

Financial Management Policy DEVI Sansthan, Lucknow

1. Purpose

The Financial Management Policy of DEVI Sansthan establishes guidelines for financial planning, control, and reporting to ensure transparency, accountability, and compliance with applicable laws and regulations. This policy provides a framework for responsible financial management and aligns with the organization's mission and objectives.

2. Scope

This policy applies to all financial transactions, including budgeting, procurement, accounting, reporting, and auditing, carried out by DEVI Sansthan.

3. Financial Governance

- The **Governing Board** oversees financial management and ensures proper utilization of resources.
- The **Finance Committee**, if constituted, supports the Board by reviewing financial reports, budgets, and policies.
- The **Executive Director/Chief Functionary** is responsible for day-to-day financial operations and ensuring compliance.
- Designated finance personnel shall handle accounting, bookkeeping, and reporting functions.

4. Budgeting and Financial Planning

- An **annual budget** shall be prepared by the finance team and approved by the Governing Board.
- Budgets must align with organizational goals and funding availability.
- A mid-year budget review shall be conducted to assess financial performance and make necessary adjustments.
- Multi-year financial planning shall be encouraged for sustainability and strategic growth.



5. Accounting and Record-Keeping

- Financial transactions shall be recorded following **Generally Accepted Accounting Principles (GAAP)** and applicable laws.
- Separate accounts shall be maintained for different funding sources (grants, donations, program revenues, etc.).
- All financial records, including invoices, receipts, and reports, shall be securely maintained for at least **seven years**.

6. Bank and Cash Management

- The organization shall maintain bank accounts in the name of **DEVI Sansthan**, with authorized signatories as approved by the Governing Board.
- Transactions above a specified limit shall require dual authorization (e.g., Executive Director and Treasurer/Board member).
- Cash transactions shall be minimized, with proper records maintained for petty cash expenses.

7. Procurement and Expenditure Control

- All procurements shall adhere to DEVI Sansthan's **Procurement Policy**, ensuring fairness and cost-effectiveness.
- Competitive bidding shall be used for purchases above a threshold limit.
- Expenses must be pre-approved as per delegated financial authority.
- Reimbursements require valid receipts and prior approval.

8. Financial Reporting and Transparency

- Monthly financial statements shall be prepared and reviewed by the Finance Committee.
- Quarterly and annual financial reports shall be shared with the Governing Board.
- Annual financial statements shall be published on the organization's website or made available to stakeholders upon request.

9. Internal Controls and Risk Management

- A system of internal controls shall be implemented to prevent fraud and mismanagement.
- Periodic internal audits shall be conducted to assess financial compliance and efficiency.



- Any discrepancies or financial risks must be reported immediately to the Board.

10. Compliance and External Audit

- DEVI Sansthan shall comply with all applicable laws, including **Income Tax Act, Foreign Contribution Regulation Act (FCRA), and Societies Registration Act, 1860.**
- Annual audits shall be conducted by an independent auditor, and audited financial statements shall be submitted to regulatory authorities.
- Compliance with donor-specific financial requirements shall be ensured.

11. Fundraising and Grant Management

- Funds raised through donations, grants, or other means shall be utilized strictly for approved purposes.
- Restricted funds shall be used only for their designated programs.
- Proper documentation and reporting shall be maintained for all grants and donor funds.

12. Amendments and Review

- This policy shall be reviewed **every two years** or as needed to ensure effectiveness.
- Amendments require approval from the Governing Board.

Approved by: Governing Board of DEVI Sansthan



Nixon Joseph
Group Director
DEVI Sansthan

