



# **AHEAD INITIATIVES**

## Finance Manual

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These guidelines are applicable to all the units, projects of the organization wherever they may be located.



## **A: ROLE OF ACCOUNTS DEPARTMENT**

The role of the Accounts department is, among others:

- i. To ensure proper and judicious utilization, maintenance and control of funds.
- ii. To ensure availability of fund resources without sacrificing its value addition.
- iii. To ensure the supply of reliable, accurate and timely information to the various stakeholders and to the Governing Board.
- iv. To provide information as regards cost effectiveness and use of funds and to ensure support for the preparation and monitoring of budgets.
- v. Ensuring break up of yearly plans into Quarterly/Monthly projected flows and reviewing such projections against actual. Further, targeted events/programs to be matched with actual on a monthly basis.
- vi. The accounts should be maintained fully computerized with specific software.
- vii. Every person of the Accounts team needs to undergo periodical training to upgrade his / her skills, refresh technical knowledge and keep abreast with improved systems.

## **B: GENERAL ACCOUNTING POLICIES & FRAMING OF ACCOUNTING:**

### **1. ACCOUNTING PERIOD:**

Accounting Year of the organization is a period of twelve months starting from 1st April of one year to 31st March of the succeeding year. The reporting period of different projects as agreed with the donors may be different from the accounting year of the organization. It is recommended that a report for each funding arrangement to be made in accordance with the accounting period of the donor. The accounts would be sent depending on the requirement of different donors. However, to ensure preparation of the overall financial reports as per the accounting period, apportionment of financials to be done in a manner that is rendered possible.



## 2. METHOD OF ACCOUNTING:

The Cash basis system of accounting is followed. Generally income is accounted on a conservative basis but all expenditure is adequately booked in accounts.

## 3. EXISTING REQUIREMENT:

### 3.1. Legal Requirements:

- a. Under Companies Act:** The organization is needed to follow the rules of the Companies Act 1956 and submit the return with necessary renewal every year accordingly.
- b. Under Income Tax Act, 1961:** As per the provisions of Income Tax Act and rules framed therein, organization is required to submit the audited statement along with a statement of Income from different sources in a timely manner.
- c. Under FCRA Act, 2020:** As per the provisions of the FCRA Act, organization is required to provide details of fund receipts quarterly, and provide annual returns with audit statement.

### 3.2. Donors requirement:

Donors usually prefer and require the financial statement on cash basis. Irrespective of the system of accounts followed by the organization, the requirements of donors are fulfilled with adequate adjustments. Utilization certificates may be submitted to donors which are required to be certified by the statutory auditors.

### 3.3. Relevance for NGO:

The financial statements are prepared on the basis of matching principles. Under matching principles, while preparing the Income & Expenditure A/C, the costs are matched with revenues that have accrued during the period in order to determine the correct position of either the surplus or the deficit.



#### **4. LOCATION OF ACCOUNTS:**

Accounts are maintained at the Head Office where all supporting documents and books of accounts are kept.

#### **5. ACCOUNTING HEADS:**

This will be maintained on the basis of accounting heads as approved by the funding agencies as well as approved by the organization. It is therefore recommended that the expenditure should be linked to the activity. It needs to be sub-grouped on the basis of expenses.

#### **6. JOINT COST:**

- 6.1 The costs which cannot be directly allocated to the individual projects are classified as joint costs.
- 6.2 The joint costs are determined and allocated from time to time to the funded programs under implementation on the basis of the volume of each program and the utilization of such facilities by each project as per the policy of allocation approved by the board i.e. either the expenditure method or the income method.

#### **7. RELATED RECEIPT:**

Basically it is generated for proper implementation of the programmes and it includes interest from bank, grants, donation, beneficiary's contribution etc. A pre numbered receipt must be issued whenever there is an instance of receiving any grant / donation / subscription etc.

#### **8. INTER PROJECT FUND BORROWINGS:**

Inter project fund borrowings are generally not allowed under any circumstances. However, instances of emergencies may arise on account of late remittance of grant from the funding agencies. Under such circumstances, such borrowing may be allowed only on a temporary basis out of the temporary surplus fund and that too only after the approval of the respective funding agencies followed by Managing Director.



## **9. INTERNAL BILLING:**

- 9.1** Since there are a number of staff members whose services are utilized by more than one project and further whose services are of such a nature that these cannot be rationally identified with a single project (like accounting or administrative services), allocation of such joint costs to the various projects becomes necessary.
- 9.2** Further there are instances of a number of expenses like security services or maintenance charges whose benefits are enjoyed by a number of projects and cannot be logically identified with any one project. For booking of such joint costs, internal bills are prepared.
- 9.3** Internal bills are also utilized to book expenses to a project in case of utilization of any tools or equipment or facilities of the organization by such project. The internal bills have a separate serial number and the fact of booking the expenditures through raising internal bills together with the reason for such booking to be communicated to the concerned funding agencies.
- 9.4** In case of utilization of services of the community, these are to be fairly valued and charged to the project for which such services have been utilized.

## **C. INTERNAL CONTROL SYSTEM:**

### **1. AS REGARDS CASH & BANK:**

#### **1.1** As regards Cash:

- 1.1.1** The cash book is updated daily and the box balance is physically verified regularly by the cashier (nominated person of accounts) and once in a month by Financial Director to certify the physical cash. The cashier will maintain print outs of the cash book on a daily basis and record denomination of physical notes and coins held by him/her at the end of the day. This serves the purpose of the cashier's scroll book without duplicating efforts. Payment is made against a duly authorized original document (bill/voucher) supported by relevant documents. In case of



remote areas and unauthorized slums where bill / cash memo is not readily available, the supporting document of the organization will be the acceptable accounting document and it has to be adequately authenticated by a person in charge of the project. Transactions are generally recorded within 7 (seven) they take place.

**1.1.2** Withdrawal of cash from bank:

- a.** Based upon the monthly plan and the approved requisition from the programme head, the accounts head shall prepare a requisition for withdrawal of cash from the bank.
- b.** The office bearers (Managing Director and Director), on the basis of such requisition and duly certified by the Accounts department and Finance Director, shall sign the cheque for withdrawal of cash from the bank.

Adequate Insurance coverage shall be taken for cash in safe and for cash in transit.

**1.2** As regards Bank:

- 1.2.1** Bank account is maintained in the name of the organization by Finance Director and any one of Directors.
- 1.2.2** A bank reconciliation statement is prepared on a weekly basis.
- 1.2.3** The operation and management of all the bank accounts of the organization are under direct supervision of signatories along with the Finance Director.
- 1.2.4** Bank (Cheque) book to be maintained for proper recording of persons/parties to whom cheques are issued and the purpose thereof.
- 1.2.5** In case of withdrawal of cash from bank the limit for the authorized person individually is an amount up to Rs. 50,000. In case withdrawals exceed Rs 50,000 an escort will be provided additionally.



## 2. AS REGARDS RECEIPTS:

Grants / donations / subscription/ contribution / income from investment / Bank Interest are accounted for only when they are received.

**2.1** As regards receipt of Grant:

**2.1.1 Receipt through cheque:** Grant should be received in the name of organization. The grant should be received by the head of the organization or by any person authorized by the board and pre numbered receipt to be issued for every grant received.

**2.1.2 Receipt through cash:** In case donations are received in cash up to a limit of Rs. 2000 it should be received by the head of the organization or by any authorized person. A pre numbered receipt to be issued for every donation and the same amount should be handed over to the cashier.

**2.1.3 Receipt through direct bank transfer:** In case donation / grant is received by an automatic transfer, a pre-numbered receipt to be issued too along with a copy of the bank's credit advice.

## 3. AS REGARDS PAYMENT:

**3.1** Payments through Cheque:

All payments in excess of Rs 5,000/- shall be made by cheques. However in case of exigency this may be waived by the Managing Director. Account payee cheques are preferred however, in case of the payee not having a bank account, bearer cheques may be issued. This should be allowed only occasionally.

- a.** It is mandatory to have the approval of any one Director in case of making any payments. Before approval of the Director, the concerned project coordinator as well as the Accountant to put in their initials. After such payments have been made, vouchers to be approved by the Finance Director.
- b.** The system of making payments after entries may be followed for its obvious benefits.



- c. Cash disbursements for project advance or tour advance shall be made on days pre-ending holidays or in case the cash is to be used the same day.

### **3.2** Payments through Cash:

Though it is always preferable to make payments in cheques, payments in cash cannot be avoided altogether. All payments made in cash have to be supported by original supporting documents or documents authenticated by the authority. Cash payments can be made only for amounts below Rs 5,000/- or more in case of emergencies only if endorsed by the Finance Director.

### **3.3** Identification of Expenses:

It is required that all the requisitions, vouchers and the supporting must specify the name of the funding arrangement / name of the programme, so that the expenses under a particular funding arrangement can be easily identified. It is also required that vouchers and the supporting after being paid must be stamped as PAID/ CHECKED in order to avoid its reuse.

## **4. AS REGARDS ADVANCES:**

### **4.1** Advance to supplier:

Generally, it is prudent to avoid making unfettered advances to suppliers without any adequate collateral. In case so required, all advance payments to suppliers have to be done by account payee cheque/NEFT/DD only after approval for the same by the Finance Director and if so specifically provided in terms of the order. Under no circumstances can cash be advanced to suppliers.

### **4.2** Advance to staff for expenses:

All requests for advances for expenses should be made on the advance expenses application form of the organization or can be sent to Project Director via email. Requests are to be made 5 days prior to the date of requirement. Such requisitions to be sanctioned by the concerned Director-in case of giving advance to the project coordinator or other staff. These are to be ratified by the Finance Director subsequently.-All advances taken must be



settled within the week or immediately after the completion of the event/program for which advance was taken. In case advances are yet to be settled, fresh advances cannot be taken unless specifically allowed by the Managing Director or an authorized person. Each advance to be settled uniquely and cannot be adjusted with any other subsequent advance.

#### **4.3 Advances against project work:**

It's given only if there is no outstanding advance against the application. On completion of the activity for which advance is taken, the advance is to be settled and any balance returned. In case standing advance is allowed to any employee the ceiling will be fixed based on the requirement and status of the concerned employee. The same procedure has to be followed in case of material requisition.

- a.** The Accounts department must maintain an individual ledger for advance taken and its adjustment. A separate ledger and sub ledger should be maintained for advance against salary and advance against project work.
- b.** The advance for an amount below Rs.1000 or the advance, which is going to be cleared within 3 days: Under this system whenever a person is taking an advance, he/she needs to sign a document confirming receipt of advance. When the advance is cleared this document is cancelled or adjusted with a further advance, and the expenses are booked directly in the books of account. In such cases there is no need of maintaining the name wise advance register.
- c.** It is to be ensured that, to the extent practicable, at the end of the financial year / project period, no advances are carried forward.

## **5. BILL PAYMENT PROCEDURE:**

**5.1** Bills are submitted to the Accounts Department. Bills have to be submitted along with the original supporting documents duly attested by the receiver of the goods, that they have been received in good condition. A copy of the order is also attached with the bill mentioning the project under which it is booked. Such bills are to be endorsed by



the project coordinator /in charge of the project for which the expense has been incurred.

- 5.2** The accounts department checks the bill on the basis of the relevant documents, order copy and accorded approval and prepares the cheques for payment.
- 5.3** Cheques/e-cheque/DD are made out only in the name of the supplier whose name is mentioned in the order. However, if the supplier is unable to produce the Bank Account number, the cheque/e-cheque/DD may be issued in the name of the concerned supplier subject to recommendation of the Project Director. Final approval will be given by the Finance Director.

## **6. AS REGARDS FIXED ASSETS:**

- 6.1** Property and equipment purchased, either from own sources or out of grants and donations provided by funding agencies are stated at cost (historical cost). All costs incurred relating to acquisition of such assets are also capitalized when construction is complete and ready for use. Sufficient insurance coverage for the assets, wherever possible, should be taken. A separate Fixed Assets register should be maintained for Administrative head office. Fixed Assets register should be maintained incorporating therein details.
- 6.2** Sale & Disposal of property and equipment can be so made only after these have been identified and so authorized to be disposed/sold by the managing committee. After having been so identified, a fair valuation of the property/equipment of significant value to be made by an independent valuer. The process of valuation may be done away with in case of property/equipment with insignificant values. After such valuation, sealed quotations to be sought from interested parties or emailed to Finance Director. This may even be advertised through tendering in case of property/equipment of significant values. In such cases parties may be given the opportunity to examine the property/equipment being proposed to be disposed/ sold. The purchase committee will vet the offers and the award to be made to the highest bidder.



**6.3** Transfer of Fixed Assets from one location to another location may be made on the basis of a Transfer of Asset document (challan). A copy of such a document to be retained by the transferor and a copy to be sent to the transferee unit and also to Head Office in case it is neither the transferor /transferee. The memo will include details as appearing in the Asset Register along with a recording of the approver of such a transfer.

**6.4** Fixed Assets Accounting

- a.** All Fixed assets exceeding Rs.5,000/- are to be purchased by any two of the three office bearers i.e., Project Director, Finance Director and Managing Director. for which 3 quotations are preferred. In special cases if alternative quotations are not available, the Finance Director must approve the purchase and inform Managing Director. In case of online purchases, quotations are not needed but comparative costs must be assessed if available across online platforms. For all purchases Finance Director must provide prior approval based on budget. If technical advice is required for selecting assets, it is to be taken from an appropriate person. Land and property and assets of significant value are to be procured after consideration and approval by the Executive Committee.
- b.** All costs incurred to bring assets and to startup the assets e.g. freight, cartage, duties, installation cost etc. should be added with the cost of purchase and capitalized with the corresponding asset account. All new assets purchased to be given a unique identification number and entered into assets register with due valuation.
- c.** The rate of depreciation charged to the assets acquired is the rate/s prescribed by the Income Tax Act, 1961 for similar assets.
- d.** Assets to be physically verified periodically in a manner that all assets are so verified at least once a year The scrap assets should be destroyed after fixing a valuation. The list of such assets scrapped to be approved by the managing committee.



## **7. AS REGARDS INVESTMENT:**

Investment to be made in Bond, mutual funds, fixed deposits, certificate, on a short term / long term basis. The principles of stability of returns, increased earnings to be suitably matched before taking a decision of investment. Risky investments even with high expected returns should be avoided. All such investments may be done after approval by the managing committee. Incomes / gains and also losses to accrue to be credited / charged to the society.

## **8. AS REGARDS BOOKS OF ACCOUNT:**

### **8.1 Cash Book:**

The books of Accounts are maintained on the principles of fund accounting and the organization specifically maintains separate books of account for each project. Computerized Double Column Cash book is maintained separately.

Ledger:

Computerized General Ledger is maintained for all the projects being implemented. Project Wise Ledgers are maintained to facilitate project reporting.

## **9. AS REGARDS STOCK REGISTER:**

**9.1** Purchases are made on a centralized basis as required by the projects and these are charged to the projects as expenses. The Stock Register is maintained for items like stationary medicines, books and education materials.



- 9.2** All purchases are entered into the register on the date of delivery of the items. A record of the same is kept.
- 9.3** All issues from stock are supported by challan. Entries in the register are made on the date of issue of stock. Records of the issue notes are maintained.
- 9.4** Verification of stock is conducted periodically and for certain items stocks are maintained at predetermined levels.

## **10. AS REGARDS DEPRECIATION:**

Depreciation is provided on a written down value method at rates as per Income tax Act. Depreciation on assets procured either for specific projects or from own sources are all provided from their own account and not charged to the projects for which such assets have been procured.

## **11. AS REGARDS VOUCHERS:**

Separate Vouchers are maintained for each project.

### **11.1 Debit Vouchers:**

All payments have to be supported by vouchers along with proper support documents. The vouchers should be endorsed by the project in charge or in his absence by any authorized person supervising the project. The voucher has to be approved by the Secretary.

### **11.2 Credit Vouchers:**

All receipts in the form of donations, collections, income and grants are to be supported with a credit voucher.

- a. A register is maintained which incorporates details of donor name, Cheque/draft number, the project for which the fund is received and the date of receipt.
- b. Numbering of Vouchers is generated by the computer itself in Tally Package.



## **12. PROJECT BALANCE RECONCILIATION:**

- 12.1** At the end of specific periods, projects balances are drawn and reconciled.
- 12.2** Such project balances are reviewed and reconciled with available physical balances.
- 12.3** In case of differences, these are taken up and settled immediately. In such cases a short note explaining the issue should be kept with Accounts department after obtaining approval of Treasurer / Secretary.

## **13. ADJUSTMENT OF PROJECT BALANCE:**

The need to adjust project balances may arise for a variety of reasons – donors may not approve certain expenses or certain expenses may be incurred during such period that may not be ultimately approved by the donors. There may be other reasons also. Three types of scenario may be thought of and the actions to be taken under the different situation are:

- 13.1** If the change to be made is detected and is required within the current financial year, this might be so made by giving corresponding effect through “Establishment” project. If the amount involved is substantial, approval of the Executive Committee is required.
- 13.2** If the change to be made of a financial year is detected during the next financial year but before statutory audit is complete, such change may be made through corresponding effect in “Establishment” project after prior approval of the managing committee.
- 13.3** If the change to be made is as per (b) above but after audit is over, this cannot be given any effect in accounts and the MIS records may be rectified.

## **14. INSURANCE:**

- 14.1** Assets of the organization are adequately insured.
- 14.2** Cash in Insurance coverage - in transit Rs.3,00,000/= and in safe Rs. 5,00,000/=

## **15. PURCHASES:**

- 15.1** Generally, all purchases above Rs. 10,000 are required to be purchased by any one of the three office bearers i.e., Project Director, Finance Director and Managing Director.



- 15.2** After receiving the requisition slip from the accounts department, any one of the three office bearers i.e., Project Director, Finance Director and Managing Director. issues a notice inviting quotations from at least 3 parties through different cost-effective method. If so desired, for greater transparency and to obtain more competitive rates, advertisement may be made in the newspaper to invite quotations or it may be so invited by putting up a notice in the Notice Board. Even to solicit quotations, this may be so done by seeking individually from a number of parties with reputation in the line of articles so solicited. An approved suppliers list to be maintained for the items that are generally likely to be procured.
- 15.3** Based on the quotations received, a screening process is conducted by any two of the three office bearers i.e., Project Director, Finance Director and Managing Director.
- 15.4** In the first pass all suppliers who are considered to have met the required quality standards are short listed.
- 15.5** In the second pass the supplier with the most competitive rate is selected from the list formed in the earlier pass. The approval of the supplier should be submitted to Accounts.
- 15.6** All selections so made, to be considered by the purchase committee as well as additionally by the management in case of purchase of significant value.
- 15.7** In case the supplier with the most competitive rate is not so selected, adequate rationale for not doing so should be recorded and agreed to by the members of the Purchase Committee.

## **D. BUDGET AND BUDGETARY CONTROL**

Budget for the financial year is drawn up for the organization as a whole and approved by the Executive Committee. This budget consists of projections for projects that are expected to be executed/ implemented during the financial year and also for non-project activities/ expenditure that are to be met from their own sources and not funded by any specific project.

All Programme coordinators are required to present budgets for the financial year within the month preceding the relevant financial year. Budgets are presented for



projects that are certain to be executed. This includes those that are most likely to be approved and implemented within the financial year. While preparing the budgets, only the part that falls within the financial year is considered. In case of continuing projects, over-expenses/ under- expenses of the projects included in the budgets are reckoned and taken into consideration while preparing the overall budgets of the units. All expenses that are not covered by any specific project and are basically institutional in nature are included under the Account Head “Establishment”.

A master budget is also prepared consolidating all the project budgets, budget for income generation and for unrestricted funds.

The monthly cash flow statement is prepared and the variance statement of budgets over actual for each and every project is prepared, analyzed and corrective actions taken. The monthly variance statement is also discussed with the project staff and the Accounts staff along with the Project Director, Finance Director and Managing Director. It is recommended the adequate linkages should be made in order to monitor the expenses and to assess the cost effectiveness of the expenses.

1. A report should also be prepared linking the financial expenditure with the quantity of activity undertaken and its comparison with the budget.
2. The expenses incurred should also be linked with the control register like Log Book and the operational register like Training Register and also with the utilization records like Master Rolls.

### **3. MEANING OF VARIOUS TERMS:**

#### **3.1 Control Register:**

A register which is maintained in order to control the utilization of consumables or services like log book for consumption of fuels.

#### **3.2 Operational Register:**

A register which documents the attendance of persons in one particular programme duly authenticated by the participants and also by resource persons or other independent authority, as decided upon.

#### **3.3 Utilization Record:**

The registers which are maintained to document the distribution of materials to the children.



## E: REPORTING

### 1. INTERNAL REPORTS – MIS:

These reports are prepared for the purpose of internal use of the management to facilitate the monitoring and controlling of the operations of the organization. The internal reports may consist of the following:

- a) Monthly Project wise Receipt and Payment A/C;
- b) Project wise periodical budget variance analysis;
- c) Statement of Project balances reflecting the financial status of each and every project.

### 2. SPECIAL PURPOSE REPORT:

It includes Donors Report and as per the donor's needs, these are to be prepared and submitted to the donors in time.

### 3. STATUTORY REPORT:

These reports are prepared as a statutory requirement. These reports include:

- a) Report to the Home Ministry as required under Foreign Contribution (Regulation) Act 2010.
- b) Report to the Income Tax authorities as required under Income Tax Act 1961.
- c) Report under the Companies Act to the Registrar of Companies. This includes:
  - i. The Annual Income and Expenditure Account
  - ii. The Annual Receipts and Payments Account
  - iii. The Balance Sheet
  - iv. The Auditors Report.



#### **4. GENERAL PURPOSE FINANCIAL STATEMENT:**

- 4.1** General purpose financial report is the consolidated financial report of the organization as a whole.
- 4.2** The preparation of consolidated report is much essential as this gives the consolidated overview of the Accounts of the organization and can be shared with the Board and also with interested parties.
- 4.3** This report is a global report of the organization as a whole including therein the Receipt & Payment Account, Income & Expenditure Account and Balance Sheet.

### **F: AUDITING**

The accounts of the organization are subject to audit as required under the Companies Act and Income Tax Act.

It is to be ensured that only one firm of chartered accountants should be appointed for the statutory audit and a management letter should be obtained from the statutory auditor and the same should be placed before the board for their necessary consideration after such stature is over. Additionally based on necessity, management audit or internal audit may be undertaken.

### **G: OTHERS**

#### **1. SAFE CUSTODY OF RECORDS:**

##### **1.1** As regards safe custody of records:

There is no time limit prescribed under Income Tax Act for preservation of records. Hence it is recommended that the accounts both in hard / soft copies would be kept for a period of at least 7 years.

##### **1.2** As regards statutory payments & important agreement:

All the agreements like rent agreement, funding agency agreement, agreement with professional / technical etc. should be kept separately at Head Office. All the supporting in relation to the payments by way of Taxes, Insurance, Electricity payment etc. should be kept in a separate file and a photo copy should be used for accounts purpose.



## 2. STATUTORY ISSUES:

The organization should have renewed its registration under the Income Tax Act. It must file all the statutory returns within the due date as provided under the various regulations as applicable.

## 3. TENDER PROCEDURE:

In case of activities requiring tendering, the following steps to be taken:

- 3.1 The tender committee to be formed by Secretary and not to exceed 5 members.
- 3.2 The notice to be put up in the board or issued in the newspaper to be drawn with sufficient details and adequate unambiguous specifications and terms.
- 3.3 Tenders to be submitted under sealed cover within a stipulated date and opened by the members at a predetermined date.
- 3.4 Technically qualified parties to be short listed after verifying all credentials.
- 3.5 Rates obtained to be reviewed and the party to be chosen on the basis of lowest evaluated quote.

## 4. REIMBURSEMENT:

In case of any expenditure to be reimbursed, the original supporting document to be required.

- 4.1 In case of railways, the ticket in original or photo copy has to be presented.
- 4.2 In case of air travel the boarding pass has to be preserved and presented.

## 5. SALARY:

5.1 Salary would be paid between the 26<sup>th</sup> and 30<sup>th</sup> Day of every month, based on the basis of circumstances and project. Salaries above **Rs 10,000/-** will be paid by cheque or bank transfer. To ensure timely payment of salary, preparation of payroll / salary sheets /vouchers are to be prepared in time and approval accorded thereof. Leave will be adjusted in the last month of the staff contract.



**5.2** Statutory and other deductions made are to be deposited with the authorities in time.

## **6. TAX DEDUCTED AT SOURCE AND DEPOSIT:**

**6.1** In respect of deduction of Income tax from salary: Where an assessee (employee) is appointed during the financial year, she/he is required to furnish either Form 16 or salary certificate for salary received from other employers/s during that financial year or a declaration of any other income received during that financial year from all other sources that is to be considered in computation of his estimated tax liability and monthly deduction of tax.

**6.2** In respect of no deduction of Income tax from salary or in any other payments or in case tax to be deducted at a rate lower than specified under the Act, following applies:

Where no tax is to be deducted from any payment or tax is to be deducted at lower rate the assessee has to submit such appropriate certificate issued by the assessing officer authorizing the payer to make the payment without deduction of tax at source or to deduct tax at a lower rate.

**6.3** In respect of deduction of Professional Tax:

The amount of professional tax will be deducted as per slab mentioned in the Government rules.

**6.4** Deposit of T.D.S. including mode there of:

The amount of T.D.S. deducted during the financial year is to be deposited vide a cheque within the prescribed due date accompanied by income tax challan.

**6.5** The T.D.S Certificate:

The certificate is issued to the Payee / employee in prescribed forms within prescribed due dates.

