

## Navneet Foundation Finance and Accounting Policy

### 1. Purpose

This policy establishes the financial management standards to ensure that Navneet Foundation's funds are used efficiently, ethically, and transparently across all its programmatic and operational activities. It ensures compliance with legal requirements, donor expectations, and internal accountability.

### 2. Scope

This policy applies to all financial transactions, budgets, grants, procurement, reimbursements, donations, and accounting processes related to education, healthcare, community development, and environmental work undertaken by Navneet Foundation.

### 3. Key Principles

- **Transparency:** All financial transactions must be properly recorded, justified, and open to review.
- **Accountability:** Funds must be used solely for approved purposes with clear documentation and supporting bills/invoices.
- **Efficiency:** Resources must be used judiciously to maximize impact and minimize waste.
- **Compliance:** All transactions must comply with Indian accounting standards, FCRA (if applicable), donor terms, and statutory regulations.
- **Segregation of Duties:** No single individual shall have sole control over financial authorizations, approvals, and custody.

### 4. Budgeting and Planning

- Annual budgets will be developed in alignment with program plans and approved by the board/trustees.
- Project-specific budgets must be maintained and reviewed periodically.
- Any deviations must be documented with justification and pre-approvals.

### 5. Expenditure Management

- All expenses must be supported by valid documentation (bills, receipts, approvals).
- Payments above a defined threshold will require dual approval.
- Staff reimbursements must be claimed through approved formats with receipts.

### 6. Accounting Practices

- Maintain accurate books of accounts using standardized accounting software or ledgers.
- Maintain separate ledgers for restricted (donor-specific) and unrestricted funds.

- Monthly reconciliation of bank statements, petty cash, and donor accounts is mandatory.
- Financial reports (quarterly/annual) will be prepared and reviewed by management.

## **7. Audits and Reviews**

- Annual statutory audit will be conducted by an external, registered auditor.
- Internal checks and random verifications will be carried out periodically.
- Audit reports will be presented to the Board and made available to stakeholders upon request.

## **8. Procurement and Asset Management**

- Purchases must follow approved procurement procedures with quotations and comparative statements.
- An inventory of all assets must be maintained and physically verified annually.

## **9. Donor Reporting and Compliance**

- Donor grants will be accounted for separately and financial reports will be submitted as per agreement terms.
- In case of FCRA funds, records will be maintained in accordance with the Foreign Contribution Regulation Act and returns filed on time.

## **10. Review and Updates**

This policy will be reviewed annually or as needed, based on changes in law or organizational needs. Non-compliance will lead to corrective action, including disciplinary measures.

This policy has been approved by trustees of Navneet Foundation at its meeting held on 29<sup>th</sup> August, 2025.