supporting documents like bills, chaallan, PO, PR, RFQ, Advance Request, etc need to be attached with the Debit Voucher
- c. Journal Voucher (Annexure-E), is a voucher that is prepared in order to record non-cash entry.
 - 1. Accounting entry made at the end of an accounting period to bring accounts up to date on an accrual basis of accounting.
 - 2. Rectifying a previous entry.

XIV. AUDIT

i. Donor Audit:

Any representative of donor may conduct audit any time whenever felt necessary. For any overhead related cost, auditor may check the Financial and program records and activities of other projects during the visit.

ii. Internal Audit:

By its own staff/separate unit, GUS will arrange internal Audit throughout the fiscal year as determined by the Management.

iii. External Audit:

GUS must conduct external Audit as per requirement of the project/GOB. The External Audit Firm will oversee or cover the all Books of Accounts, financial reports, related documents and other reports as per donor's guide line and NGO affairs bureau regulations.

XV. AMENDMENT

This guideline can be revised based on needs in addition to supplementary letters that may be issued from time to time for some changes in the guideline.



Md. Abdul Latif
Executive Director
Garib Unnayan Sangstha (GUS)

Md. Abdul Latif
Executive Director
Garib Unnayan Sangstha (GUS)



Md. Sajedul Islam
Chair person- Board of Trustee
Garib Unnayan Sangstha (GUS)

Md. Sajedul Islam
Chair person- Board of Trustee
Garib Unnayan Sangstha (GUS)

*'The Garib Unnayan Sangstha (GUS) (works with the
helpless to overcome poverty and sorrow.'*