Aas Health Foundation

Swayambhu Apt 2, Near Nasare Sabhagruh,

Hudkeshwar Road, Nagpur – 440034.

Finance and Accounts Policy

1. Introduction

Aas Health Foundation (hereinafter referred to as "the Foundation") is committed to maintaining transparency, accountability, and financial integrity in all its financial operations. This Finance and Accounts Policy outlines the principles, procedures, and responsibilities for managing the Foundation's financial resources. The goal is to ensure sound financial management practices that support the Foundation's mission, comply with legal requirements, and provide accurate and timely financial reporting to stakeholders.

2. Purpose

The purpose of this policy is to:

- Establish clear and effective financial management practices for budgeting, financial reporting, accounting, and auditing.
- Ensure compliance with relevant laws, regulations, and best practices in financial management.
- Promote transparency and accountability in the use of funds.
- Safeguard the Foundation's financial assets through proper controls and oversight.

3. Scope

This policy applies to all employees, volunteers, and board members of the Foundation who are involved in financial management activities. It covers all financial transactions, including:

- Budgeting and financial planning
- Revenue and expenditure management
- Accounting and recordkeeping

- Financial reporting and compliance
- Procurement and payment processes
- Auditing and internal controls

4. Financial Governance and Oversight

1. **Board of Directors**:
    - The Board is responsible for ensuring the Foundation’s financial stability and overseeing financial performance.
    - The Board will approve annual budgets, financial statements, and major financial decisions.
2. **Finance Committee**:
    - The Finance Committee (if applicable) will review and provide recommendations on financial matters, such as budget approval, financial reporting, and risk management.
    - The committee will also be responsible for reviewing the performance of external auditors and recommending appropriate actions based on audit findings.
3. **Executive Director/Chief Financial Officer (CFO)**:
    - The Executive Director/CFO is responsible for the day-to-day management of the Foundation’s finances, ensuring that funds are allocated according to the approved budget, and compliance with financial policies and procedures.
    - The CFO will work closely with the Finance Committee and provide regular updates to the Board.
4. **Finance and Accounting Staff**:
    - The finance team will be responsible for processing transactions, maintaining accurate financial records, preparing financial reports, and ensuring compliance with the Foundation’s accounting standards and policies.

5. Budgeting and Financial Planning

1. **Annual Budget**:
   - The Foundation will prepare an annual budget that outlines expected income and expenditures for the year, including programs, operational costs, salaries, and capital expenditures.
   - The budget will be reviewed and approved by the Board before the beginning of each fiscal year.
2. **Budget Monitoring and Control**:
   - The Finance Team will regularly monitor actual income and expenses against the budget, providing periodic financial reports to the Executive Director, Board, and Finance Committee.
   - Any significant budget variances will be reviewed, and corrective actions will be taken where necessary.

6. Revenue and Fund Management

1. **Revenue Sources**:
   - The Foundation's revenue may come from multiple sources, including grants, donations, fundraising events, investments, and program fees. All revenue will be carefully recorded and tracked to ensure proper allocation.
2. **Fund Restrictions**:
   - Funds received for specific purposes (e.g., restricted grants or donations) will be accounted for separately, and expenditures will be made in accordance with the restrictions imposed by the donor or funding agency.
3. **Donations and Fundraising**:
   - All donations will be acknowledged, and receipts will be issued as per the applicable legal requirements.
   - Fundraising activities will be conducted in a manner that complies with ethical standards and regulatory requirements.
   - Financial records for all fundraising events will be maintained to ensure transparency and accountability.

7. Accounting Standards and Procedures

1. **Accounting Method**:
    - The Foundation will adopt the accrual basis of accounting, where revenue is recognized when earned, and expenses are recorded when incurred, regardless of when cash transactions occur.
2. **Chart of Accounts**:
    - The Foundation will maintain a comprehensive chart of accounts that categorizes all financial transactions for proper recording and reporting.
3. **Accounting Software**:
    - The Foundation will use appropriate accounting software to manage and record financial transactions, ensuring accuracy and consistency in financial reporting.
4. **Recordkeeping**:
    - All financial records, including receipts, invoices, bank statements, and ledgers, must be retained for a minimum of **seven (7) years** to comply with legal and regulatory requirements.
5. **Internal Controls**:
    - The Foundation will implement strong internal controls to prevent fraud, misappropriation of funds, and financial errors. These controls will include segregation of duties, approval workflows, and periodic reconciliations of accounts.

8. Procurement and Payments

1. **Procurement Procedures**:
    - The Foundation will establish a fair and transparent procurement process for purchasing goods and services, ensuring competitive pricing and best value for money.
    - All purchases will require appropriate approvals based on the financial thresholds set in the procurement policy.
    - Contracts and agreements with suppliers will be reviewed and approved by the authorized personnel before any financial commitment is made.

2. **Payment Procedures**:
    - Payments for services and goods will be made in accordance with agreed-upon terms and will be processed only after verifying that the goods/services have been delivered and meet contractual agreements.
    - Payments will be made through authorized channels (e.g., bank transfer, checks) and supported by proper documentation (e.g., invoices, receipts).
3. **Reimbursement**:
    - Employees and volunteers may be reimbursed for legitimate expenses incurred during the course of their duties, provided that the expenses comply with the Foundation's approved budget and are properly documented.
    - Reimbursement requests must be submitted with appropriate receipts and approval.

9. Financial Reporting

1. **Financial Statements**:
    - The Foundation will prepare regular financial statements, including:
        - Balance Sheet (Statement of Financial Position)
        - Statement of Activities (Income and Expenditure Report)
        - Cash Flow Statement
    - These statements will be prepared monthly and presented to the Board and Finance Committee for review.
2. **Annual Financial Report**:
    - The Foundation will prepare an annual financial report, which includes the audited financial statements, a breakdown of revenue and expenses, and a summary of financial performance.
    - This report will be made available to donors, funders, and the public, ensuring transparency and accountability.

10. Audit and Compliance

1. **External Audit**:
   - The Foundation will undergo an annual external audit conducted by an independent audit firm. The auditors will examine the financial statements and evaluate the Foundation’s financial controls and practices.
   - The audit report will be reviewed by the Board and made available to stakeholders.
2. **Internal Audit**:
   - The Foundation may also conduct internal audits or financial reviews periodically to assess the effectiveness of its financial controls and compliance with policies.
3. **Compliance with Legal and Regulatory Requirements**:
   - The Foundation will comply with all applicable laws, regulations, and standards, including tax reporting requirements, nonprofit regulations, and accounting standards.

11. Risk Management

1. **Financial Risk Management**:
   - The Foundation will assess and manage financial risks, including cash flow risks, funding shortfalls, and investment risks, to ensure the stability and sustainability of its operations.
2. **Insurance**:
   - The Foundation will maintain adequate insurance coverage, including liability and property insurance, to protect against financial losses resulting from unforeseen events.

12. Review and Updates

This Finance and Accounts Policy will be reviewed annually and updated as necessary to reflect changes in financial practices, legal requirements, or the Foundation’s operational needs.

13. Contact Information

For any questions or clarifications regarding this policy, please contact:

Finance Department
Email: Help@aashealthfoundation.com

Phone: 7304317605
Address: Aas Health Foundation, Hudkeshwar Road, Nagpur, MH - 440034

Conclusion

Aas Health Foundation is committed to maintaining the highest standards of financial management, transparency, and accountability. This policy ensures that the Foundation's financial resources are used effectively and responsibly to support its mission and achieve its goals.