

NSIP

**FINANCIAL AND ADMINISTRATIVE
MANUAL**

Dec, 2023

Document Management

Document Name	Financial and Administrative Manual
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Purpose

This section provides the basic information about the financial and administrative manual. It outlines the procedures for amendment and describes the amendment history.

Document Information

The following table provides basic information about this manual

Amendments to the Manual

Any amendment to this Financial and Administrative Manual will be done by the Executive Committee of NSIP, based on recommendations from the Chief Executive Officer, auditor, and the requirements of donors.

Amendments to the Manual

Release Date	Amendment Number	Description of Amendment
Dec, 2023		

Confidentiality

The employees are responsible for maintaining the strictest confidentiality with regard to the information contained herein. This document is not for external use or publication.

Flexibility

The policies and operational requirements mentioned in this document may be flexible in case of separate guideline provided by donors.

Acronym	Full Form
BRS	Bank Reconciliation Statement
DIP	Detailed Implementation Plan
FAD	Finance and Administration Department
FAO	Finance and Admin Officer
FAS	Fund Accountability Statement
FAM	Financial & Administrative Manual
FAMAS	Financial and Management Accounting System
FIFO	First In First Out
GRN	Goods/Service Requisition/Issue Note
ID	Identification
NGO	Non Government Organization
PAN	Permanent Account Number
RID	Resilient and Inclusive Development Nepal
TOR	Terms of Reference
VAT	Value Added Tax

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1. Brief Background

1.1. About NSIP

Nepal Skill Initiative Project (NSIP) is a non-profit organisation registered with the District Administration Office Kathmandu and affiliated with the Social Welfare Council. NSIP is committed to educational development and the development of the environment from the grass roots level for the weaker and marginalized communities as an inalienable right that is denied to these people. The objective of NSIP is to provide inclusive quality education, climate action and work for gender equality to the children of the rural communities of Nepal.

1.2. About Financial and Administrative Manual (FAM)

This Financial and Administrative Manual (FAM) describes both the policies and operational requirements of financial management and accountability of the Rural Education and Environment Development (RID) Nepal. This manual comprise of the following areas:

- Financial Planning and Control
- Financial Recording and Reporting
- Financial Management
- Procurement
- Disposal of Assets
- Consumable Assets Management
- Non Consumable Assets Management
- Office Communication
- Managing Audit

2. Objectives of this Financial and Administrative Manual (FAM)

Non Government Organizations (NGOs) operate in a rapidly changing and competitive world. For sustainability, it is of utmost importance for them to develop the necessary understanding and confidence to make full use of financial, administrative and office management tools. This manual guides NSIP to:

- Make effective and efficient use of resources to achieve objectives and fulfil commitments to stakeholders
- Be more accountable to donors and other stakeholders and therefore gain the respect and confidence of donors, partners and beneficiaries
- Clarify the roles and responsibilities of the different levels of staff involved in NSIP in regard to accounting and financial matters
- Develop the financial internal as well as compliance control systems and their implementation procedures
- Develop cost effective and efficient organizational and financial practices and systems
- Give the organization the advantage in competition for increasingly scarce resources
- Help the organization prepare for long-term financial sustainability.

3. Principles of this Financial and Administrative Manual (FAM)

All employees must read and abide by this FAM. Employees must follow and implement the following principles:

a. Accountability

Accountability is a moral and legal duty, placed on an individual, group or organization to explain how funds, equipment or authority given by a third party has been used. Employees must be able to explain how resources are used and what has been achieved to all stakeholders including beneficiaries. All stakeholders have the right to know how their funds and authority have been used. Employees have an operational, moral and legal duty to explain their decisions and actions, and submit their financial reports to scrutiny.

b. Transparency

Employees must be transparent in their work, sharing information about their activities and plans to concerned stakeholders. This includes preparing accurate, complete and timely financial reports and making them accessible to stakeholders, including beneficiaries. Maintaining transparency within and outside the organization gives more recognition and helps to build trust among the stakeholders.

c. Consistency

The financial policies and systems must be consistent over time. This promotes efficient operations and transparency within and outside the organization and especially in financial reporting.

d. Viability

To be financially viable, an organization's expenditure must be kept in balance with incoming funds, both at the operational and the strategic levels. Viability is a measure of the organization's financial continuity and security. Members of the Executive Committee and management should prepare a financing strategy to show how the organization will meet all of its financial obligations and deliver its strategic plan.

e. Integrity

Every individual in the organization must operate with honesty and propriety. For example, managers and Executive Committee members will lead by example in following policy and procedures and declare any personal interests that might conflict with their official duties. The integrity of financial records and reports are dependent on accuracy and completeness of financial records.

f. Stewardship

The organization must take good care of the financial resources it is entrusted with and make sure that they are used for the purpose intended – this is known as financial stewardship. The governing body (Executive Committee) has overall responsibility for the financial stewardship of NSIP. The organization achieves good financial stewardship through careful strategic planning, assessing financial risks and setting up appropriate systems and controls.

4. Financial Planning and Control

Financial planning is both a strategic and operational process linked to the achievement of objectives. It involves building both longer term funding strategies and shorter-term budgets and forecasts. It lies at the heart of effective financial management. Financial planning does not start with budgets and numbers. Effective budgets can only be produced as a result of good underlying plans.

The Executive Committee will be responsible for the preparation of the financial plan following the organization's mission, vision, objectives, strategies and action plan. The financial plan should be developed for both the long term (3 to 5 years) and the short term (1 year or less). The tasks for preparing the financial plan may be delegated to management by the Executive Committee. The financial plan of the organization should be approved by the Executive Committee and also by the Members in the annual general meeting if required.

Based on the action plan, the budget should be prepared on an annual and needs basis. The Executive Committee will be responsible for the preparation of the budget. The tasks of preparing the budget should be delegated to management by the Executive Committee. The prepared budget should be:

- Realistic
- Ongoing
- Clear and easy to use
- Time bound

4.1. Types of budgets and budget periods

The budgets are categorized as below:

Annual budget:

The annual budget is a budget prepared on an annual basis as per the Nepali fiscal year. This budget should consolidate all the individual budgets such as the procurement budget, project budgets and internal fund budgets of the organization. The annual budget should be approved by the annual general meeting of the members. The annual budget is prepared at least one month before the end of the Nepali fiscal year.

Project budget:

A project budget is a budget prepared for an individual project that is financed by one or more donors or from the internal funds of the organization. This budget is developed at any time of the year when there are prospects of fund availability. The duration of such a project budget and its commencement will be as per the agreement with the respective donor agencies and the decision of management. Project budgets will be reported to the Executive Committee by the Chief Executive Officer for its approval.

Donor budget:

A donor budget is a budget of an individual donor that is a part of the project budget. This budget is developed at any time of the year when there are prospects of fund availability. The duration of such project budgets and their commencement will be as per the agreement with the respective donors.

Internal Fund Budget:

An internal fund budget is one which is capable of being funded out of the internal unrestricted funds generated by the resources of the organization. The internal fund budget should be reported to the Executive Committee by the Chief Executive Officer for its approval and will form part of the annual budget.

4.2. Preparation of the budgets

Every approved budget needs to be drawn up in the format prescribed by the FAM. The budget matrix (excel sheet) should reflect details such as duration, unit and minimum amount. (E.g. If a budget amount is to be allocated to local personnel, the budget should reflect the individual's position as per the organization chart, the cost, unit and period of cost). The budget cost should be based on the actual economic market rate. The Budget template has been added at Appendix A.

The budget should be prepared in a participatory process led by the Executive Committee to the management and involves representatives from program department/s and the Finance and Administration Department (FAD).

Stages of development of the budget:

- a. The program department should plan the project activities in consultation with the donors, the Finance and Administration Department, the rest of the management, and the Executive Committee. The NSIP planned activities will form part of the detailed implementation plan (DIP) and annual work plan.
- b. The FAD, program staff jointly would involve to prepare the budget as per the NSIP planned activities in consultation with the program department and concerned personnel.
- c. The budget should be reported to the Chief Executive Officer for the review and approval process.
- d. The budget should then be submitted to the Executive Committee for approval.
- e. For the annual budget, it should be presented by the Executive Committee to the members of the organization at the annual general meeting for final endorsement.

4.3. Budgetary Control

The Executive Committee will be responsible for overall budgetary control. The tasks of controlling the budget should be delegated to the General Manager. The FAD should prepare the budget vs. actual sheet on monthly, quarterly and annual bases. The budget vs. actual sheet should be prepared within 25 days of the following month on a monthly basis or as per the reporting deadline set by the donors. FAD will report the monthly variance report to the Chief Executive Officer for approval. The report will include accumulated summaries of expenditure and income in line with budget codes and balances to monitor expenditure. The FAD will also prepare budget vs. actual sheets on a quarterly as well as an annual basis and present them to the Chief Executive Officer for approval. The quarterly and annual budget vs. actual sheets should be reported to the Executive Committee for its approval by the Chief Executive Officer. The annual budget vs. actual sheet should be reported to the members in the annual general meeting by the Executive Committee. The format of budget vs. actual has been provided in Appendix C. The following budgetary control should be implemented:

- a. Expenditures are to be conducted strictly as per the approved budget head.

- b. The total expenditure should not exceed the total budget.
- c. Expenditure should be recorded in the correct project, donors and budget head.
- d. The expenses should not exceed the main budget head by more than 10%.
- e. In cases where it is envisaged that expenditure will be incurred that has not been considered in the approved budget or if the originally approved main budget head of expenditure is likely to be exceeded by an amount more than 10%, then the Chief Executive Officer should obtain endorsement from the Executive Committee later. The pre-approval of donors may be also required as guided by the agreement with the respective donors.
- f. Any revision of the budget should include documented revisions in the budget heads with appropriate and sufficient justifications. This should be endorsed later by the Executive Committee.
- g. The rules and regulations in the projects will be followed as per the donors respectively.
- h. The budget vs. actual sheet will be documented. For significant variances, appropriate and sufficient justifications should be provided in writing by the Chief Executive Officer in the quarterly and annual budget vs. actual sheets.

5. Financial Recording and Reporting

5.1. Accounting Policies

- a. The accounting system should be based on the double entry book keeping system. For every financial transaction, there should be debit and credit entries.
- b. Income should be booked on a cash basis. Income should be booked as and when cash is received in the bank account of the organisation. Donations in kind should be recorded in terms of money using the market value.
- c. Expenses should be booked on an accrual basis. Under an accrual basis, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent are received or paid) and they are recorded in the accounting records and reported in the fund accountability statement (FAS) of the periods to which they relate.
- d. The non-expendable assets should be recorded as expenses in the books of account. A separate fixed asset register should be maintained to keep a record of such assets.
- e. The functional currency of the books of account will be Nepalese Rupees (NRs). All transactions will be recorded in the books of account in NRs.
- f. Any foreign currency transactions should be recorded in the functional currency using the foreign exchange rate of the prevailing date of the transaction. Any exchange gain or loss should be recorded in the books of account.
- g. Any monetary assets or liabilities (i.e. foreign currency bank balances) maintained in the foreign currency should be translated to the functional currency using the exchange rate of the closing day of the reporting period.

5.2. The Chart of Accounts

The Chart of Accounts is probably the most important organising tool for accounting and reporting processes. To make sense of all of this financial activity, it helps to 'sort' the different types of income and expense into a series of pre-determined categories or accounts. These accounts are listed in the Chart of Accounts and are typically arranged in a logical order: Income and Expenditure, Assets (things we own) and Liabilities (things we owe).

When a transaction takes place, it should be recorded in the books of account and categorised according to the Chart of Accounts. The same categories are used in the organisation's budget and financial reports, so promoting consistency and transparency.

The Chart of Account should be approved by the Executive Committee. Any changes required in the chart of account should be requested by the Chief Executive Officer to the Executive Committee for approval and should be documented.

5.3. Books of Account

The Executive Committee will be overall responsible for maintaining the books of account of the organisation up to date, complete, true/fair and in transparent manner. The responsibility of maintaining the books of accounts should be delegated to the Chief Executive Officer. The organisation should maintain separate books of account for each project. The books of account should be maintained as per the Nepalese fiscal year and donor's requirements. The system for keeping financial records and documentation must observe internationally accepted accounting standards and principles. Thus any accountant from around the world should be able to understand the organization's system for keeping financial records. The FAD should maintain the following books of account:

- Vouchers with supporting documents
- Cash Book – to record all cash transactions.
- Petty Cash Book – to record all petty expenses
- Bank Book – to record all bank transactions
- Ledger- to record income, expenses, assets and liabilities of the organization not recorded by cash book, petty cash book and bank book
- Monthly Bank Statement with Bank Reconciliation Statement
- Fixed Assets Register
- Store Register
- Statement of physical verification of assets (non consumable assets, consumable assets and cash)
- Financial Reports (Trial Balance, Fund Accountability Statement (FAS) with Notes to Account, Budget vs. Actual, Cost Sheet analyzed with the movement of cash)

The Finance and Admin officer (FAO) will prepare vouchers as and when the financial transactions are incurred on a daily basis. The vouchers should be prepared in chronological order (time) and should be numbered. FAO will ensure sufficiency and appropriateness of transactions and supporting documents. The Head of Finance will check the voucher raised by the FAO and finally the Chief Executive Officer will approve the vouchers after ensuring that they are complete in all aspects. After the due approval of the vouchers, the FAO will enter the vouchers in the accounting system correctly in the respective ledger heads. The FAD is to maintain the existing Financial and Management Accounting System (FAMAS). The system is strictly confidential and will deny access without password. Personnel from FAD and the Chief Executive Officer only will have access to the system.

All financial transactions will be recorded correctly under the correct ledger head, donor and project as per the true nature of the financial transactions. The financial transactions will be based on the above accounting policies using the approved chart of account. A journal entry will be recorded before recording any payment transactions. This will ensure that individual party accounts are recorded for better information and control. Vouchers will not be prepared without adequate and relevant supporting documents.

The recommended minimum supporting documents for different types of transactions are listed below:

- Grant Income: Grant agreement, approved budget, fund transfer request form, bank advice and bank statement and receipt
- Interest Income: Bank statement
- Salaries: Approved timesheet and payroll, staff contract, approved salary and benefit scale
- Travel: Approved advance request form, approved bills/invoices of transport and accommodation, boarding pass, tickets, approved advance settlement form and travel report
- Procurement: Approved Goods/Service Requisition form, Approved Comparative Chart with competitive quotations, bills/invoices of procurement, contract, purchase order and goods received note
- Administrative Cost: Contract, Bills/invoices approved by the Chief Executive Officer
- Rent: Rent Agreement
- Fuel: Approved purchase requisition form, logbook, invoices and receipts
- Repair and maintenance: Approved purchase requisition form, invoices and receipts
- Programme Cost: Contracts, bills/invoices approved by the Chief Executive Officer, terms of reference of research studies/training, Attendance Sheet of conferences/workshop/training, Meeting Minute, report, photos/ videos, beneficiaries list with signature, visibility/publication items
- Advance: Approved Advance Request Form
- Settlement of Advance: Approved Advance Settlement Form

- Cash and Bank Payments: Official receipts with above supporting documents (approved) as per nature of expenses. The invoices should be marked as "Paid" with stamp after the payment

5.4. Safe-keeping of documents

5 (five) years is the legal requirement for safe-keeping. This period may vary as per donor's requirement. This can be checked with the Auditor.

5.5. Financial Reporting

Financial reports are needed primarily by those responsible for managing the organization and by current and potential donors; but those responsible for financial management of the organization also need to 'give an account' of their stewardship to a wide range of stakeholders. The financial reporting is divided into two categories:

- Internal Financial Reporting: Management, Employees
- External Financial Reporting: Donor, Government, Members, Beneficiaries

Management will ensure that financial reports are prepared based on the books of account and represent a true and fair view of the operation of the organisation. The organisation will prepare the following financial reports:

S. No .	Financial Report	Timeline	Prepared by	Checked by	Approval
a.	Bank Reconciliation Statement (BRS)	Monthly	FAO	Head of FAD	Chief Executive Officer
b.	Trial Balance	<ul style="list-style-type: none"> • Monthly • Quarterly • Annual 	FAO	Head of FAD	Chief Executive Officer
c.	Fund Accountability Statement with Notes to Accounts	<ul style="list-style-type: none"> • Quarterly • Annual 	FAO	Head of FAD	<ul style="list-style-type: none"> • Quarterly by the Chief Executive Officer • Annual by the Executive
S. No .	Financial Report	Timeline	Prepared by	Checked by	Approval
					Committee

d.	Budget vs. Actual Statement	<ul style="list-style-type: none"> • Monthly • Quarterly • Annual 	FAO	Head of FAD	Chief Executive Officer
e.	<ul style="list-style-type: none"> • Physical cash verification Statement ○ Cash Book ○ Petty Cash 	<ul style="list-style-type: none"> • Once every quarter on a surprise basis • End of the closing day of fiscal year 	Head of FAD	-	Chief Executive Officer
f.	<ul style="list-style-type: none"> • Physical fixed assets verification statement • Non Consumable Assets Register 	<ul style="list-style-type: none"> • Twice a year on a surprise Basis • End of the closing day of fiscal year 	Independent person FAO	Head of FAD	Chief Executive Officer
g.	<ul style="list-style-type: none"> • Physical store verification statement • Consumable Assets Register 	<ul style="list-style-type: none"> • Twice a year on a surprise Basis • End of the closing day of fiscal year 	Independent person FAO	Head of FAD	Chief Executive Officer

6. Financial Management

Financial management entails planning, organizing, controlling and monitoring the financial resources of an organization to achieve objectives. It includes the management of cash, bank, advance, expense engagement, salary and benefits, travel and reimbursement, service contracts and overheads.

6.1. Cash Management

a. Cash in Hand

The FAO will maintain separate cashbook for each project/donor. A cash book will be used to record all the cash transactions of cash in hand except for the petty cash expenses. Payments from the cashbook are highly discouraged and will be used only for floating petty cash and payments to Government offices. The total cash in hand closing balance should not exceed NRs. 50,000 at the close of any given day. It is recommended to keep the cash balance as low as possible and that cash should be deposited in the bank on daily basis wherever possible. The cash in hand will be kept in a safe. The head of the FAD will be responsible for conducting a surprise physical verification of the cash balance once every quarter. This should be documented.

In the event of loss of cash balance, it will be reported to the Chief Executive Officer immediately. The Chief Executive Officer in coordination with the line manager will undertake the necessary enquiries. The responsible person will be required to refund the lost amount.

b. Petty Cash

A petty cash book will be used to record payments made in cash for petty expenses. The petty cash book will be maintained by the Finance and Admin Assistant. A separate petty cash book is required for each project/donor. The petty cash will be maintained using the impress system. With the impress system, the fixed float for the petty cash will be NRs. 10,000. When the cash balance gets lower than NRs. 2,500, the petty cash should be topped up to the fixed float amount. The petty cash balance should never exceed NRs. 10,000 at any given time. The head of the FAD will be responsible for conducting surprise physical verifications of cash balance. This will be documented and should be conducted at least once in every quarter. All the expenses made through petty cash should later be approved by the Chief Executive Officer. The format for recording petty cash transactions has been attached here with as Appendix F.

In the event of loss of the petty cash balance, it should be reported to the Chief Executive Officer immediately. The Chief Executive Officer in coordination with the line manager will undertake the necessary enquiries. The responsible person will be required to refund the lost amount.

c. Bank

A bank book is the main book of account for recording bank transactions. A separate bank book should be maintained for each bank account held as this makes it easier to reconcile each account at the end of the month. A separate bank account should be maintained for each projects/donors. A bank account should be opened only with the approval of the Executive Committee, which will be minuted.

All payments should be supported with official receipt with stamp. Cheques must be issued in the name of the beneficiary (and not of the carrier), and the recipient will provide an acknowledgement of receipt. All payments above NRs. 5,000 should be done through account payee cheque. Payments above NRs. 5,000 by cash or bearer cheque is highly discouraged. If payments are to be made by bearer cheque above NRs. 5,000 due to absence of banking facilities, then a proper written justification should be provided and approved by the Chief Executive Officer. The payment from NRs. 2000 to NRs 5000 can be made through bearer cheque.

FAO will be responsible for the preparation of cheques. They will also keep each payment record on the counterfoil of the cheque and will keep these safe for audit purposes. The signatories of the donor bank accounts will be as per the requirements of the donor and should be approved by the Executive Committee. The signatories of bank accounts of core (Internal) funds will be as per the constitution of the organization.

All the payments from the bank should be recorded in the bank book with reference to the cheque number, payee, description, amount, category of transaction, etc. The bank payments should be done using the cheque book including the payments of salaries. No payments of bank should be done through bank payment letter only.

All the deposit should be supported with the deposit slip. Monthly bank statement should be obtained from the bank. FAO should prepare the bank reconciliations statement (BRS) within 5 days of the following month for each bank account. This should be checked by the head of FAD and should be approved by the Chief Executive Officer on monthly basis. The bank statements with approved bank reconciliation statement should be documented and filed separately by FAD.

d. Cheque Handling and Safety

- i. The cheque book will be kept safely by FAO.
- ii. Blank cheques will never be signed.
- iii. A cheque will never be issued if there is not an adequate bank balance.
- iv. In the case of a cheque being misplaced or is stolen, the concerned official will inform the bank immediately by telephone and later confirm it in writing to stop payments of lost or stolen cheques. If the cheque is honored by the bank, necessary steps should be taken for recovery.
- v. If the vendor does not have a bank account, a self declaration stating this fact is required from the company before payment. In such instances payment can be done through bearer cheque
- vi. In the case of theft or embezzlement, the Chief Executive Officer or a person designated by them, will lodge a complaint to the police authorities as soon as possible. The delegated official will cooperate with the authorities in their investigation process.

- vii. The amount will be mentioned on the cheque in words and figures.
- viii. If an error is committed during preparation of a cheque, the FAO will write on it: "CANCEL" in capital letters, and all the cancelled cheques will be retained in a file.

6.2. Advance Management

- a. Advances may be provided to eligible employees for purchasing, official travel, training, study or for other official activities.
- b. Staff must complete the advance request form and obtain approval from the Chief Executive Officer. The advance request form is attached here as Appendix G for reference.
- c. An advance will not be provided to a staff member without clearance of all previous advances.
- d. Staff must complete the advance request form for any advances for any official travel at least five working days before travel and obtain approval from the Chief Executive Officer. The advance request form is attached as Appendix G.
- e. Advances for programs is highly discouraged and proper written justification should be provided in the advance request form.
- f. Advances to staff will be paid through account payee cheques.
- g. The advance amount must be cleared within seven working days after completing official travel / fieldwork / purchase transactions using the advance settlement form. The advance settlement form is attached as Appendix H.
- h. It is the responsibility of staff who have taken an advance to ensure that appropriate supporting documents are available and submitted to the FAD. The FAD has the right to refuse the settlement of advance if the supporting documents are not adequate or relevant.
- i. For settlement of travel advances, the staff should provide a brief written field visit report of the achievements and this should be approved by the Chief Executive Officer.
- j. Failure to clear advances in time will be considered misconduct as stated in the personnel manual, unless written justification is submitted to the Chief Executive Officer, clarifying the reason for delayed settlement.
- k. The advance money and advance payments to vendors or suppliers and personnel of the organization must be recorded separately in an advance account by the FAD.

6.3. Expenses Engagement

- a. Expenditures incurred must be accounted appropriately into respective project and sub-line items.
- b. The General Manager or staff member as per level of authority (LOA) as approved by the Executive Committee will be authorized to manage the expenditure and must respect the validated project budget. They sign all expenditure in the payment

authorisation form except for petty cash expenses prior of making payments. The payment authorisation form is provided in Appendix N.

- c. Bills, invoices and receipts will not be accepted if they have been cross marked.
- d. Incurring any official expense from staff's personal money is discouraged. If such an expense has been incurred, the official cost reimbursement form should be used.
- e. All bills, invoice and receipts must be produced in the name of the organisation and project with proper date and description.
- f. PAN bill will be prioritised for amounts above NRs. 5,000 and VAT bills will be prioritised for expenses above NRs. 10,000. In the event of non availability of such bills due to practical difficulties, written justification should be provided and approved by the Chief Executive Officer.

6.4. Salary and Benefits

- a. All salary and benefits will be decided by the Executive Committee and donors.
- b. All salary and benefit costs will be approved by the Chief Executive Officer.
- c. Supervisors are responsible for sending the approved timesheets of employees to the FAO.
- d. FAO will prepare the payroll sheet as per the approved timesheet and leave records.
- e. The payroll sheet will be checked by the head of FAD and approved by the Chief Executive Officer.
- f. Salary will be deposited monthly as per the English Calendar in the respective bank accounts of regular employees within the first week of every next month after deduction of applicable taxes as per the Government of Nepal and other adjustments (eg. deduction for leave without pay).
- g. Salaries will be transferred to the personal bank accounts of the staff.
- h. The FAD will maintain a certified list of all staff members' personal bank account names with numbers from the bank. This should be used and cross verified when making actual transfers to avoid any chance of wrong bank account payments.
- i. Salary payments will be made by cheque with an accompanying transfer request letter. Such payments should never be done without using a cheque.

6.5. Travel and Reimbursement

a. Accommodation

Accommodation (hotel, lodging) costs will be borne by the organisation for staff, visitors, volunteers and consultants on official travel who have to stay overnight outside the working station or home. The Executive Committee will issue a yearly circular, which will be the part of this FAM, outlining policy and procedures pertinent to accommodation cost. The

accommodation for consultants may vary as per the contract. All accommodation costs should be approved by the Chief Executive Officer.

b. Per Diem (Food expenses):

Per diem (food expenses) will be borne by the organisation for staff, visitors, volunteers, and consultants on official travel who have to stay outside of their working station or home. To qualify for per diem, at least one night is to be spent outside the working station or home. The Executive Committee will issue a yearly circular, which will be the part of this FAM, outlining the policy and procedures on per diem. The per diem rate for consultants may vary as per the contract. The per diem cost should be approved by the Chief Executive Officer.

c. Transport Costs

Transportation costs will be borne by the organisation for staff, visitors, volunteers and consultants on official travel who have to travel outside of their working station. This does not cover staff travelling from home to working station or vice-versa. The policies on travel will be as below:

- i. Travel from home to airport/bus stand and vice versa (taxis are permitted when local transport is not appropriate): local travel cost will be decided as per the approved standard norm of NSIP
- ii. Car hire for visits to the field (where local transport or taxis are not appropriate) will be covered on a reasonable and actual basis after pre approval from the Chief Executive Officer/management/as per Level of Authority.
- iii. Travelling staff must provide the actual and proper transportation invoices and receipts.
- iv. If travelling staff use their own vehicle for official travel, they will be reimbursed as per standard norms.
- v. Travel costs should be approved by the General Manager.
- vi. Mode of transport will ultimately be decided by the Chief Executive Officer

6.6. Service contracts

- a. Services from professionals (consultants) may be obtained only after executing a formal agreement. The terms and conditions mentioned in the agreement will prevail in all dealings with the consultant. If any amendments are to be made they should be done with mutual understanding. The agreement must be signed and dated by the authorized persons of both parties. There must be at least one witness to these signatures who is independent of both the organization and the consultant.
- b. As a supplement to the agreement, a separate document i.e. terms of reference (TOR) can be prepared which should be referred in the agreement. The agreed TOR should include, but not be limited to, description of assignment, scope, duration, cost, etc. The TOR will form part of the agreement.

- c. All payments to consultants will be done as per terms and conditions mentioned in their respective agreement. The payments should be made only after approval on the Payment Authorization Form from the Chief Executive Officer.
- d. The consultant must raise and submit an invoice or time sheet for the consultancy fees for any payment as per agreed terms and conditions. The invoice should specify the nature of the work done, name and address of the consultant, and the PAN number or VAT as provided by the consultant. The PAN number is necessary to make deductions for tax at source, if applicable. The final payment should be done after the receipt of final deliverables.
- e. If the yearly service cost of the consultant is above NRs. 200,000, then the consultant registered with VAT should be prioritized.

6.7. Overheads/Core Costs

Overheads/Core costs are usually shared out between the projects/donors in a pre-arranged ratio. This can either take place as the transaction is entered in the accounting records or at the end of the reporting period by making one adjustment entry. The decision on how to apportion costs between the projects/donors may be based on different criteria according to what is known as the cost driver, for example:

- Number of employees in the projects
- Number of cost centers
- Size of each project budget
- Project staff costs
- Amount of space used by department
- Number of clients/beneficiaries
- Actual consumption, eg. distance travelled, photocopies made.

There is no hard and fast rule for allocating overheads to projects; rather, logic should be applied and the criteria chosen should be justifiable. For example, in allocating central support staff salaries to projects, the number of employees in the project could be used; and for apportioning the cost of office rent, the actual space occupied by project staff is applicable. Whatever method is chosen, it must be fair and justified, and once established it should be applied consistently.

7. Procurement

7.1. Procurement Policies

The procurement procedures of the organization are based upon the following policies:

- a. All areas of the organization must adhere to the procurement policy and procedures.
- b. Procedures must be kept short and simple with minimal paper work.
- c. Controls must be in place to ensure against fraud and unacceptable practices.
- d. The Procurement Committee controls the procurement of all goods including the budget.
- e. All goods and services should be only purchased within the approved budget for that period.
- f. Procurements above NRs. 200,000 should be conducted by the Procurement Committee and handling/recording should be done by the FAD.
- g. Procurements below NRs. 200,000 should be done by the FAD after approval from the Chief Executive Officer or as per Level of Authority. All procurements done by the FAD should be retrospectively endorsed by the Procurement Committee.
- h. Goods and services of superior quality at the most competitive price should be sought.
- i. The long term total cost of the goods should be used to determine lowest cost. If appropriate, the cost of supplies and maintenance, as well as the initial purchase price and product life should be included in the lowest price calculation.
- j. The Procurement Committee should list the approved suppliers at the beginning of each fiscal year for items regularly required by the organization and this list should be approved by the Chief Executive Officer and the Executive Committee.
- k. The procurement of goods including stationery items for office use and for project activities in the field should be centralized as far as possible, and in order to save the costs every effort should be made to bulk purchase, and to maintain a stock of supplies, if appropriate.
- l. An annual procurement budget should be prepared by the Procurement Committee in consultation with management and should be approved by the Executive Committee.
- A. The Procurement Committee should check goods in store on receipt of Goods/Services Requisition/Received Note on a surprise basis to ensure that goods are ordered only when actually required.

7.2. Formation of Procurement Committee

The procurement committee should constitute of:

- Chair- Chief Executive Officer
- 1 Member (Representative from Program Department) • 1 Member (Representative from Executive Committee)
- Invitees on a case-by-case basis:

The rights and duties of the Committee will be as follows:

- Preparation of annual procurement budget
- Recommend purchases above NRs. 1,000,000 to the Executive Committee through the Chief Executive Officer;

- Prepare a list of suppliers of standard goods, annually;
- Carry out procurement of goods and services above NRs. 200,000;
- Discuss various issues and decisions made thereon should be duly minuted.

7.3. Procurement Process

a. Preparation of Annual Budget

Two months before the start of the financial year, communication should be made by the Procurement Committee to all departments requiring estimates of consumables and non consumables with timeline required by the respective office for the year. The estimates should be signed by the respective Department Head and should be submitted to the Procurement Committee within 10 days of the communication. The Procurement Committee should collect and compile all the estimates from all the district offices including estimates of consumables and non consumables required with the help of the FAD. The Procurement Committee should segregate the regular items and non regular items from the compiled data and also should segregate the items that could be purchased in bulk. The format for the annual procurement plan has been provided in Appendix B.

The organization should ensure economic, efficient and effective procurement. For this, the organization should carry out the following procurement processes depending upon the situation.

b. Direct Purchase

- i. The FAD may purchase goods directly from the market if the cost below NRs. 50,000 (in one transaction) without obtaining competitive quotations.
- ii. The FAD may purchase the following regular items directly from the market after the selection of preferred suppliers from the list:
 - Stationary
 - Printing
 - Electric and electronic goods
 - Computer and computer accessories • Civil works and electricians • Drinking water.
- iii. The supplier should be listed at the beginning of each financial year for the regular items by following the following steps:
 - The Procurement Committee should post a notice in the newspaper for the listing of the suppliers.
 - The details of items such as quality, quantity and time of procurement should be provided through Terms of Reference.
 - The Procurement Committee should obtain quotations from those interested suppliers and select the supplier from the supplier list based on the criteria below:

- Legally registered with Government of Nepal (GoN)
- Brief history of the company showing past performance
- Business turnover and financial strength of the company ▪ Price and quality of goods and services ▪ Ability to provide service for the product.

- iv. The Procurement Committee should reach an agreement with the selected Supplier after approval from the Chief Executive Officer or Executive Committee, to supply the list of goods for one year at the quoted price. Any later revision in price during the year by the supplier should be justified by the supplier and should be monitored by the Procurement Committee against other suppliers.

c. Open Quotations

For procurement from NRs 50,000 to NRS 200,000, the FAD should obtain at least three open quotations from independent suppliers. The quotations obtained should be on the letter head of the supplier with official stamp. The registration certificate of the supplier should be also obtained.

d. Sealed Quotations

- i. For procurement above NRs. 200,000 to 1,000,000, the Procurement Committee should obtain at least three independent sealed quotations.
- ii. The quotations obtained should be on the letter head of the supplier with official stamp. The registration certificate of the supplier should be also obtained.
- iii. Quotations should be opened on the stated day and time and in presence of all members of the Procurement Committee.
- iv. All persons present during the time of opening the quotations should sign the opened quotations.
- v. The following quotations should not be accepted:
 - Quotations without signature and seal of the suppliers •
 - Quotations not submitted within prescribed time period •
 - Incomplete quotations.
- vi. In the case of discrepancy arising from the above procedures, the whole process may be cancelled and new quotations may be called.

e. Sealed Tenders

- i. For procurement above NRs. 1,000,000, the Procurement Committee if authorized by the Executive Committee should call sealed tenders by publishing in a daily national newspaper.
- ii. Tenders should be opened on the stated day and time and in the presence of all members of the Procurement Committee.
- iii. All persons present at the time of opening the tenders should sign the opened tenders.
- iv. Prior to calling for sealed tenders, required tender documents should be prepared.
- v. The following tenders should not be accepted:
 - Tenders without signature and seal of the suppliers •
 - Tenders not submitted within the prescribed time period •
 - Incomplete quotations.
- vi. The Procurement Committee if authorized by the Executive Committee should perform an analysis of the tenders received and submit a report to the Chief Executive Officer.
- vii. The Procurement Committee should recommend selected suppliers to the Executive Committee through the Chief Executive Officer. viii. In the case of discrepancy arising from the above procedures, the whole process may be cancelled and new tenders may be called for.
- ix. After finalisation of tender documents, the tender notice should be published in one of the daily newspapers.
- x. The following particulars should be clearly mentioned in the published notice:
 - Method of forwarding the tender documents
 - Office where tender documents should be forwarded
 - Latest date for submission of tender documents
 - Date, place and time of opening the tender bid documents
 - Details of security deposit, bank guarantee and 10% cash deposit of tender value etc as required
 - Eligibility of persons/firms/company to tender

f. Exceptions to above Processes

Sealed tenders or three quotations are not required in the following circumstances, where the basis should be documented and approved by the Chief Executive Officer/Executive Committee:

- i. If the required number of quotations are not received and further quotations are unlikely.
- ii. If items to be procured are branded ones and supplied by the authorized dealer.
- iii. If there is single supplier/manufacturer/sole distributor or authorized dealer for intended item.

g. Selection of Suppliers (Price Comparison Chart)

The procurement committee/FAD should prepare a Price Comparison Chart in order to compare the price, quantity, ability to deliver and quality of the goods that the suppliers are willing to supply. The Procurement Committee/FAD should choose the supplier based on the least price with the best quality. If a higher quoted price is selected, the Procurement Committee/FAD should assess the value for money, long term cost including maintenance and should provide justification for the procurement of goods from suppliers other than those with the least quoted price. The Price Comparison Chart should be prepared in two copies and should be approved by the Chief Executive Officer/ Executive Committee. One copy should be maintained by the Committee and another by the FAD. The price comparison chart template has been attached here as Appendix K for reference.

h. Ordering Goods (Purchase Order Note)

- i. After evaluation of the quotations received, the supplier of the goods should be selected after due consideration of quality and price of the goods.
- ii. The Purchase Order Note should be prepared by the Procurement Committee or FAD and approval should be obtained from the Chief Executive Officer for amounts up to NRs. 1,000,000 and from the Executive Committee for higher amounts.
- iii. The pre-numbered Purchase Order Note should be distributed as follows:
 - 1st copy to the supplier
 - 2nd copy for the Procurement Committee
 - 3rd copy to the FAD with the Price Comparison Chart and quotations.
- iv. The necessary particulars of the Purchase Order should be entered in prescribed format. The purchase order note should be serially numbered and should be in proper custody of the responsible personnel.
- v. The format for purchase order has been attached here as Appendix L for reference.

i. Receipt of Goods

- i. Goods should be received by the FAD after delivery from the supplier. Goods received should be inspected by the FAD against the specification, quantity and quality etc mentioned in the Purchase Order Note. If technical inspection is required, then goods should be inspected by a technical person. The goods should either be accepted or rejected after inspection. Exceptional reporting should be made if goods are accepted but there are discrepancies in quality and/or quantity of goods received. It is a good internal control system to segregate the duties of procurement, receipt of goods, recording of expenses and payment.
 - ii. After receipt of Goods, the Purchase Order Note (Goods Received Note Section) should be updated up by the FAS and distributed as follows:
 - 1st copy to the FAD (store and responsible for receipt of goods)
 - 2nd copy to accounts
-

- 3rd copy to Procurement Committee if procured through the committee.
- iii. The appropriate stock / fixed assets register should be updated.

j. Receipt of Invoices and payments

- i. On receipt of a supplier's invoice by the FAD, the invoice should be checked against the purchase order/goods received note. The FAD should also check whether goods have been inspected by store or technical person.
- ii. The FAO should prepare the vouchers and cheque, and forward them to the head of FAD for checking and ensuring the genuineness of the supporting documents.
- iii. The voucher with the invoices and supporting documents should be approved by the Chief Executive Officer.

8. Consumable Assets Management

Any items below NRs. 2,000 should be considered as consumables and should not be recorded in the fixed assets register. Items above NRs. 2,000 should be segregated into consumable and non consumable. The items that have useful life of above 1 year should be considered as non consumable and should be recorded in the fixed assets register on issue from store. Other items should be considered as consumables. The FAD will be responsible for managing and recording the consumable assets including the assets to be distributed in the field to beneficiaries.

8.1. Recording of Consumable Assets

- a. All consumables received/issued/transferred should be updated in the consumable assets register.
- b. All good received/issued/transferred should be recorded on a daily basis.
- c. Goods should be recorded as per their nature along with the amount, date, quantity.
- d. The goods should be recorded on First in-First out (FIFO) basis.

8.2. Protection of goods

- a. Authorized persons only should have access to the store.
- b. Store should not be kept open or unattended.
- c. All materials should be staked properly.
- d. All materials approved after inspection should be stored in designated locations as per the nature of the goods. Hazardous goods should be stored separately.
- e. Expensive and sensitive goods should be stored in steel cupboards and always locked up.

- f. Valuable and sensitive goods should be identified and should be insured against future risks such as fire, theft, damage etc.

8.3. Physical verification of assets

- a. All the consumables should be physically verified twice a year by an independent person on a surprise basis.
- b. In addition to the above physical verification, FAO should physically verify the consumable assets at the end of each Nepali fiscal year.
- c. The head of FAD should recheck the physical verification by doing random second counts.
- d. The movement of assets during physical verification should be kept to a minimum
- e. The physical verification sheets should be written with permanent ink and sequenced with number.
- f. The physical verification report should be prepared by an independent person and should be reported to the head of the FAD and the Chief Executive Officer.
- g. The physical verification report should identify assets that are not found physically, assets not recorded in the register, obsolete assets and damaged assets identifying whether repairable or non repairable.

8.4. Issue of goods

- i. The FAD should receive Goods/Service Requisition Notes (GRN) and check the availability of the requested goods in stock. If the goods are not available in store, then the FAD should initiate procurement of goods or write to the Procurement Committee if the cost is above NRs. 100,000 to initiate purchase of goods.
- ii. On availability of goods, the FAD should sign the GRN and also acquire a receipt signature of the user on the GRN and issue goods to the user.
- iii. If the goods are to be dispatched to beneficiaries, then the receipt with signature of the beneficiaries should be obtained and filed.
- iv. On issue of goods, the store register should be maintained and updated.
- v. If goods are to be taken out of the compound, the user should show the completed GRN. The Security Guard should check the goods and the GRN and then allow the goods to be taken out. The Security Guard should then record of goods taken out in his own register.
- vi. Non consumable goods issued from store should be updated in the fixed assets register including the name of custodian of fixed assets.
- vii. The format for GRN has been attached here as appendix J for reference.

9. Fixed Assets (Non Consumables) Management

Non-consumables should be kept, operated or used with utmost care. Every employee should be responsible for non-consumables assigned to them. The process of demanding goods by users, requesting procurement, receipt and issue of non-consumable assets will be the same as for consumable assets.

9.1. Maintenance of Non-Consumable Register

The non-consumable register should be maintained to record non consumables that are not recorded in the consumable assets register. The non consumable register should be maintained by a separate person of the FAD. The non-consumables register should be updated on a daily basis.

9.2. Maintenance of separate room-wise sheet

A separate sheet should be maintained in each room. The sheet should show assets kept in the room, their ID Code and the name of their custodian. The sheet should be updated every six months and should be signed off by the custodian and the independent person who carried out the physical verification of that room.

9.3. Physical Verification

- a. All the non-consumables should be physically verified twice a year by an independent person.
- b. In addition to the above physical verification, the FAO should physically verify the consumable assets at the end of each Nepali fiscal year.
- c. The head of the FAD should recheck the physical verification by doing random second counts.
- d. The movement of non-consumables during physical verification should be kept to a minimum
- e. The physical verification sheets should be written with permanent ink and sequenced with number.
- f. The physical verification report should be prepared by an independent person and should be reported to the head of the FAD.
- g. The physical verification report should identify assets that are not found physically, assets not recorded in the register, obsolete assets and damaged assets identifying whether repairable or non repairable.

9.4. Non-Consumable Security

All assets should be kept in a secure location, maintained regularly, insured against theft or destruction and utilized economically and efficiently.

9.5. Disposal of Non-Consumables

The procurement committee will be responsible for disposing of damaged, obsolete and unused non-consumables on an annual basis or as and when required. The procurement committee will decide the mode of disposal of non-consumables in compliance with the laws and regulations of Nepal. The mode of disposal could be one of the following:

- Gift/Donation
- Auction to staff/public
- Scrap

9.6. Policy for Lending Non-Consumables

A separate register should be maintained for lending non-consumables to users. This register may be incorporated with the fixed assets register. The user should take due care of the assets and is responsible for the assets. The register should be maintained by the AD and should record asset list its ID code and should be signed by user on receipt and return of assets.

9.7. Vehicle management

The vehicle management policies of the organization for owned or leased vehicle are as follows:

- a. The driver maintains a vehicle log book to provide a full record of vehicle movement, duration and distance of the trip, amount of fuel purchased/used.
- b. The passenger must sign the vehicle log book after each trip.
- c. The unauthorized use of vehicles is a disciplinary issue.
- d. The Finance Officer must check the vehicle log book weekly.
- e. Staff authorized to use the vehicle for some personal reason must pay for distance (each kilometer) driven. The rate of such charge will be determined by the Executive Committee as appropriate to the market rate.
- f. The FAD must ensure that the vehicle is properly insured, serviced and maintained. Any discrepancies must be reported to the Chief Executive Officer.
- g. In the event of a road accident the details must be reported in full and immediately to the Chief Executive Officer.

9.8. Unique identification of Non-Consumables

All non-consumables will be physically coded with a unique ID for easy reference in the nonconsumable register. Non-consumables should be coded immediately on their receipt from store. A unique ID Code should be designed. Example has been stated below:

- Create donor Code: AHF
- Create alphabetic codes for assets: ○ for water cooler code may be –WC ○ for Steel Almirah code may be-SA
○ for Steel Table code may be-ST ○
for Desktops code may be-DPC ○ for
Laptops code may be-LPT etc
- Create unique number starting from 01 for each type of asset.

9.9. Record of warranty and guarantee of assets

A register will be maintained to record the warranties and guarantees of assets. The register should be maintained by the AD. The format of this register should record assets, brand, date of purchase, supplier, ID Code, cost and warranty/guarantee terms and conditions. This register may be combined with the overall fixed assets register.

9.10. Repair/Maintenance of Assets

A register will be maintained to record the assets under maintenance. The register should be maintained by FAD. This register may be combined with the overall fixed assets register. For repair and maintenance of any assets, the following process should be followed:

- Purchase requisition form filled and approved by the Chief Executive Officer
- Invoices/receipt received from the service provider after the service
- Payment authorization form should be approved by the Chief Executive Officer before making any payments. The format has been attached as Appendix N.

9.11. Reports from District Offices

District Offices should prepare and submit to Head Office a report on the status of nonconsumables as per the register on a monthly basis.

10. Office Communication

People outside the organization communicate with the office in three main ways:

- Visit the office.

- Telephone the office.
- Write a letter (or send an email) to the office.

The very nature of the organization's work requires the office to be accessible, particularly to the beneficiaries and client groups. Members of the public will also want to visit the office to find out more about the organization's work and to offer or seek assistance. Sometimes government officials, representatives of other NGOs or donors will also come to the office for meetings. It is important that their first impressions of the office are positive. The office should be located at an accessible place considering the above factors.

A register should be maintained by the FAD/Reception to record the in/out of all the documents to/from the organization. The documents must be filed properly with an index and should be easily traceable when required. It is the responsibility of the respective document owner to keep the files properly and safely. Any loss of an important document will be treated as negligence and will be subject to disciplinary action as described in the personnel policy.

11. Managing an audit

An audit is an independent examination of records, procedures and activities of the organization, resulting in a report on the findings. Audits are important for the organization as they demonstrate a commitment to transparency and accountability and bring credibility to the organization. It is also a legal requirement in Nepal to have the financial statements reviewed by an independent auditor once a year.

There are two kinds of audit:

- Internal Audit
- External Audit

As the name implies, an external audit is primarily for the benefit of those outside the organization, eg stakeholders and donors. The statutory auditor should be recommended by the Executive Committee and approved by the annual general meeting of the members. The Donor Auditors should be selected and approved by the Executive committee in consultation with the donor.

An internal audit is undertaken for the benefit of those inside the organization, ie members and management. The Executive Committee will decide on the appointment or hiring of an internal auditor after considering the cost benefit to the organization. The mandate of an internal auditor should be approved by the Executive Committee and there should be a direct reporting line by the internal auditor to the Executive Committee.

The audit should be a positive experience and not one to be feared; it is an opportunity to receive feedback on strengths and areas for improvement to be made in the system. The

organization should use the auditor to discuss ways of improving accounting systems and procedures.

12. Specimen Forms

The list of the forms to be used under this FAM is as below:

- A. Budget Template
- B. Annual Procurement Plan
- C. Budget vs. Actual Sheet Template
- D. Fund Accountability Statement Template
- E. Fixed Asset Register Template
- F. Petty Cash Register
- G. Advance Request Form
- H. Advance Settlement Form
- I. Official Cost Reimbursement Form
- J. Goods/services Requisition/Issue Note
- K. Price Comparative Chart
- L. Purchase Order/Goods Received Note
- M. Store/ Consumable Assets Register
- N. Payment Authorization Form

The specimen forms themselves follow as appendices.

Appendix A

Budget Template

<i>Budget Code</i>	<i>Project activities</i>	<i>Unit</i>	<i>Target</i>	<i>Unit cost</i>	<i>Day/ Times</i>	<i>1st quarter Budget (NRs.)</i>	<i>2nd quarter Budget (NRs.)</i>	<i>3rd quarter Budget (NRs.)</i>	<i>4th quarter Budget (NRs.)</i>	<i>Total Budget (NRs.)</i>

Prepared by Name: Signature: Date:	Reviewed by Name: Signature: Date:	Approved By: Name: Signature: Date:
--	--	---

Appendix B
Annual Procurement Plan
Fiscal Year

S. No.	Assets	Qty	Unit	Rate (NRs.)	Budgeted Amount		Needed Month as per plan											
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July

Prepared by Name: Signature: Date:	Reviewed by Name: Signature: Date:	Approved By: Name: Signature: Date:
--	--	---

Appendix C

Budget vs. Actual Sheet (1st Quarter) Template

<i>S. No.</i>	<i>Project activities</i>	<i>Total Budget (NRs.)</i>	<i>Total Cost (NRs.)</i>	<i>Balance (NRs.)</i>	<i>Variance (Budget less Cost in NRs.)</i>	<i>Variance %</i>	<i>Justification/Remarks of variance</i>

Prepared by

Name:

Signature:

Date:

Reviewed by

Name:

Signature:

Date:

Approved By:

Name:

Signature:

Date:

Appendix D**Fund Accountability Statement (FAS) Template****Fund Accountability Statement (AHF)****For the period covering July 16, 2013 to September 30, 2013**

S. No	Particulars	Schedule	Amount (NRs)
I	Opening Balance	1	
II	Income		
	Grant (AHF)		
	Total Funds Available (I+II)		
III	Expenditure		
	Administrative & Management Costs	2	
	Program Cost	3	
	Total expenses III		
	Total Closing Fund Balance (I+II-III)		

Represented By :

Particulars	Schedule	Amount (NRs)
Bank and Cash Balance		
Advances & Receivables		
Payable		

Appendix F

Petty Cash Register (Sample)

Period covered: 1 to 12 January 2014

ANALYSIS OF PAYMENTS												
Date	Budget Code	Details of Transaction	Cash In (NRs.)	Cash Out (NRs.)	Cash Balance (NRs.)	Stationery	Repairs	Travel & subs	Fuel	Food/ Accom	Training Mats.	Other
												-

Appendix G

ADVANCE REQUEST FORM

Advance Request Form No: (To be provided by FAD):

Date: _____

Name: _____

Designation: _____

RID NEPAL

Signature: _____

Purpose of Advance: Program/ Official Travel/ Office Overhead Cost/Other _____

Detail Breakdown of Advance

Budget/program Head	Particulars	Unit	Rate (NRs.)	Total Advance (NRs.)

Advance to be settled on (tentative date): _____

Reviewed by

Name:

Signature:

Date:

Approved By:

Name:

Signature:

Date:

Received Initial: _____ Date: _____

Note:

- Please attach additional supporting documents if required.
- Advance must be cleared within five working days after the completion of work.

Appendix H

RID NEPAL

ADVANCE SETTLEMENT FORM

Ref of Advance Request Form No:

Date: _____

Name: _____

Designation: _____

Signature: _____

Advance amount to be settled: NRs. _____

Budget/ Programme Head	Date	Particular	Amount (NRs.)	Ref. Invoice No.	Remarks
		Total			

**Excess Amount Returned: or
Short Amount to be reimbursed:**

Reviewed by

Name:

Signature:

Date:

Approved By:

Name:

Signature:

Date:

RID NEPAL

Appendix I

OFFICIAL COST REIMBURSEMENT FORM

Date: _____

Name: _____

Designation: _____

Signature: _____

Amount to be reimbursed in words: NRs. _____

Purpose of Expense: . _____

S. No.	Date	Particular	Amount (NRs.)	Ref. Invoice No.	Remarks
		Total			

Reviewed by

Name: _____

Approved By:

Name: _____

RID NEPAL

Signature:

Date:

Signature:

Date:

Appendix J

NSIP Goods/Service Requisition/Received Note (GRN)

Ref. No. _____

Date : _____

Goods/Service Office/ Field Trip/ Trainings / District Office / Others _____ Required
For: (Tick anyone, for Others please specify)

To: Finance and Administration Department

S. No.	Goods/Service Requisitioned	Quantity Ordered	Purpose	Remarks

Requested By:

Name:

Designation:

Signature:

Date:

Recommended By:

Name:

Designation:

Signature:

Date:

Approved By:

Name:

Designation:

Signature:

Date:

Name:
Designation:
Signature:
Date:

NSIP Price Comparison Chart

Ref No: **Date:** **To:** **Budget Code:**
From:
Subject: Request for approval of comparison chart

[illegible]

Reason for selection of the Vendor

The above chart shows that..... offers the most competitive price considering maintenance and operating cost for the required package. Procurement Committee hereby kindly request to approve this quotation

Reviewed by		Approved by	Name:	Prepared by
	Name:	Designation:	Designation:	Name:
Designation:				
Date:		Date:		Date:

NSIP Purchase Order Note

Date: 26th May 2014

Office: NSIP

Budget line::

Vendor: **Manakamana Enterprize Empex, Anamnagar**

With reference to your quotation dated 2070/8/17, we are pleased to place our order for supply of the following:

Item No.	Description	Unit	Quantity	Unit Price	Cost
1	Printing (28 pg, 115 gm),	1 page	47 page*300 pc	Rs 11.32	Rs 159612

TOTAL	
-------	--

Terms & Conditions:

- The vendor agrees to deliver the materials at RID Office within ,,,,,,,,,,
- The Vendor accepts to provide the service within the limit of quoted price.
- The Vendor agrees to provide a sample copy to RID as proof reading before sending for the final printing.
- The mentioned cost in this PO is including VAT 13% and transportation.

Prepared by

Name:

Designation:

Date:

Reviewed by

Name:

Designation:

Date:

Approved by

Name:

Designation:

Date:

Appendix M

NSIP

Store/Consumable Assets Register

Item Name:

Item Code:

GRN Number	Opening Balance	Received	Issued	Closing Balance	Rate (Rs.)	Total Value (Rs.)	Remarks

Note: Attach additional supporting documents if required (i.e. Distribution list with signature of Recipients).

Appendix N

NSIP

Payment Authorization Form

Date:

Payee Name:

Office:

Address:

Contact Number:

S. No.	Budget Line	Invoice Number	Invoice Date	Description	Invoice Amount (NRs.)

Prepared by

Reviewed by

Approved by

Name:
Designation:
Date:

Name:
Designation:
Date:

Name:
Designation:
Date: