

Disability Pride Bangladesh (DPB)



Financial Policy

Preface

Disability Pride Bangladesh (DPB) is a rights-based feminist organization dedicated to empowering disabled women, girls, and young people in Bangladesh. Our work focuses on advocating for disability rights, eliminating gender-based violence, and addressing systemic barriers that hinder the full participation of disabled individuals in society. As part of our commitment to transparency, accountability, and ethical governance, we have developed this **Financial and Procurement Policy** to ensure the responsible management of our financial resources.

This policy serves as a guiding framework for financial planning, budgeting, reporting, procurement, and internal controls. It is designed to promote efficiency, compliance, and integrity in all financial and procurement activities. By adhering to this policy, DPB seeks to maintain the trust of our stakeholders, including donors, partners, and the communities we serve.

The **Financial and Procurement Policy** will be reviewed annually to ensure it remains aligned with organizational goals, donor requirements, and regulatory changes. We encourage all members of DPB, including staff, board members, and partners, to uphold the principles outlined in this document and work together to strengthen our financial and procurement practices.

Table of Contents

Preface	2
1 Introduction	4
2 Purpose	4
3 Financial Management	4
3.1 Financial Planning and Budgeting	4
3.2 Financial Records and Reporting	4
3.3 Supporting Documents for Accounting Records	4
3.4 Internal Controls	5
3.5 Banking and Cash Management	6
3.5.1 Cash Management	6
3.6 Direct Cost and Indirect Cost:	7
3.7 Fixed Asset Management	7
3.8 Personnel Issues	7
4 Reporting	8
4.1 Internal Reporting:	8
4.2 Reporting to Donors:	8
5 Audit	8
5.1 Internal Audit	8
5.2 External Audit	8
5.3 Financial Compliance	8
6 Policy Review	8
7 Conclusion	9

1 Introduction

Disability Pride Bangladesh (DPB) is committed to upholding the highest standards of financial management and procurement practices. This policy outlines the principles, guidelines, and procedures that ensure accountability, transparency, and efficiency in managing financial resources and procuring goods and services.

2 Purpose

The purpose of this policy is to:

- Establish a robust framework for financial management and procurement.
- Ensure transparency and accountability in financial transactions.
- Promote value for money in procurement processes.
- Comply with applicable laws, regulations, and donor requirements.

3 Financial Management

3.1 Financial Planning and Budgeting

- Annual budgets shall be prepared in consultation with all program and administrative units.
- Budgets must align with DPB's strategic goals and require approval from the Executive Committee.
- Budget performance will be reviewed quarterly, with necessary adjustments made as needed.

3.2 Financial Records and Reporting

- Maintain accurate and up-to-date financial records using an appropriate accounting system.
- Generate monthly, quarterly, and annual financial reports for internal and external stakeholders.
- Ensure compliance with International Financial Reporting Standards (IFRS) and relevant Bangladeshi accounting standards.

3.3 Supporting Documents for Accounting Records

- Voucher:** A covering voucher shall be used by DPB for each and every accounting entry. One uniform printed voucher shall take care of all the transactions. It will carry useful information about the transaction such as description of the transaction, affected account heads to be debited and credited, if payment, then who made the payment etc. The voucher will serve as the valid authorization of the related accounting entry.
- Money Receipt:**
 - A Money Receipt (MR) shall be issued for each and every receipt of cash / cheque / drafts etc. by an authorized officer of DPB (usually the Accountant). This Money

Receipt will authenticate the accounting record related to that particular receipt and shall be attached to the voucher corresponding to that record.

- Money Receipt will be prepared in triplicate bearing pre-printed serial numbers. Money Receipts shall be used serially. The original MR will be given to the payee and the duplicate will be kept in the MR register and the triplicate will be attached to the voucher.

3.4 Internal Controls

- a. **Adjustment of Accruals:** Some adjustments are required at the end of the month and accounting year to incorporate income and expenditures relating to period concerned but not yet received or paid. Inclusion of such items is required to reflect the true operating position of DPB for the period concerned and to compare actual financial performance levels with those budgeted.
- b. **Fund Management:**
 - i. DPB shall take clearance from relevant Government Authority in case of foreign donations and will follow the instructions prescribed by those authorities regarding their management.
 - ii. Each fund received by DPB should be accounted for separately under the specific program or project. Fund allocated for a year will be shown as income of that particular year and the remaining fund (when fund is received for more than one year) will go to the Fund Equity A/C.
 - iii. Funds in excess of requirements of its operations may be placed in short term deposits, fixed deposits or other savings instruments in the name of DPB. These investment decisions will be taken by a committee specially formed for this purpose, when necessary, by the Board
- c. **Leave Policy:** DPB can charge levy on any payments of salary, honorarium, consultancy fee etc. as specified by the Board of Directors. The levy may vary individual to individual and project to project.
- d. **Usage Register:** For items like stationary and other items for day-to-day official use, DPB shall keep a Usage Register to exercise a better control over these items. Item-wise records will be kept. The register will show the date, item used, person who used it or received it, purpose and quantity used and the balance of each item.
- e. **Stock Register:** DPB shall keep a Stock Register for items for sale such as publications, CDs, etc. to exercise a better control over these items. The register will show the date, quantity received, sold, reference of documents and balance of each item.
- f. **Cheque Register:** DPB shall maintain a Cheque Register with the details of each cheque issued like date of issue, amount, name of payee, cheque no. etc. The register must be signed by the signatories of the concern accounts as appropriate while issuing a cheque.

- g. Revenue Stamp:** Essentially, a revenue stamp is required whenever a person acknowledges receipt of money. It is required only on payments BDT 400 or over. Use of the stamp is required under law. Other things to keep in mind are:
- The rule is applicable to both cash and cheque payments.
 - The person who receives the money should pay for the stamp.
 - The stamp should always be canceled by drawing a cross or signing across.
 - No stamp is required on receipts issued for donations because these are payments without consideration.
 - No revenue stamp is required on impress transactions with employees. But it is required when a loan or salary is given. DPB will follow the law in all payments.
 - Stamp must be required for the payment of salary, honorarium and Purchase from Suppliers above BDT 400.
- h. Computerized Accounting:** The rules and concepts described in this manual are applicable even if the accounts of DPB are computerized. However, if any change in rules is required for the computerization, the amendment should be approved by the Board.

3.5 Banking and Cash Management

- Maintain organizational bank accounts approved by the Executive Committee.
- Bank account will be operated by the joint signature of the Executive Director and a selected EC Committee member
- Project account may be opened as the requirement of the donors.
- All receipts and payments must be made through bank transfers whenever possible.
- Petty cash usage must be limited and documented with receipts.
- For Approving Expense: The signatories are the approval authority of the expenses.

3.5.1 Cash Management

- a. **Petty Cash:** Executive Director will assign (a) staff (s), working in the Accounts to keep petty cash of BDT 5,000.00 (Five thousand) only for each of DPB accounts for routine office work and no single payment may exceed BDT 1000. The limit of petty cash for individual project account may vary depending on the requirement of funding agency. Petty cash will be reimbursed once a fortnight or when necessary. A separate petty cash book is to be maintained to keep track of all the petty cash expenses.
- b. **Cash:** At the end of each day bank and cash balances should be extracted and the cash balance be checked against cash in hand. If the amounts are found correct and agreed, the Accounts-in-Charge should sign the cash book. The cash book must be totaled at the end of each month and balance of cash in hand and cash at bank extracted.

3.6 Direct Cost and Indirect Cost:

- a. **Direct Costs:** Direct Costs are expenses that can be identified specifically with a particular sponsored project or other direct cost objective, such as Auxiliary Activities or Instruction, or expenses that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- b. **Indirect Costs:** Those costs that have been incurred for a common or joint objectives and cannot be readily identified with a particular final cost objective. However, the cost contribute to execute DPB's project activities.

3.7 Fixed Asset Management

- a. **Fixed Asset Register:** All fixed assets of DPB must be marked with identification number and entered into the Fixed Asset Register. Identification number, quantity purchased, cost, location and the program to which the asset belongs will be recorded in the register.
- b. **Verification:** All fixed assets shall be verified by a team formed by the BoT at least two times in a year. Assets will be compared with procurement record by locating the items and confirming that identification marks have been duly affixed.
- c. **Disposal:**
 - i. To dispose of old or unusable assets or if assets are stolen or lost, a report with all the details of the assets shall be submitted to the Director. For valuable assets stolen, an FIR shall be lodged with the local police station. Investigation shall be made for assets lost and stolen and action should be taken against person responsible for such irregularities.
 - ii. For disposal, Director will decide how the assets will be disposed off. Accounts of DPB will be charged accordingly. Director at his/her discretion may ask for three quotations for disposal of an asset and dispose it off to the highest bidder and she/he may also arrange open auction for unusable/scrap items. In case of open auction, brief written information signed by the Director shall be preserved for reference.

3.8 Personnel Issues

- a. **Salary Payment:** Payment of salary of employees shall be made monthly and through Account Payee Cheque. A statement of salary shall be prepared for each employee. Payee will sign on the statement of salary upon receipt of the salary. One voucher shall be prepared at the end of each month for net amount of salary paid and statements of salary will be attached with the voucher as evidence of payment.
- b. **Advances to Staff for official activity:** Separate advance account shall be maintained for each staff to keep track of various advance payments to the staff and shall be adjusted regularly. Any payment of advance shall be approved by the Director. The issued advance must be adjusted within 15 days of completion of the task, for which advance

was taken. If the advance is unadjusted within the limit days, EC Committee permission will be required by expiration of the deadline.

4 Reporting

4.1 Internal Reporting:

An internal financial report or Trial Balance should be prepared at the end of each month. Usually the treasurer should sign the report after verification. It will serve as an internal document to monitor the accounts.

4.2 Reporting to Donors:

Financial Reports for the donors shall be prepared according to the specific requirements of respective donors.

5 Audit

5.1 Internal Audit

DPB shall establish and perform an internal auditing system. In principle, this will be a verification of the expenditures in line with DPB's and donor policies and Government rules that apply to expenditures in case of government-funded projects. A 2 member Team with a designated Officer will be responsible for internal auditing. The internal auditing will continue throughout the year. However, the Team will perform a Final Audit at the end of each year and submit a report to the Board of Directors.

5.2 External Audit

All accounts of DPB shall be audited by auditors to be selected/appointed by the EC Committee. Such auditing will be carried out by an audit firm approved by the government or registration authority. DPB's Main Accounts and Project Accounts (if required) shall be audited separately. Separate audits for individual projects could be done if desired by the donors.

The auditors shall have access at all convenient times, during the agreed period of an annual audit, to all books, records, vouchers, minutes, and other documentation which are in the opinion of the auditors, necessary in the performance of the audit.

5.3 Financial Compliance

- Comply with tax, regulatory, and statutory requirements of Bangladesh.
- Ensure timely submission of financial reports to donors and regulatory bodies.

6 Policy Review

- This policy will be reviewed annually or as needed to align with legal and regulatory changes.
- Any revisions must be approved by the Executive Committee.

7 Conclusion

DPB is dedicated to maintaining financial integrity and ensuring that procurement processes are conducted ethically, transparently, and efficiently. This policy will guide all financial and procurement activities to support DPB's mission of empowering disabled individuals and promoting an inclusive society.