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Nazhoen Lamtoen

Transforming Children & Youth through reintegration

Financial and Accounting Manual 2026

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Foreword

Civil Society Organizations (CSOs) play a vital role in Bhutan's socio-economic development by empowering communities, promoting good governance, delivering essential services, and contributing to the well-being of society. To effectively fulfill these responsibilities, CSOs must maintain strong financial management systems that ensure transparency, accountability, and responsible stewardship of resources.

This Finance and Accounting Manual 2026 has been developed to provide clear guidance on the financial policies, procedures, and controls of **Nazhoen Lamtoen**. The manual is intended to promote consistency in financial management practices and ensure compliance with applicable laws, regulations, donor requirements, and organizational policies. The manual draws upon the Civil Society Organizations Act of Bhutan 2007, the Financial Rules and Regulations (FRR) 2016 of the Royal Government of Bhutan, reporting requirements of the Civil Society Organizations Authority (CSOA), and recognized international good practices in financial management and internal control.

As a child-centered Civil Society Organization, **Nazhoen Lamtoen** is committed to protecting and promoting the rights and well-being of children and vulnerable groups through effective programs and services. Sound financial management is essential to ensuring that resources entrusted to the organization are utilized efficiently, transparently, and for their intended purposes.

This manual outlines the roles and responsibilities of the Board of Directors, management, finance personnel, and program staff. It provides guidance on budgeting, accounting, procurement, cash and asset management, internal controls, financial reporting, donor compliance, and audit requirements. The manual serves as a practical reference for all staff involved in financial and administrative functions.

Nazhoen Lamtoen is committed to maintaining the highest standards of financial integrity, accountability, and transparency. Through the consistent implementation of this manual, the organization aims to strengthen its governance systems, enhance stakeholder confidence, and ensure the effective use of resources in achieving its mission and strategic objectives.

SINCERELY,

EXECUTIVE DIRECTOR
NAZHOEN LAMTOEN

ACRONYMS

Acronym	Meaning
NL	Nazhoen lamtoen
CSO	Civil Society Organization
CSOA	Civil Society Organizations Authority
COA	Chart of Accounts
COI	Conflict of Interest
ED	Executive Director
FRR	Financial Rules and Regulations (RGoB)
GIS	Group Insurance Scheme
HR	Human Resources
INGO	International Non-Governmental Organization
INPAG	International Non-Profit Accounting Guidance
INPAS	International Non-Profit Accounting Standard
LEB	Lowest Evaluated Bidder
PBO	Public Benefit Organization
PIT	Personal Income Tax
RAA	Royal Audit Authority
RgoB	Royal Government of Bhutan
TOR	Terms of Reference

CHAPTER 1: INTRODUCTION

This Financial Manual provides the framework for the financial management policies, procedures, and internal controls of **Nazhoen Lamtoen**. It applies to the Board of Directors, Executive Director, staff members, volunteers, project personnel, and any other individuals involved in the management or use of the organization's financial resources. The manual is intended to promote sound financial management, accountability, transparency, and compliance with applicable laws, donor requirements, and organizational policies.

1.1 Objectives of Manual

The main objectives of Manual are to:

I. **Ensure Accountability**
Establish clear systems and procedures so that all financial transactions are properly authorized, recorded, and can be tracked and verified.

II. **Promote Transparency**
Ensure that financial information is accurate, complete, and accessible to relevant stakeholders, fostering trust and openness in financial operations.

III. **Strengthen Financial Control**
Provide a system of internal controls that safeguards organizational resources against misuse, fraud, and mismanagement.

IV. **Ensure Compliance**
Ensure adherence to applicable national laws, regulatory requirements, and donor-specific financial guidelines.

V. **Improve Efficiency in Resource Utilization**
Support the effective and efficient use of financial resources to maximize impact and minimize waste.

VI. **Support Effective Planning and Budgeting**
Guide the preparation and monitoring of budgets to ensure alignment with organizational goals and strategic priorities.

VII. **Enhance Financial Reporting and Decision-Making**
Provide timely and reliable financial information to support informed decision-making by management and the Board.

VIII. **Safeguard Assets**
Ensure proper management and protection of organizational assets, including cash, equipment, and other resources.

1.2 Purpose of the Manual

The purpose of this manual is to:

I. To maintain a standard accounting and financial system for Nazhoen Lamtoen.

II. To provide general description and guideline of the overall accounting system, key accounting policies and procedures, preparation and presentation of financial statements, reporting and auditing that shall be required by statutory mandates and management for various decision making.

III. To establish a strong internal control mechanism and censor fraud, corruption and embezzlement of assets.

IV. To provide guidance and reference to accounts personnel about various accounting processes and procedures.

1.3 Scope and Coverage

This manual applies to:

This Financial Management Manual applies to all Board Members, the Executive Director, employees, consultants, volunteers, and other individuals entrusted with the management or use of Nazhoen Lamtoen's financial resources. It governs all organizational funds, grants, projects, programs, and assets, regardless of funding source. Compliance with this Manual is mandatory for all concerned parties; however, where donor agreements or statutory requirements prescribe more stringent provisions, such requirements shall prevail.

1.4 Effective Date and Amendments

This manual shall become effective upon approval by **the Board of Directors.**

The Finance and Accounting Manual shall be amended or **revised after three years** if deemed necessary.

1.5 Interpretation, Clarification, Review and Update

- The Executive Director and Finance/Accounts Personnel shall be in the position to interpret and clarify all the provisions prescribed in this Manual.
- The Management shall also be responsible for reviewing and updating with the prior approval from the Board.

1.6 Fiscal Year/ Accounting Year

The financial year of Nazhoen Lamtoen shall commence on **1 January and end on 31 December** of each calendar year unless otherwise determined by the Board.

1.7 Currency

The official accounting and reporting currency of Nazhoen Lamtoen shall be Bhutanese **Ngultrum (Nu.).**

Foreign currency transactions shall be converted using prevailing exchange rates and recorded accordingly.

CHAPTER -2: GUIDING PRINCIPLE.

2.1 Guiding Principle.

These Guiding Principles are derived from the Civil Society Organizations Act of Bhutan, 2007, the Bhutan Civil Society Organizations Accountability Standards (BCAS) 2023, and recognized principles of good governance, accountability, transparency, integrity, and prudent stewardship of resource:

Stewardship

The Board, management, and staff shall exercise responsible stewardship over all organizational assets and resources, ensuring their protection, sustainability, and use exclusively for approved organizational purposes.

Accountability

All persons entrusted with the management or use of organizational resources shall be accountable for their actions and decisions and shall ensure that resources are utilized solely for authorized purposes in furtherance of the objectives of Nazhoen Lamtoen.

Transparency

Nazhoen Lamtoen shall maintain a high level of openness in its financial affairs by ensuring that financial transactions, records, and reports are accurate, complete, accessible, and subject to appropriate review and audit.

Integrity

Financial management shall be conducted with the highest standards of honesty, professionalism, impartiality, and ethical conduct. Individuals shall avoid conflicts of interest and shall act at all times in the best interests of the organization.

Value for Money

Nazhoen Lamtoen shall ensure that all resources are managed and utilized in a manner that achieves optimum value by balancing economy, efficiency, effectiveness, and equity. Financial decisions shall be guided by the prudent use of resources, the achievement of intended results, and the maximization of benefits to target communities and stakeholders.

Compliance

All financial activities shall be undertaken in full compliance with applicable laws, regulations, donor agreements, contractual obligations, and the policies and procedures of Nazhoen Lamtoen. Where multiple requirements apply, the more stringent requirement shall prevail.

CHAPTER 3: GOVERNANCE STRUCTURE AND FINANCIAL ROLES

Clear definition of financial roles and responsibilities is essential for accountability and internal control.

3.1 Board of Directors

The Board holds ultimate authority over Nazhoen Lamotoen financial matters.

Specific responsibilities include:

i. Approving the annual budget, material budget revisions, and financial policies;
ii. Overseeing financial performance, investment strategy, and risk management;
iii. Appointing external auditors and reviewing annual audited financial statements;
iv. Ensuring compliance with statutory and donor requirements.

3.2 Executive Director / CEO

The ED is the chief financial officer of Nazhoen Lamtoen and is vested with operational financial authority. Responsibilities include:

i. Implementing Board-approved financial policies and budgets;
ii. Approving expenditures within delegated authority limits;
iii. Authorizing payments, advances, and procurement up to prescribed thresholds;
iv. Signing cheques or approving electronic bank transfers jointly with the designated Officer or Finance Officer;
v. Ensuring proper internal controls and risk mitigation.

3.3 Finance or Administration Section

The Finance/Administration Section is responsible for day-to-day financial operations and record-keeping, including:

i. Processing receipts, payments, advances, and journal entries;
ii. Maintaining books of accounts (cash book, bank book, ledger, asset register, etc.);
iii. Preparing financial statements, donor reports, and monthly reconciliations;
iv. Ensuring compliance with accounting standards and this manual;
v. Safeguarding financial records and supporting documents.

3.4 Program / Project Section

Program and project section have delegated responsibilities for:

i. Preparing budget estimates and budget revision requests for their activities;
ii. Verifying bills and claims before submission to Finance;
iii. Submitting timely liquidation reports for advances received;
iv. Ensuring program expenditure stays within approved budgets and is donor-compliant;
v. Participating in procurement and asset management decisions for their projects.

3.5 Delegation of Financial Authority

The delegation of financial power shall be documented and communicated to all staff. The following principles apply:

3.5.1 Approval Limits

Financial approval authority shall be exercised within the following limits:

- ✓ Finance Officer: Verification only (no approval authority)
- ✓ Finance and Administration Manager: Verification only (no approval authority)
- ✓ Executive Director: Up to Nu. 500,000
- ✓ Board Chairperson / Board: Above Nu. 500,000 or as determined by Board resolution

These limits may be reviewed and revised by the Board from time to time based on operational requirements.

3.6 Emergency Expenditure

In emergency situations affecting safety, child protection, or urgent operational needs, the Executive Director may authorize expenditures beyond normal approval limits. Such expenditures shall be reported to the Board and submitted for ratification at the earliest Board meeting.

3.7 Accountability and Compliance

- ✓ All officers exercising financial authority shall be fully accountable for ensuring compliance with applicable laws, donor requirements, and organizational policies. They shall ensure proper use of funds, maintenance of adequate supporting documentation, and timely submission of reports.
- ✓ Any violation of financial rules, misuse of funds, or failure to comply with procedures may result in disciplinary action, recovery of losses, and legal proceedings as per applicable laws of Bhutan.

CHAPTER 4: FINANCIAL POLICIES AND ACCOUNTING PROCEDURES

4.1 General Financial Policies

Nazhoen Lamtoen financial policies define the governance, responsibility, and authority over the management of financial resources. The key policies include:

i. Ownership and stewardship of financial resources rest with the Board of Directors.
ii. All financial activities shall comply with the CSO Act 2007, Financial Rules and Regulations (FRR) 2016, and applicable donor agreements.
iii. Financial delegation of authority shall be clearly documented, approved by the Board, and communicated to relevant staff.
iv. Segregation of duties shall be maintained such that no single individual has control over all stages of a financial transaction.
v. Financial oversight shall be exercised by the Board, Executive Director, Finance function, and internal/external auditors.

4.2 Basis of Preparation

The Financial Statements shall be prepared under “modified cash-basis” system of accounting as per the CSOA’s Standard Financial Reporting of Accounting, 2018.

‘OR’

The Financial Statements shall be prepared under Cash-basis of accounting as per the CSO Act of Bhutan 2007 requires all the Public Benefit Organizations (PBOs) to establish an accounting system in accordance with the Financial Rules and Regulations (FRR), 2016 of the Royal Government of Bhutan (RGoB), which in principle is a cash basis accounting system. Cash-basis accounting system: - The cash basis of accounting recognizes income and expenses only when cash is actually collected or disbursed. Net income under a cash basis system would always equal the company’s cash receipts minus the cash disbursements. Since the cash basis of accounting do not account the assets and liabilities, additional reporting is required in the form of additional disclosure in the Notes and Schedules on the details of the assets and liabilities of the CSO entities at the year end.

4.3Accounting Software System

i. The Accounts Personnel, with approval from the Executive Director, shall select and implement appropriate accounting software suitable for CSO financial management.
ii. Access to the accounting system shall be password-protected, and user rights shall be assigned based on roles and responsibilities.
iii. The Head of Finance shall ensure secure control of administrative access and master credentials.
iv. Regular backups (daily or as determined by management) shall be maintained, with off-site or cloud storage for disaster recovery.
v. Audit trails shall be enabled to ensure transparency and track all system changes.

4.4 Books of Accounts

The Finance Manager/Officer shall maintain following list of books of accounts and backup documents:

i. Purchase order forms and Advance forms (AF);
ii. Vouchers;
iii. All backup documents;
iv. Cash book;
v. Bank book;
vi. Ledger book;
vii. Subsidiary ledger books; and
viii. Assets register.

The following Books of Accounts will be maintained in a computerized accounting software:

i. Cash book;
ii. Bank book;
iii. General ledger;
iv. Subsidiary ledgers;
v. Inventory register; and
vi. Assets register

4.5 Chart of Accounts

In order to present and prepare financial data for a period it is essential that every transaction accounted for is properly classified under a proper head, such as, income and expenditure. These Accounts Heads are called "Chart of Accounts" (COA). Books of accounts/records shall be maintained strictly as per the COA. A sample COA is annexed (Annexure 1)

CHAPTER 5: BUDGET MANAGEMENT

5.1 Purpose

The purpose of budget management is to ensure that financial resources are planned, allocated, monitored, controlled, and utilized effectively to achieve the strategic objectives and program goals of Nazhoen Lamtoen.

The budget shall serve as the primary financial planning, resource allocation, and financial control tool of the organization.

5.2 Budget Principles

Budget preparation and management shall be guided by the following principles:

- ✓ Accuracy
- ✓ Alignment with organizational strategic objectives and annual work plans.
- ✓ Compliance with donor requirements and applicable regulations.
- ✓ Cost-effectiveness and value for money.
- ✓ Transparency and accountability.
- ✓ Participation of relevant departments, sections, and project teams.
- ✓ Timely monitoring and corrective action.

5.3 Types of Budgets

Type of Budget	**Description**
Annual Organizational Budget	The main consolidated budget of Nazhoen Lamtoen, covering all expected income and expenditures for the financial year, including donor funding, grants, and other organizational income.
Project Budget	Budgets prepared for donor-funded projects implemented by Nazhoen Lamtoen, ensuring compliance with donor agreements, approved proposals, and financial reporting requirements.
Activity Budget	Detailed budgets prepared for specific activities such as training, workshops, advocacy events, community awareness programmes, and meetings implemented by Nazhoen Lamtoen.
Supplementary Budget	Budgets prepared by Nazhoen Lamtoen during the financial year to address unforeseen or additional financial requirements, subject to internal review and approval processes.

5.4 Budget Preparation Roles and Responsibilities

i. Programme Staff/Officers prepare annual work plans and budget estimates for their respective activities. They identify required resources and ensure that all cost estimates are realistic, justified, and aligned with approved programme objectives.
ii. The Finance Officer provides budgeting templates and technical guidance, ensures compliance with financial policies, and reviews budget submissions for accuracy and completeness. The Finance Officer also consolidates all programme and administrative budgets into a draft organizational budget.
iii. Administrative Staff provide input on administrative and operational costs such as office supplies, utilities, logistics, and procurement needs to ensure these are properly reflected in the budget.
iv. The Executive Director (ED) reviews the consolidated budget, ensures alignment with organizational priorities, and approves it for submission to the Board of Directors.
v. The Board of Directors reviews and approves the annual organizational budget and any major revisions, and provides overall oversight to ensure proper financial governance and accountability.

5.5 Budget Preparation and Approval Process

The annual budget preparation process for the following financial year shall be conducted according to the schedule below:

Activity	**Responsible Party**	**Timeline**
Budget Estimation	Departments/Sections/Program Managers	
Budget Compilation	Finance Unit	
Budget Discussion and Review	Executive Director and Heads of Departments/Sections	
Budget Finalization	Executive Director and Finance Unit	
Board Review and Approval	Chairperson and Board of Directors	

i. Step 1: Program Planning and Budget Estimation
   Departments and project teams shall prepare annual work plans and estimate the resources required for implementation.
ii. Step 2: Budget Consolidation
   The Finance Unit shall compile all departmental, project, and activity budgets into a consolidated organizational budget.
iii. Step 3: Management Review and Discussion
   The Executive Director shall review the consolidated budget with department heads. Any additions, reductions, or reallocations shall be agreed upon during this review process.
iv. Step 4: Board Review and Approval
   The finalized budget shall be submitted to the Chairperson and Board of Directors for review, discussion, and approval. (Annexure 5,6,7)

5.6 Budget Approval

No expenditure shall be incurred without an approved budget unless specifically authorized under emergency procedures.
The Board of Directors shall approve:

- ➢ Annual organizational budgets.
- ➢ Major budget revisions.
- ➢ Supplementary budgets.

Approved budgets shall become the official spending authority for the financial year.

5.7 Budget Monitoring and Control

- ✓ Budget monitoring shall be conducted on a regular basis to ensure efficient utilization of resources, financial discipline, and achievement of planned objectives.
- ✓ The Finance Unit shall prepare monthly Budget vs Actual reports, variance analysis reports, and quarterly financial performance summaries for management review.
- ✓ Significant variances shall be promptly reviewed and corrective actions taken where required.
- ✓ Budget control shall focus on expenditure management, revenue performance, compliance with donor requirements, and prevention of overspending, ensuring that all funds are used strictly in accordance with approved budgets and organizational policies

5.8 Budget Revisions and Documentation

- ✓ Budget revisions may be required due to changes in project activities or implementation plans, receipt of additional donor funding, cost escalations or inflation, emergency situations, or changes in organizational priorities.
- ✓ All budget revisions shall be properly justified, fully documented, and approved in accordance with the organization's delegated authority levels and applicable donor requirements.
- ✓ The Finance Unit shall ensure that all approved revisions are accurately recorded, updated in the official budget records, and properly maintained for audit, reporting, and reference purposes.

5.9 Budget Accountability

Budget holders shall be responsible for:

- ✓ Expenditures within their approved budgets.
- ✓ Preventing overspending and unauthorized expenditures.
- ✓ Ensuring compliance with approved budgets and donor requirements.
- ✓ Reporting significant deviations promptly.
- ✓ Providing supporting documentation when requested.

The Finance Unit shall maintain oversight and provide regular reports to management and the Board.

5.10 Budget Closure

At the end of each financial year or project period:

- ✓ Budget performance shall be reviewed and evaluated.
- ✓ Unspent balances shall be identified and reported.
- ✓ Donor requirements regarding fund utilization and closure shall be complied with.
- ✓ Final budget closure reports shall be prepared.
- ✓ Lessons learned shall be documented and considered in future budget planning cycles.

CHAPTER 6: CASH AND BANK MANAGEMENT AND ADVANCES

6.1 Purpose

The purpose of this chapter is to establish procedures for safeguarding cash resources and ensuring proper management of bank accounts.

6.2 General Principles

Cash resources shall be:

- ✓ Protected from loss and misuse.
- ✓ Managed efficiently.
- ✓ Subject to adequate internal controls.
- ✓ Properly recorded and reconciled.

6.3 Bank Accounts

6.3.1 Operational Bank Account

- ✓ All organizational funds shall be maintained in bank accounts approved by the Board of Directors.

- ✓ The bank account shall be operated jointly by the ED and the designated Finance Officer /Accountant

- ✓ The Nazhoen Lamtorn shall maintain account for budgetary operation in local currency

- ✓ The organization shall open such an account with any Financial Institution of Bhutan.

- ✓ All receipts during the year shall be recorded in this account, which constitutes Donations, grants, operational revenue, fees and any other receipts and others from external and internal sources; Maintain the detailed record of the transactions of the cash and bank account.

6.4 Other Bank Accounts

- ✓ The Organization may open a Fixed Deposit Account with the approval of the Board and maintain the Endowment Fund in this account;
- ✓ A Saving Account may be opened in the name of the CSO with the approval of the Board to save any extra fund for generation of interest income;
- ✓ All interest accrued in the saving account shall be accounted for as income for the CSO.
- ✓ All organizational funds shall be maintained in bank accounts approved by the Board of Directors.
- ✓ The Executive Director and designated officials shall be authorized signatories.

6.5 Bank Signatories

- ✓ A minimum of two authorized signatories shall be required for all payments.

  - Executive Director
  - Account/Finance Officer
- ✓ No signatory shall approve payments made to themselves.

6.6 Cash Receipts

All cash receipts shall be acknowledged immediately upon receipt, supported by duly issued official receipts, deposited promptly into the designated bank account, and accurately recorded in the accounting system to ensure proper accountability, transparency, and financial control.

6.7 Withdrawal of Money from the Organization Bank Account

- ✓ Withdrawals or payments from the Organization's bank account shall be made through cheques, bank transfers, electronic fund transfers, or other approved banking methods with proper approval and supporting documents.
- ✓ The Organization's bank account shall be operated by joint signatories.
- ✓ All cheques and payment instructions shall be signed by at least two authorized signatories approved by the Executive Committee/Board.
- ✓ Cash payments shall be kept to a minimum. Wherever possible, payments shall be made through bank transfers, electronic fund transfers, or cheques.

6.8 Petty Cash Management

- ✓ The organization shall maintain a petty cash fund to meet minor and urgent operational expenses in a transparent, accountable, and controlled manner in accordance with financial procedures. (Annexure 8)
- ✓ A designated Petty Cash Custodian shall be responsible for the safekeeping, recording, and disbursement of petty cash. All payments must be supported by valid receipts and approved petty cash vouchers from the Executive Director.
- ✓ The petty cash fund shall be maintained within an approved limit of a maximum of Nu. 25,000 and a minimum operating balance of Nu. 5,000, as approved by management. Any changes to these limits shall require approval from the Executive Director.
- ✓ Petty cash shall be replenished based on actual expenditures with complete supporting documents and shall be reviewed and approved by the Finance Unit before replenishment.

6.9 Bank Reconciliation

Bank reconciliations shall be prepared monthly. The Head of the Finance Section/Accounts Personnel shall obtain bank statements for all bank accounts by the 5th day of the subsequent month and complete the bank reconciliation by the 10th day of the subsequent month. The bank reconciliation statements, together with supporting documents, shall be submitted to the Executive Director (ED) for review and approval. (Annexure 9)

6.10 Electronic Banking

Electronic banking services may be utilized subject to:

- ✓ Authorized access controls.
- ✓ Password protection.
- ✓ Segregation of duties.
- ✓ Approval procedures.

Electronic payment records shall be maintained.

6.11 Foreign Currency Transactions

A foreign currency account may be maintained to account for any receipts in foreign currency in a USD as permitted by existing banking regulations.

- ✓ Foreign currency transactions shall:
- ✓ Be recorded using prevailing exchange rates.
- ✓ Be supported by bank records.
- ✓ Be reported in Ngultrum for financial reporting purposes.
- ✓ Exchange gains and losses shall be recorded separately.

6.12 Care and Custody of Cheques and Banking Instruments

The Executive Director and Finance/Accounts Officer shall ensure the safe custody and proper management of cheque books and banking instruments.

The following controls shall be maintained:

- ✓ Cheque books shall be stored in a secure locked cabinet or safe with restricted access.
- ✓ Newly received cheque books shall be verified for serial sequence and completeness.
- ✓ Blank signed cheques shall be strictly prohibited.
- ✓ Lost or stolen cheques or cheque books shall be reported immediately to the bank and documented in writing.
- ✓ Cancelled cheques shall be marked "CANCELLED" and retained for audit purposes.
- ✓ Used cheque book counterfoils and payment records shall be retained in accordance with the Organization's record retention policy.

6.13 Cheque Preparation and Payment Processing

Before issuing a cheque or authorizing a bank transfer, the Finance/Accounts Officer shall verify that:

- ✓ The expenditure is included in the approved budget or has received proper authorization.
- ✓ A duly approved payment voucher is available.
- ✓ Supporting documents, including invoices, receipts, contracts, purchase orders, and completion certificates where applicable, are attached.
- ✓ The payee details are accurate and complete.
- ✓ Sufficient funds are available in the bank account.

All cheques shall:

- ✓ Be prepared in permanent ink or through approved computerized cheque printing systems.
- ✓ Clearly indicate the amount in both words and figures.
- ✓ Bear the signatures of authorized signatories.
- ✓ Be issued in the name of the intended beneficiary.
- ✓ Be crossed "ACCOUNT PAYEE ONLY" unless otherwise authorized.
- ✓ Self-cheques shall be discouraged and used only when operationally necessary. Any cash withdrawn through a self-cheque shall be accounted for immediately and supported by appropriate documentation.
- ✓ A cheque issue register or payment register shall be maintained to record all cheque and bank transfer transactions.

6.14. Advance and Adjustments

6.14.1Advance

- ✓ Advance payments shall be made only with proper authorization and for specific approved purposes based on an estimated budget and a duly approved voucher. All advances shall be fully accounted for and liquidated within fifteen (15) days from the date of completion of the activity, execution of works, or return from official travel.
- ✓ No additional advance shall be issued unless the previous advance has been fully settled, except with the approval of the Executive Director in exceptional cases. Any disbursement involving foreign exchange shall comply with the financial regulations issued by the Royal Monetary Authority. (for the more detail refer to HR Policy of nazhoen lamtoen)

6.14.2 Travel Claims

- ✓ Travel claims shall be submitted within ten (10) working days after completion of official travel. Claims shall include Daily Subsistence Allowance, transportation costs, accommodation expenses, and other approved travel-related expenditures.

- ✓ All claims shall be supported by original receipts and relevant documentation. Claims shall be verified by the Finance Unit for accuracy and compliance prior to approval and payment.

Sl._No	Designation	Amount
1	Board Member, Executive Directors	2000
2	Manager Level	1500
3	Supporting Staff	1000

6.14.3 Salary Advance

Depending on the needs, the Management may sanction salary advance up to a maximum of two month's basic pay once in year to an employee recoverable within a 12 months period from the date of disbursement of an advance. **Annexure 14: Salary Advance form** (For Detail Refer to Organization HR Policy)

6.14.3.1 Deductions and Recoveries

The following mandatory deductions and recoveries shall be made from an employee's salary at the time of paying her/him the monthly salary at the end of every month:

CHAPTER 7: PROCUREMENT

7.1 Objectives

- ✓ Achieve economy, efficiency and effectiveness in procurement of goods and services.
- ✓ Ensure transparency in procurement through application of standard procurement procedures.
- ✓ Ensure fair and equal access to the suppliers, contractors and consultants in award of contracts for supply of goods and services.

7.2 Eligibility Criteria – Registration & Qualification of Bidders

- ✓ The supplier shall hold a legal license, where required, from the authorities responsible for granting such license under the laws of the country of the holder;
- ✓ Suppliers, Contractors and Consultants shall be ineligible for participation in the tender under the following circumstances:
- ✓ Debarred from participation in any public procurement by any Competent Authority as per law;
- ✓ Suspended, insolvent or is bankrupt or is in the process of being wound up;
- ✓ Found guilty of professional misconduct by a recognized tribunal or professional body or any Government authority or judiciary;
- ✓ Has not fulfilled obligations with regard to the payments of taxes, social security or other payments due in accordance with the laws of the country of its establishment; and
- ✓ Has multiple ongoing work-in-hand which risks affecting quality of services.

7.3 Organization of Procurement &Tender Committee, Levels and Composition

7.3.1Tender Committee

- ✓ There shall be Tender Committee to ensure the procedures of this procurement method have been complied with in all cases of procurements as per the threshold limit prescribed under Section 7.3.3
- ✓ Tender Committee shall declare any conflict of interest with any of the participating bidders as and when the situation arises and not participate in that particular evaluation;
- ✓ The quorum for the tender committee meeting shall be two third of its total members; and
- ✓ The Tender Committee shall be responsible for all the decisions made in accordance with the provisions of this procurement process.

7.3.2 Levels and Composition

The Tender Committee shall comprise:

- ✓ Head of the organization;
- ✓ Finance Manager/Officer;
- ✓ Concerned Programme Officer; and
- ✓ Others as deemed necessary

7.3.3 Role of the Tender Committee

- ✓ Before each sitting, the Chairperson and each of the members of a Tender Committee shall declare a "No conflict of interest".
- ✓ Ensure whenever necessary that an appropriate bid opening process has been followed;
- ✓ The Tender Committee shall make decision based on clear criteria for evaluation;
- ✓ The Tender Committee shall be responsible and accountable for the works awarded;
- ✓ Maintain proper minutes and records of the deliberations and decisions of the tender committee and the reasons for any decisions or actions;
- ✓ The members of Tender Committee shall not disclose any information on the bid evaluation, decision and deliberations of the committee to any party or bidder, except as may be required by the law; and

The threshold values shall be determined by the nazhoen lamtoen organization and reviewed and revised from time to time as deemed necessary with approval of the Board/Trust:

Threshold example:

Type	Open Tender/ Bidding	Limited Tender/ Bidding	Direct Contracting

Works	Above Nu. 500,000	Above Nu 100,000 and up to Nu. 500,000	Up to Nu.100,000 (They should exercise due prudence while purchasing)
Goods and Services	Above Nu 500, 000	Above Nu.100, 000 and up to Nu. 500,000	Up to Nu.50,000 (They should exercise due prudence while purchasing)

7.4. The Nazhoen lamtoen shall follow the following procurement methods depending on the complexity of contracts and value:

7.4.1 Open Bidding

- ✓ Open bidding shall be applied to procurement of goods works and services as per the threshold mentioned;

- ✓ The open bidding process shall be applied unless there are circumstances, which justify the use of the other exceptional methods specified;

- ✓ Under this method, all contenders who are capable and eligible to supply the goods, works and services shall be given equal opportunity to submit bids following a notice inviting tender;
- ✓ When available time is insufficient (appropriately justified and properly documented) to follow the Open Tender/Bidding method but where it is still possible to seek competition, the nazhoen lamtoen may resort to limited bidding despite the threshold limit; and

- ✓ If this method fails to result in the award of a contract after two attempts, a limited bidding method may be resorted to.

7.4.2 Limited Bidding

Under this method, bid may be solicited from 3 to 5 eligible bidders who are capable of providing the goods, works and services sought. This method may be used where the estimated value of goods, works or services does not exceed the threshold value as prescribed.

7.4.3 Direct Contracting Method

Under this method terms and conditions may be negotiated directly with the supplier.
This method may be used for procurement as per the threshold mentioned in Section 7.4.3 or under the following circumstances:

- ✓ When, for reasons of extreme urgency brought about by unforeseeable events the minimum time limits involved in the open, limited bidding and limited enquiry method cannot be followed;

- ✓ In the case of purchases to be made for the purpose of day-to-day administration and the total value of procurement do not exceed Nu. 20 thousand per occasion;

- ✓ In the absence of at least three bids following the application of Limited Enquiry methods, provided the terms of bidding documents have not changed;

- ✓ Where, for technical reasons or for reasons connected with the protection of industrial property rights, the contract may be executed by only one supplier or contractor and there is no suitable substitute;

- ✓ Where additional items are required under an existing contract, and that the price to be paid is not more than the original price the repeat order may be placed;

- ✓ Suppliers in continuation of an existing procurement contract/addition to existing machinery and equipment, where a change of supplier would oblige the company to acquire materials having different technical characteristics which would result in incompatibility or technical difficulty in operation and maintenance or disproportionate additional cost; and

- ✓ When goods, works and services can be procured at a cost lower than the lowest evaluated tender either from within or outside the country, goods/works/services may be procured directly

7.5 Best Value Procurement Method (BVPM)

BVPM is a vision and method for procuring and tendering where the main focus is not the price but the performance of market parties. This method focuses on procuring the highest value and subsequently obtaining this at the most economically advantageous tender. It is also based on the conviction that the risks are minimized or eliminated when the information is effectively used. The following tendering process shall be followed.

7.6 Identification of goods and services

As outlined in the applicability clause under 7.5.4.2 below, every year during the budgeting session, the nazhoen lamtoen Management shall draw up a list of all those items to be procured through this tendering process. The same shall be put up to the Board along with the yearly budget for approval.

7.7 Research and Analysis

The Administration and Finance Team shall carry out research and analysis to identify the items to be procured during the fiscal year based on Price, Quality and the Timeliness of the supplies. The Team will focus on the following criteria.

- ✓ Item brand/s;
- ✓ Approximate Price;
- ✓ Projected quantities;
- ✓ Destination of Supplies;
- ✓ Frequency of supplies;
- ✓ Country or countries of origin of supplies;
- ✓ Access to the nearest level of suppliers; and
- ✓ Enforceability of legal contract.

The nazhoen lamtoen management may decide on the need for the team to visit the location and meeting of the potential supplies before invitation of the Bids.

7.8 Invitation of Bids

Invitation of the bid shall be advertised in newspapers/publications/websites containing all necessary information as below:

- ✓ The identity of the organization;
- ✓ Scope of supply of goods;
- ✓ Period for execution of supplies;
- ✓ Address for obtaining the bidding documents, further information on bids;

- ✓ Cost of bidding documents;
- ✓ Earnest money deposit;
- ✓ Procedural requirements;
- ✓ Final date and time for submission of bids, time for opening of bids and venue; and
- ✓ Address where the bids are to be submitted;

7.9 Submission of bids

The Bid prepared by the bidder shall comprise:

- ✓ Original and copies of the bid form and the appropriate price schedules furnished in the bidding documents;
- ✓ Documentary evidence establishing that the bidder is eligible to bid;
- ✓ Documentary evidence establishing that the bidder is qualified to perform the contract;
- ✓ Bid security; and
- ✓ Power of attorney

7.10 Minimum time limit for bid submission

The tender committee may decide on the appropriate minimum number of 10 days to submit the bid based on the nature of the goods and services.

7.11 Bid opening

- ✓ Bidders or their authorized representatives shall be allowed to attend the bid opening. Bidders who choose to attend shall sign the attendance sheet provided in the record of bid opening with their name, firm name and phone numbers. Bidders who choose to attend the opening shall not be allowed to speak on matters related to the bid until and unless approached by the committee members or after seeking permission by raising hand. Bidders who have any complaint with regard to the bid opening shall file a written complaint immediately.
- ✓ All members shall examine and sign on the envelopes as evidence to state that the envelope was received sealed and on time and announce for record the observation, if any. In the event that an envelope of the original bid document is found to have been tampered with or opened, the committee shall examine and investigate the nature of tampering or opening of the envelope and such bids shall either be rejected or considered for evaluation at the discretion of the committee based on the merits of each case. In case where the bid is rejected the prices of such bid may however be used for the purpose of comparison.

- ✓ All bids shall be opened in sequential order of submission and in full public view of all bidders/representatives attending the bid opening.
- ✓ The Chairperson or representative of the committee shall announce the following in the bid opening for the bidders to note:

  - The name of the bidder;
  - The total price offered;
  - Discounts offered, if any;
  - The presence or absence of bid security and its amount;
  - Alternative bids, if any;
  - Response to amendments, if any;
  - Any other requirements as per the bid documents; and
  - The members of the Committee opening the bid shall sign on all pages of the bid form, bill of quantities/ price schedules, any discounts offered, modifications, alternative bid, forwarding letter of the bidder and any other document deemed important. The committee shall also initial all corrections and overwriting in the bid documents.

- ✓ The bidder/representative will be required to inform the committee during the opening of the bid itself, if any information is missed or not read out.

- ✓ All original copies of the bids, which are recorded in the bid opening, shall be kept in a secure place for future reference in case of any disputes or differences.

7.12 Minimum number of bids

If the number of bids received in response to any tender invitation is only one, the Committee may decide to open and should the bid be reasonable compared to estimated values and other variables set by the committee earlier, the committee may further negotiate and award the contract. However, should the committee be dissatisfied with the single bid, then the committee may re-tender.

In the event the bid is not responsive (no bidder), the committee shall, based on the analysis report, directly award the contract to the committees' choice of supplier/s.

7.13Evaluation Matrix

The evaluation of the bid shall be based on the minimum qualification set by the Admin and Finance team at the research and analysis level. Given the nature of the goods and services required, following minimum variables shall be considered in evaluating the responsiveness of the bid.

Evaluation criteria for selecting Best Value Vendor

Evaluation Criteria	**Points (%)**
1. Price	30%
2. Quality	55%
3. Time	10%
❖ Past Performance	5%
TOTAL	**100%**

CHAPTER 8: PROPERTY MANAGEMENT

8.1 Objectives

- ✓ Ensure that the properties of nazhoen lamtoen are safeguarded and utilized.
- ✓ Ensure that the properties of nazhoen lamtoen are handled and used by the employees with the same degree of diligence and care as one would exercise while handling one's own property.

8.2 Principle

- ✓ The responsibility for proper accounting, safeguarding and utilization of all properties of the nazhoen lamtoen shall primarily rest with the head of the organization as a chief custodian of all assets of a nazhoen lamtoen.
- ✓ The Head of organization, without disowning his own responsibility, may delegate the authority and responsibility for safe custody and utilization of properties to subordinate officials, who shall be referred to as Store Officer.
- ✓ Properties received by officials on behalf of the organization shall be accounted for as nazhoen lamtoen property and recorded in the relevant records of the nazhoen lamtoen.
- ✓ Nazhoen lamtoen property shall be recorded in the relevant records at the cost of acquisition or at assessed value.
- ✓ Officials shall handle and use nazhoen lamtoen properties with the same degree of diligence and care as he/she would exercise in handling and using his/her own property.
- ✓ Transfer of custody of nazhoen lamtoen properties shall be carried out through proper handing-taking over mechanism.

8.3 Acquisition of properties

Property may be acquired by the nazhoen lamtoen in any of the following ways:

- ✓ Purchase;
- ✓ Construction;

- ✓ Production/manufacture, and
- ✓ Grant/donations/gifts.

8.4 Maintenance of Inventory of Properties

The Stores/Property Manager shall maintain Stock Register or Ledger ***(Annexure 15 : Stock Register)*** for expendable properties where a numerical accounts of consumable articles, like stationeries, shall be maintained.

- ✓ The Property Manager shall allot an Inventory/Fixed Asset Identification Code to each item, which shall be suitable to indicate type and class of the property.

- ✓ Such identification code shall be indelibly written on the item for its easy identification. This identification code shall be used in all property records.

8. 5 Receipt, inspection and acceptance of property

- ✓ The Store Officer/ Admin or a technically competent official nominated by the Head of the organization shall inspect and examine the properties prior to acceptance to ensure that the quantity is correct and quality and other required specifications have been complied with. If necessary, the supplier shall be given the opportunity to be present at the time of examination and verification.

- ✓ The quantity accepted shall be recorded in the relevant Stock Register/Fixed Assets Register and the quantity rejected, if any, shall be returned to the supplier immediately. If the rejected property cannot be returned immediately, a notice of rejected items shall be issued by the Property/Stores Manager to the supplier concerned indicating clearly that the property/item has been rejected and would be returned at the earliest.

8.6 Issue of property

- ✓ Request for property/item shall be submitted through a 'Property Requisition Form' ***(Annexure 19: Property Requisition Form)*** to the Store Officer/ admin with the approval of the head.

- ✓ The store manager/ Admin shall obtain an acknowledgement of receipt of the items issued and record the same in the Stocks/Fixed Assets Register.

8.7 Maintenance of Fixed Asset Register for non-expendable properties

- ✓ Property manager shall maintain record of all non-expendable properties in Fixed Asset Register ***(Annexure 18: Fixed Asset Register)***, which shall provide details of date and cost of acquisition, specifications, present location and Fixed Asset Identification Code.
- ✓ Separate Fixed Asset Registers shall be maintained for different classes of fixed assets.
- ✓ If the number of classes of fixed assets is not many, separate sections in the same Fixed Asset Register shall be assigned for recording different classes of fixed assets.
- ✓ Receipts shall be obtained in the form of Goods Issue Note and maintained in the relevant Fixed Assets Registers for non-expendable properties distributed to individual officials for use in their official capacities. All such receipts shall be renewed annually or whenever the properties are returned, exchanged or re-issued.
- ✓ Depreciation shall be provided on fixed assets on Written Down Value method by applying the depreciation rates as provided under the Financial Rules & Regulations of the Ministry of Finance ***(Annexure 10: Appendix - Depreciation Table)***.

8.8 Maintenance and Utilization of Properties

- ✓ The responsible Division/officials shall prepare schedules of routine maintenance works necessary for different types of non-expendable properties. The schedules shall be duly approved by the Head of the Nazhoen Lamtoen.
- ✓ In the event preparation of such schedules is not possible considering the sophistication and physical attributes of the properties, the manufacturer's recommended schedule of maintenance and prescribed life periods shall be followed in respect of heavy or sophisticated equipment or vehicles.
- ✓ All properties of the Nazhoen Lamtoen shall be used for the purposes they were procured and issued for. The Property manager shall ensure that the properties are safeguarded from loss, misuse, and unauthorized disposal.

- ✓ The Head of the Nazhoen Lamtoen shall ensure that utilization of all official properties are monitored, controlled and only judicious and prudent expenditures are incurred and no unnecessary, excessive, extravagant and irregular expenditures are incurred on the utilization of the properties.

- ✓ There shall be prescribed Logbooks ***(Annexure 17: Fuel Logbook)*** in appropriate formats to be maintained for all fuel consuming machineries and equipment to record the utilization of these properties.

- ✓ The designated responsible official shall append a periodic performance summary of the fuel consuming equipment at the end of each week or month, as the case may be, in the Logbook.

Such Performance Summary shall indicate the opening stock of approximate quantity of fuel at the beginning of the month, total quantity of fuel issued during the month, the approximate quantity of fuel at the end of the month, total fuel consumption during the month, performance indicators during the month and the average fuel consumption. Where deemed necessary, the Head of the CSO Nazhoen Lamtoen shall seek explanation from the designated responsible official on any substantial deviation from the rated fuel consumption, examine it and take suitable action to prevent misuse of fuel.

8,9 Physical Verification of properties

8.9.1Physical verification of properties shall be carried out to:

Establish ownership of properties;

- Verify actual existence of properties in accordance with the book balance and descriptions;
- Identify and report on properties that are surplus, obsolete, damaged or unserviceable, or missing/shortage of items.

- ✓ The Management shall nominate an officer independent of the concerned Property/Stores Manager/ admin to conduct physical verification of properties at least once in a financial year.

- ✓ Physical verification of expendable items with specific expiry dates, such as, drugs, medicines, and medical surplus shall be carried out more than once in a financial year, frequency of which shall be decided by the head of the Nazhoen Lamtoen.

- ✓ Physical verification of properties shall always be carried out in the presence of the property/stores manager/admin or a person deputed by him.

- ✓ The verifying officer shall submit a Property Verification Report along with a list of surpluses, obsolete or unserviceable properties to the Head of the Nazhoen Lamtoen in Form No. ***(Annexure 20: Property Verification Report)***. A separate list of items found short or excess over the book balance shall also be submitted with the report.

- ✓ True status of actual physically verified balance along with details of variations between the book balance and physical balance found during the physical verification of properties shall be immediately brought to the notice of Accounts Section to update the Accounts and Property Records.

- ✓ Properties that are not likely to be utilized in the near future due to advanced technology or another factor shall be treated as obsolete.

- ✓ On receipt of reports on surplus, obsolete, or unserviceable properties, the Head of Organization shall constitute a Property Inspection Committee of three or more officials representing different Divisions to review the report for appropriate course of action as under:

- ✓ Where there is no prescribed or stipulated life period for unserviceable items or if such life period is not over, the physical conditions of the items and the history of use shall be examined. If it transpires that the item was rendered unserviceable due to negligence, misuse or mischief, the same shall be clearly noted.

- ✓ Where the prescribed or stipulated life period is already over, the physical condition of the items shall still be examined to see if the assets could be put to further economic use.

- ✓ The correctness of declaring an item as surplus or obsolete shall be ascertained from records and technical observations. It shall be further ascertained if the surplus or obsolescence had occurred due to procurements in excess of requirements, lack of foresightedness in procurement or some other reasons like abandonment of works, etc.]

- ✓ The head of the organization or an authority delegated with appropriate financial powers shall take the recommendations of the Property Inspection Committee into consideration to:

    - Declare items as surplus, obsolete or unserviceable.

- Initiate proceedings as per Finance & Accounting Manual of RGOB if the causes of damages or shortages/losses of items have been ascribed to suspected acts of negligence, fraud or mischief.

- ✓ Orders declaring properties as surplus, obsolete or unserviceable shall specify the reasons for declaring them as such and a reference of the order shall be noted against the adjustment entries in the relevant property/stock records.

- ✓ A separate record of properties declared as surplus, obsolete or unserviceable shall be maintained where the ultimate disposal/sale reference of the items shall be noted.

8.10 Disposal and Transfer of Property

- ✓ The Head of the organization shall initiate disposal of surplus, obsolete or unserviceable properties giving due regard to the original cost and date of purchase, accumulated depreciation, and written down value of such properties.

- ✓ A Property Transfer Note ***(Annexure 21: Property Transfer Note)*** shall be prepared as a basis to dispose/transfer surplus, obsolete or unserviceable properties.

- ✓ In order to ensure that the surplus, obsolete or unserviceable properties fetch fair values, the disposal/sale initiatives shall be conducted at the earliest after those are declared as such.

- ✓ Disposal of Nazhoen Lamtoen properties shall be carried out through public auctions unless it is deemed that the volume/value of such properties do not merit holding public auctions.

- ✓ Fixing of Reserve Price of properties to be disposed off through public auctions or valuations of properties to be disposed off otherwise shall be done by Property Inspection Committee upon approval from the head of the organization .

- ✓ After disposal of the property, necessary entries shall be made in the property records (Fixed Assets Register and Stock Register).

8.11Reporting and Monitoring of Property

- ✓ Division or Unit heads shall monitor the upkeep of official properties by way of physical verification of properties.

- ✓ The Property Officer shall provide details of non-expendable properties acquired/received, issued/transferred, disposed or written-off to the head of organization, as and when the transaction takes place.

8.12Relief from Accountability of properties

- ✓ A staff holding official properties shall be relieved from the accountability on his/her handing over of the items to the Property Officer in reasonable conditions. Such a staff member shall obtain a clearance from the Property Officer before proceeding on extended leave of absence, transfer or retirement from the service.

- ✓ On situation where an official leaves his/her incumbency on transfer or change of roles/charges in the management, a formal Handing/Taking Over Notes, bearing signatures of both the relieved (outgoing incumbent) and the relieving official, shall preferably be prepared in all cases of transfer of charges. Such Notes shall invariably be prepared in case of change in incumbency to any position, which heads a section or unit under the Department/Division/Head of the nazhoen lamtoen or involved in handling of any or several of the following:

    - Construction/maintenance of works;
    - Stores;
    - Stock of inventory or equipment;
    - Cash including advances;
    - Cashbook;
    - Signing of Cheque and/or receipt.

In order to complete the process of transfer of charges, the following procedures shall be followed:

The Cashbook or advance account shall be closed, totaled and balanced;

- ✓ The relieved/outgoing official shall provide under his full dated signature, certificates of verification of cash in chest, original keys of the chest with numbers, unused Cheque forms and Cheque books, unused receipt forms and receipt books. The same shall be handed over to the incoming official or to the relieving officer, as the case may be;

- ✓ The relieved/outgoing official shall hand over a Note to the incoming official or relieving officer containing at least the following information:

    - Status of the works in hand;
    - Orders remaining to be complied with;
    - Details of such matter as deemed necessary for the attention of the incoming/relieving officer;
    - Explanation of extraordinary circumstances, if any;
    - Existing or apprehended difficulties;

- Status of audit and outstanding audit observations remaining unresolved, if any;
- List of all claims awaiting settlement/adjustment as on the day of transfer of charges indicating reasons for cases remaining pending.

8.13 Taking Over of Charges in absence of an officer

- ✓ Following course of action shall be taken when an officer handling official funds, stores, stock of equipment and inventory, etc., absconds, dies or become incapacitated in the performance of duties:

    - Head of the organization shall immediately instruct a Property Inspection Committee to take custodian of the funds, stores, equipment and inventory, etc.;
    - The Committee shall prepare an inventory of the Cash and other accountable items physically available and to determine the extent of responsibility or liability of the officer for any shortage that may be found;
    - Charges of the absconded, deceased or incapacitated officer shall be taken over by another officer designated by the Head of the organization.

8.14 Procurement, Registration and Use of Pool vehicles

8.14.1Procurement

- ✓ Head of the organization shall examine the existing fleet position of vehicles to determine the requirement of procurement of vehicles.
- ✓ Prior to initiating procurement of any vehicle, explicit approval of the Board shall be obtained regardless of the source of finance and the budget availability.
- ✓ Standard models of vehicles suitable for specific needs, based on the approval of the Board, shall be procured.

8.14.2 Registration, Insurance and Records

All vehicles and items of road plying equipment shall be registered and insured in accordance with the provisions of the Road Safety & Transport Authority legislations.

- ✓ A Vehicle History Book shall be opened and maintained for each vehicle.

The following details of the vehicle shall be recorded in the first page of the Vehicle History Book:.

- Registration No. of the Vehicle;
- Insurance Policy No. and type of Insurance;

    - Manufacturer's Name;
    - Model Name and Serial No.;
    - Chasis No.;
    - Engine No.;
    - Extra Fittings;
    - Spare Tools;
    - Date of acquisition; and
    - Additional incidental costs (Taxes, Custom Duties, Handling Charges, etc):

Vehicle History Book shall also contain the following records:

    - ✓ Salient points of Maintenance Schedule as prescribed in the Manufacturer's Manual;
    - ✓ Details of allotment of vehicles to officials/drivers shall be recorded in the third page; and
    - ✓ Details of maintenance and repair works including replacement of parts, tyres, etc., with their costs shall be recorded from fourth page onwards.

- ✓ A Vehicle Logbook ***(Annexure 16: Vehicle Logbook)*** shall be maintained in respect of every vehicle observing the following procedures:

    - An entry shall be made every time fuel is issued to the vehicle;
    - Starting and ending km reading as well as name of stations and the purpose of travelling/conveyance shall be on every use of the vehicle;
    - Officials using the vehicle shall sign on the entry of utilization in the Logbook on each occasion;
    - A summary of performance of the vehicle shall be appended at the end of every month. Such Performance Summary shall indicate the opening stock of approximate quantity of fuel at the beginning of the month, total quantity of fuel issued during the month, the approximate quantity of fuel at the end of the month, total fuel consumption during the month, performance indicators during the month and the average fuel consumption. Where deemed necessary, the Head of the organization shall seek explanation from the designated responsible official on any substantial deviation from the rated fuel consumption, examine it and take suitable action to prevent misuse of fuel.

Documents of registration of the vehicle (Blue Book), Insurance Certificate and the Logbook shall be kept in the vehicle.

8.15 Administrative Procedures - Pooling and use of Vehicles

Except for vehicles placed on the duty of the entitled officer as decided by the Head of the organization from time to time, all vehicles of the nazhoen lamtoen, irrespective of their sources of financing, shall be pooled under the nazhoen lamtoen fleet of vehicles.

As decided by the Board and identified by the organization Head, all pool vehicles shall be under the Administration unit, which shall look after the maintenance, movement orders, safe custody, judicious utilization, and overall management of pool vehicles.

Movement of all pool vehicles shall be authorized by the designated Head of the organization through issue of Movement Order ***(Annexure 22: Vehicle Movement Order)***, which shall be kept in the vehicle during its movements.

The Movement Orders shall indicate clearly the specific nature of duty and the destinations.

The Movement Order books shall be kept in the custody of the Administrative Officer and shall not be carried out in the vehicles.

When not in use, all pool vehicles shall be kept in the office compound after office hours, weekends and holidays. No pool vehicles shall be kept in the residential compound of any officer except those designated for entitled officials.

- No pool vehicles shall be kept separately with any particular Division/Unit Officer for their exclusive use except under the existing rules.
- A Pool Vehicle shall be provided in emergency cases if any of the staff or family members fall seriously ill to transport them to hospital or for ritual activities in the event of death of a staff member's direct family member.
- Only the appointed drivers shall be permitted to drive the pool vehicles. In the absence of the driver or during an emergency, an officer may be permitted to drive the pool vehicle with a written permission of appropriate official.
- No movement of pool vehicles shall be permitted generally before or after office hours except during the field visit.
- During the shortage of pool vehicles, Administrative units shall hire a vehicle for office purposes. Hiring charges would be the same as mileage rates as per prevailing market rates.

- Staff members who are provided with fuel allowances are not entitled to claim pool vehicles for conveyance between home and office, and during working hours.

- Pool vehicles are strictly for use by office staff and for official purposes only. Use of pool vehicles for other purposes shall be only upon approval by the Head of the organization on a case-by-case basis.

- Use of pool vehicles outside the duty station shall be only for official travel which is formally approved by the Head of the organization.

- All drivers shall submit a POL balance statement on a monthly basis to the Administration unit for verification and records. Fuel consumption shall be based on the average mileage per vehicle and any discrepancy shall be reimbursed from the salaries of respective driver and Transport Officer.

- The average mileage for each vehicle shall be ascertained by the Administrative Officer in consultation with the Head of the organization.

- The fuel book shall be in the custody of the Administrative Officer.

- The designated duty vehicle of the Head of the organization, if any, shall be outside the purview of these rules on Pool Vehicle.

CHAPTER 9: DONOR COMPLIANCE

Nazhoen Lamtoen receives funding from various donors, each with specific compliance requirements. The provisions in this chapter apply to all donor-funded projects unless otherwise stated in the donor agreement.

9.1 General Principles

- ✓ All donor agreements shall be reviewed by the Executive Director (ED) and the Finance Section before execution.
- ✓ Donor requirements shall be incorporated into Nazhoen Lamtoen’s financial management systems and procedures.

- ✓ Any actual or suspected non-compliance with donor conditions shall be reported immediately to the donor, where required, and to the Board.

9.2 Timesheets

For donor-funded projects that require allocation of staff time, including cost-reimbursable grants and cost-sharing arrangements, Nazhoen Lamtoen shall maintain monthly timesheets for all relevant personnel.

Requirements

- ✓ Timesheets shall be prepared monthly and aligned with the payroll period.
- ✓ Time worked each day or half-day shall be allocated to the appropriate project, donor code, or Nazhoen Lamtoen operational activity.
- ✓ Timesheets shall be signed and dated by the employee and approved by the supervisor.
- ✓ Timesheets shall be retained for a minimum of five (5) years or longer if required by the donor.
- ✓ Total time recorded on timesheets shall reconcile with payroll records.

9.3 Cost Share (Matching Contributions)

Where a donor agreement requires cost sharing, Nazhoen Lamtoen shall ensure that all matching contributions are properly valued, documented, and reported.

Requirements

- ✓ Cost share may be provided in cash or in-kind, including donated goods, volunteer services, facilities, or waived overhead costs.
- ✓ All cost-share contributions must be allowable, allocable, reasonable, and incurred during the approved grant period.
- ✓ In-kind contributions shall be valued at fair market value at the date of donation and supported by appropriate documentation.
- ✓ Cost-share transactions shall be recorded separately and reported to donors in accordance with grant requirements.

9.4 Monthly Financial Reports and Bank Reconciliations

- ✓ Where required by a donor, Nazhoen Lamtoen shall prepare monthly financial reports showing:
  - o Receipts by donor;
  - o Expenditures by budget line; and
  - o Budget variances.
- ✓ A bank reconciliation statement shall be attached where required, whether for a dedicated project account or for project transactions identified within the main bank account.
- ✓ Reports shall be submitted within the deadlines specified in the donor agreement.

9.5 Financial Management System

Nazhoen Lamtoen shall maintain a financial management system that:

- ✓ Complies with the Financial Rules and Regulations (FRR) 2016 and CSOA guidelines;
- ✓ Segregates restricted donor funds from unrestricted funds;
- ✓ Tracks income and expenditure by project and donor; and
- ✓ Produces timely, accurate, and complete financial reports.

9.6 Chart of Accounts and Donor Reporting

- ✓ All financial transactions shall be recorded using the Chart of Accounts (COA) provided in Annexure I.
- ✓ Expenditures reported to donors shall be summarized using the budget categories approved in the donor agreement.
- ✓ Where a donor uses a different chart of accounts or reporting structure, Nazhoen Lamtoen shall maintain a cross-reference mapping to ensure accurate reporting.

CHAPTER 10: INTERNAL CONTROLS

10.1 Internal Control System

Nazhoen Lamtoen shall maintain an effective internal control system to ensure accountability, transparency, compliance with applicable laws and policies, and the efficient and prudent use of organizational resources.

The internal control system shall be guided by the principles of the COSO Internal Control–Integrated Framework, including the control environment, risk assessment, control activities, information and communication, and monitoring.

Key internal control measures shall include:

- ✓ Segregation of Duties: No single individual shall be responsible for a transaction from initiation through authorization, recording, and reconciliation.

- ✓ Delegation of Authority: The organization shall maintain a documented and communicated Delegation of Authority framework that clearly defines the financial and administrative responsibilities of the Board, management, and staff.

- ✓ Physical Controls: Adequate safeguards shall be maintained for cash, cheques, assets, records, and information systems, including secure storage and restricted access where appropriate.

- ✓ Authorization and Approval: All financial transactions, procurements, commitments, and payments shall be supported by appropriate documentation and approved by authorized personnel within their designated authority limits and approved budget provisions.

- ✓ Reconciliations: Bank accounts, cash balances, donor funds, and other financial records shall be reconciled regularly, and at a minimum on a monthly basis.

- ✓ Independent Reviews: Periodic internal audits, management reviews, or other independent checks shall be conducted to assess the effectiveness of internal controls and ensure compliance with policies and procedures.

10.2 Governance and Oversight

- ✓ The Board of Directors shall have overall responsibility for governance, approval of policies, annual budgets, and major financial decisions. The Executive Director shall be responsible for the day-to-day management of the organization and the implementation of approved plans, programs, and budgets.

- ✓ The Board may establish an Internal Audit and Risk Management Committee to strengthen governance and oversight. The Committee shall review the effectiveness of internal controls, monitor compliance with policies and regulations, oversee audit findings, assess organizational risks, and recommend corrective actions to the Board.

- ✓ The organization may also establish other committees, including the Finance and Audit Committee, Procurement Committee, Human Resource Committee, and Programme Committee. Each committee shall operate under an approved Terms of Reference (ToR) defining its mandate, responsibilities, authority, and reporting obligations.

10.3 Reporting and Board Meetings

- ✓ The organization shall prepare timely, accurate, and complete financial, operational, and programme reports for management, the Board, donors, regulatory authorities, and other stakeholders to support accountability and informed decision-making.

- ✓ The Board of Directors shall meet at least once every quarter, with a minimum of four meetings annually. Meeting agendas and supporting documents shall be circulated in advance, and minutes shall accurately record discussions, decisions, and resolutions. Approved minutes shall be maintained as official organizational records.

10.4 Conflict of Interest

- ✓ All Board members, officers, employees, and committee members shall avoid situations in which personal, professional, or financial interests conflict, or appear to conflict, with the interests of Nazhoen Lamtoen.
- ✓ Any actual, potential, or perceived conflict of interest shall be disclosed promptly in writing to the Executive Director or the Board, as appropriate. Individuals with a conflict of interest shall not participate in discussions, approvals, decisions, or voting related to the matter in which they have a personal interest.
- ✓ The organization shall maintain a Conflict-of-Interest Register and require annual conflict of interest disclosure statements from Board members, senior management, and other designated personnel. The Board shall ensure that conflicts of interest are managed transparently and in the best interests of the organization.
- ✓ This version merges both sections into a single, coherent chapter with consistent policy language and avoids duplication.

CHAPTER 11: FINANCIAL REPORTING

11.1 Policy

Nazhoen Lamtoen shall maintain an effective financial reporting system to ensure the timely preparation of accurate financial information for management, the Board, donors, regulatory authorities, and other stakeholders. Financial reports shall support accountability, transparency, sound financial management, and compliance with applicable laws, regulations, and donor requirements.

11.2 Financial Reporting Standards

Financial statements shall be prepared in accordance with the Civil Society Organizations Authority (CSOA) Financial Reporting Format and any applicable accounting standards prescribed by law or donor agreements.

The standard financial reports shall include:

a) Statement of Receipt and Payment (Annexure 11 &13);
b) Statement of Financial Affairs/Balance Sheet (Annexure 12) and
c) Project Financial Reports and other donor-specific reports as required.

Where donors require a different reporting format, the Finance Unit shall prepare the required reports and reconcile them with the organization's accounting records.

11.3 Financial Reporting Schedule

The Finance Unit shall prepare financial reports according to the following schedule:

Report Type	Frequency
Financial Closure Report	Daily or Weekly
Bank Reconciliation Statement	Monthly
Management Financial Report	Monthly
Budget Utilization and Variance Report	Quarterly
Project/Donor Financial Report	As Required
Annual Financial Statements	Annually
Audited Financial Statements	Annually

11. 4 Daily and Weekly Financial Closure

The Accounts Personnel shall conduct daily or weekly financial closure depending on the volume of transactions by:

a. Summarizing total receipts received;
b. Summarizing total payments made;
c. Determining closing cash and bank balances;
d. Verifying that balances agree with the cashbook and accounting records; and
e. Reporting any discrepancies to the Executive Director for review and corrective action.

11.5 Monthly Reconciliation

By the tenth (10th) working day of each month, the Finance Unit shall:

a. Reconcile all bank accounts with the cashbook and general ledger;
b. Verify the accuracy and completeness of accounting records;
c. Investigate and resolve any reconciling differences;
d. Prepare and file reconciliation statements for review and approval; and

e. Follow up on outstanding advances, receivables, and other balances requiring settlement.

11.6 Statutory Deductions and Liabilities

The Finance Unit shall ensure that all statutory deductions and liabilities are accurately recorded and remitted to the relevant authorities within the prescribed deadlines.
These may include:

a. Personal Income Tax (PIT);
b. Provident Fund Contributions;
c. Health Contributions;
d. Insurance Contributions;
e. Loan Recoveries; and
f. Other statutory or contractual obligations.

- ✓ Supporting records shall be maintained for all remittances and reconciled with payroll and accounting records.

11.7 Monthly Financial Reports

- ✓ The Finance Unit shall prepare monthly financial reports containing:

a. Total receipts and payments;
b. Cash and bank balances;
c. Fund balances;
d. Budget utilization;
e. Budget variances; and
f. Other relevant financial information required by management.

Monthly reports shall be submitted to the Executive Director for review and approval.

11.8 Quarterly and Donor Reporting

- ✓ Quarterly financial reports shall be prepared to monitor financial performance against approved budgets and work plans.
- ✓ Financial reports required by donors shall be prepared and submitted in accordance with donor agreements and reporting deadlines.

11.9 Review and Submission

- ✓ All financial reports shall be reviewed by the Executive Director before submission or distribution.

- ✓ Reviewed reports shall be submitted to the Board of Directors, donors, regulatory authorities, and other stakeholders as required.

11.10 Annual Financial Statements

The Finance Unit shall prepare annual financial statements at the end of each financial year.
The annual financial statements shall:

a. Present a true and fair view of the organization's financial position and activities;
b. Be supported by complete accounting records and reconciliations;
c. Be submitted for external audit; and
d. Be presented to the Board of Directors for review and approval before submission to CSOA, donors, and other relevant authorities.

- ✓ This format is more aligned with a Financial Management Manual, focusing on reporting procedures, reconciliations, statutory remittances, and financial responsibilities.

CHAPTER 12: RISK MITIGATION

Nazhoen Lamtoen recognizes that effective risk management is fundamental to achieving its objectives, safeguarding organizational assets, maintaining donor confidence, and ensuring compliance with applicable laws, regulations, and internal policies.
Nazhoen Lamtoen shall adopt a proactive and systematic approach to the identification, assessment, monitoring, and mitigation of risks that may affect its operations, programs, finances, reputation, and sustainability.
Risk management shall be fully integrated into the organization's planning, budgeting, project implementation, procurement, financial management, and governance processes.

12.1 Key Risk Areas and Mitigation Measures

Risk Area	Standard Mitigation Measures
Fraud and misappropriation	Segregation of duties; dual authorization/signatures; regular cash counts; whistleblower mechanism; periodic internal audits.
Currency fluctuation	Use of forward contracts where feasible; regular monitoring of exchange rates; maintenance of foreign currency accounts; consistent accounting treatment in accordance with applicable standards.

Risk Area	Standard Mitigation Measures
Donor non-compliance	Regular review of grant agreements; maintenance of timesheet and cost-share documentation; timely and accurate financial and narrative reporting.
Liquidity shortage	Preparation of cash flow forecasts; maintenance of a minimum operating reserve equivalent to 3–6 months of operating expenses; diversification of funding sources.
Cyber risk / internet banking fraud	Dual authorization for all electronic payments; implementation of two-factor authentication (2FA); restricted system access; monthly bank reconciliations performed by an independent officer.
Procurement irregularities	Establishment of a procurement committee with defined terms of reference; documented procurement thresholds and methods; transparent evaluation criteria.
Asset loss or damage	Maintenance of a fixed asset register; annual physical verification; adequate insurance coverage for major assets.

The Management shall review the risk register at least annually, or as necessary, and update mitigation measures accordingly to ensure continued effectiveness.

CHAPTER 13: AUDIT PROCEDURES

13.1 Annual Audit

BTI shall ensure that its financial records and operations are audited annually by the Royal Audit Authority (RAA) or by private audit firms empanelled by the RAA.

13.2 Audit Appointment Procedure

I. BTI shall submit a written request to the RAA for appointment of auditors.
II. The RAA shall appoint an empanelled audit firm to conduct the audit.
III. The audit firm shall issue an acceptance letter.
IV. Upon completion, the audit report shall be issued under the signatory of the RAA.
V. Copies of the audit report shall be submitted to the Member Secretary, CSOA, and the Chairperson of the Board, and shall be made publicly available as required.

13.3 Preparation for the Audit

The Accounts Personnel shall ensure that all financial statements, working sheets, supporting documents, and technical reports are readily available before the audit commences.

13.4 Concluding the Audit

I. The Accounts Personnel shall ensure that financial documents submitted to auditors are returned after completion.
II. The relevant division shall respond to audit observations upon discussion with management.

13.5 Post-Audit

i. Management shall ensure that all auditor recommendations and compliance findings are addressed.
ii. Unresolved observations shall be resolved at the earliest opportunity to the full satisfaction of the auditors.
iii. The Accounts Personnel shall circulate the audit report to the Board, relevant stakeholders, and donors upon request.

ANNEXURE

ANNEXURE 1: CHART OF ACCOUNTS

Group Code	Account Code	Head of Accounts	Group Head
1000		**Capital and Equity**	
	1001	Capital Fund	Capital Fund
	1002	General Reserve	Reserves & Surplus
	1003	Revenue Reserve	Reserves & Surplus
	1004	Surplus & Deficit Account	Reserves & Surplus
2000		**Long Term Liabilities**	
	2001	Secured Loans	Long term Liability
	2002	Unsecured Loans	Long term Liability
	2003	Government - Deferred Grant	Long term Liability
	2004	Interest accrued and due on Secured Loans	Long term Liability
	2005	Interest accrued and due on Unsecured Loans	Long term Liability
	2006	Interest accrued and due on Subsidized Loans from Government	Long term Liability

3000		**Current Liabilities**	
	3001	Sundry Creditors for Goods Supplied	Current Liability
	3002	Sundry Creditors for Expenses	Current Liability
	3003	Sundry Creditors for Works	Current Liability
	3004	Government - Deferred Grant	Current Liability
	3005	Performance Security from Suppliers/Contractors	Current Liability
	3006	Earnest Money Deposits from Suppliers/Contractors	Current Liability
	3007	Retention Money –Contractors /Suppliers	Current Liability
	3008	TDS from Contractors/Suppliers/Consultants	Current Liability
	3009	BST Refunds	Current Liability
	3010	Unpaid Cheques	Current Liability
	3011	Loans Repayable	Current Liability
	3012	Interest accrued and but not due on Secured Loans	Current Liability
	3013	Interest accrued and but not due on Unsecured Loans	Current Liability
	3014	Interest accrued and but not due on Subsidized Loans from Government	Current Liability

		Employee Related liabilities	
	3015	Net Salary Payable	Current Liability
	3016	Provident Fund Payable	Current Liability
	3017	TDS from Employees	Current Liability
	3018	Health Tax Recovery	Current Liability
	3019	GIS- Group Insurance Scheme	Current Liability
	3020	Salary Saving Scheme	Current Liability
	3021	House Rent Recovery	Current Liability
	3022	Employee Loan from BOB	Current Liability
	3023	Employee Loan from BNB	Current Liability
	3024	Employee Loans from other Financial institutieinstitutionsinstinInstitutions	Current Liability
	3025	Other Staff Recovery	Current Liability
	3026	Leave Encashment Payable	Current Liability
	3027	Employee Welfare Scheme	Current Liability
	3028	Audit Recoveries	Current Liability
		Provisions	

4000	4201	Provision for Gratuity	Current Liability
	4202	Provision for doubtful debts	Current Liability
	4203	Provision for Doubtful Advance	Current Liability
	4204	Provision for Unsettled Legal Claims	Current Liability
	4205	Provision for Non Moving & Obsolete Items	Current Liability
	4206	Provision for other expense	Current Liability
	4207	Provision for Depreciation- Building	Current Liability
	4208	Provision for Depreciation- Compound wall & Fencing	Current Liability
	4209	Provision for Depreciation-Roads & Culverts	Current Liability
	4210	Provision for Depreciation-Water Supply & Sanitations	Current Liability
	4211	Provision for Depreciation-Lab Equipment	Current Liability
	4212	Provision for Depreciation-Office Equipment	Current Liability
	4213	Provision for Depreciation-Computers & Peripherals	Current Liability

	4214	Provision for Depreciation- Furniture Fixtures & Fittings	Current Liability
	4215	Provision for Depreciation- Vehicles	Current Liability
	4216	Provision for Depreciation- Servers & Internet Equipment	Current Liability
	4217	Provision for Depreciation- Photography Equipment	Current Liability
	4218	Provision for Depreciation- Television Equipment	Current Liability
5000		**Fixed Assets**	
	5001	Land	Fixed Assets
	5002	Building-Office	Fixed Assets
	5003	Building- Residential	Fixed Assets
	5004	Roads & Culverts	Fixed Assets
	5005	Compound Wall & Fencing	Fixed Assets
	5006	Water Supply & Sanitation	Fixed Assets
	5007	Office Equipment	Fixed Assets
	5008	Computer & Peripherals	Fixed Assets
	5009	Lab Equipment	Fixed Assets
	5010	Furniture Fixtures & Fittings	Fixed Assets

	5011	Vehicles	Fixed Assets
	5012	Servers & Internet Equipment	Fixed Assets
	5013	Photography Equipment	Fixed Assets
	5014	Television Equipment	Fixed Assets
	5015	Investment	Fixed Assets
	5016	Capital Work in Progress- Works	Fixed Assets
	5017	Library Books, Text Books &	Fixed Assets
		Current Assets	
	5201	Stock of Materials	Current Assets
	5202	Stock of Stores and Spare Parts	Current Assets
	5203	Stock of Stationary	Current Assets
	5204	Sundry Debtors	Current Assets
	5205	Cash in Hand-CD account	Current Assets
	5206	Cash at Bank-CD account	Current Assets

	5207	Fixed Deposits	Current Assets

	5208	Other Current Assets	Current Assets
	5209	Interest receivable	Current Assets
	5210	Prepaid Insurance	Current Assets
	5211	Prepaid Expenses	Current Assets
	5212	Advance to Suppliers	Current Assets
	5213	Advance to Contractors	Current Assets
	5214	Other Advance	Current Assets
	5215	Outstanding Tuition Fees	Current Assets
		Advance to Staff	
	5216	Salary Advance to Employees	Current Assets
	5217	Travel Advance to Employees	Current Assets
	5218	Advance against Expenses to employees	Current Assets
	5219	Advance against Expenses to Employees-Capital works	Current Assets
		Operational Expenses	
	6001	Pay & Allowances	Expenses

	6002	Other Personnel Emoluments	Expenses
	6003	Special Allowance	Expenses
6000	6004	Travel – In-country	Expenses
	6005	Travel – Outside Bhutan	Expenses
	6006	Utilities – Telephone, Telex, Fax, E-mail, Internet	Expenses
	6007	Utilities – Postage & Courier Service	Expenses
	6008	Utilities – Electricity, Water, Sewerage charges	Expenses
	6009	Utility ies – Others	Expenses
	6010	Rental – Buildings	Expenses
	6011	Rental – Vehicles	Expenses
	6012	Rental – Equipment	Expenses
	6013	Rental – Others	
	6024	Maintenance of Properties – Buildings	Expenses
	6025	Maintenance of Properties – Vehicles	Expenses
	6026	Maintenance of Properties – Roads	Expenses

	6027	Maintenance of Properties – Equipment	Expenses
	6028	Maintenance of Properties – Plantations	Expenses
	6029	Maintenance of Properties – Computers	Expenses
	6030	Maintenance of Properties – Others	Expenses
	6031	Op. Exp. – Advertising & Promotion	Expenses
	6032	Op. Exp. – Taxes, Duties, Royalties, Handling/Bank charges	Expenses
	6033	Op. Exp. – Transportation	Expenses
	6034	Op. Exp. – Energy/Propulsion charges	Expenses
	6035	Op. Exp. – Purchase of Power	Expenses
	6036	Op. Exp. – Others	Expenses
	6037	Hospitality & Entertainment	Expenses
	6038	Write Off – Stock, Loss of Cash/Goods	Expenses
	6039	Donations	Expenses
	6040	Subscriptions to International Organizations	Expenses
	6041	Contributions – Provident Fund	Expenses
	6042	Retirement Benefits	Expenses
	6043	Interest on Secured Loans	Expenses

	6044	Interest on Unsecured Loans	Expenses
	6045	Interest on Govt. subsidized Loans	Expenses
	6046	Exp. On Structure – Plantations	Expenses
	6047	Professional Services	Expenses
	6048	Training – Human Resource Development	Expenses
	6049	In county Meeting & Celebration	Expenses
	6050	Miscellaneous Expenses	Expenses
	6051	Fuel Woods/Fire Wood	Expenses
	6052	Auditors Remuneration	Expenses
	6053	New Program Development	Expenses
	6054	Storage Charges	Expenses
	6055	Honorarium	Expenses
	6056	Loss In Exchange	Expenses
	6057	Losses under Investigation	Expenses
	6058	Loss on sale of Assets	Expenses
	6059	Consultancy/ Expert Fees	Expenses
	6060	Depreciation Expenses	Expenses
		Income	

7000	7001	Fees	Income
	7002	Rental Income	Income
	7003	Rental of hire of Infrastructure	Income
	7004	Hire Charges of Equipment	Income
	7005	Donations	Income
	7006	Revenue Grants from RGoB	Income
	7007	Revenue grants from……	Income
	7008	Revenue Grants from…	Income
	7009	Revenue Grants from….	Income
	7010	Revenue Grants from….	Income
	7011	Revenue Grants from….	Income
	7012	Revenue Grants from Others	Income
	7013	Income from fixed deposits with Banks	Income
	7014	Sale proceeds of Obsolete items	Income
	7015	Tender Form Sales	Income
	7016	Profit on disposal of fixed assets	Income

	7017	Profit on sale of stores and spares	Income
	7018	Excess stores during physical verification	Income
	7019	Gains in Exchange	Income
	7020	Consultancy Charges	Income
	7021	Research Fees	Income
	7022	Income from sale of Journals	Income
	7023	Penalties and Liquidated damages	Income
	7024	Liabilities no longer required	Income
	7025	Income from Exchange Program	Income
	7026	Miscellaneous Income	Income

ANNEXURE 2: PAYMENT VOUCHER

Payment Voucher

Voucher No....... **Date............**

Alc Code	**Particulars**	**Amount (Nu.)**
	Narration	
	Amount (In words)	

PREPARED BY **APPROVE BY**

ANNEXURE 3: RECEIPT VOUCHER

Receipt Voucher

Voucher No....... **Date............**

Alc Code	**Particulars**	**Amount (Nu.)**
	Narration	

	Amount (In words)	

PREPARED BY **APPROVE BY**

ANNEXURE 4 : JOURNAL VOUCHER

Journal Voucher

Voucher No……. **Date…………**

Alc Code	**Particulars**	**Amount (Nu.)**
	Narration	
	Amount (In words)	

PREPARED BY **APPROVE BY**

ANNEXURE 5: REVENUE BUDGET

Revenue Budget For the Year 20......					
Budget Code	**Income Source**	**Description**	**Approved Budget (Nu.)**	**Actual (Nu.)**	**Variance**
INC-01	Donor Grants	Core & project funding	xxx	xxx	
INC-02	Government Grants	Institutional support	xxx	xxx	
INC-03	Donations	CSR / individual support	xxx	xxx	
INC-04	Other Income	Interest / services	xxx	xxx	
-			xxx	xxx	
-			xxx	xxx	
-			xxx	xxx	
			xxx	xxx	
			xxx	xxx	
			xxx	xxx	
Total					

ANNEXURE 6 : ADMINISTRATIVE / GENERAL EXPENDITURE BUDGET

Administrative / General Expenditure Budget for Year 20				
Particulars	**Budget (Nu.)**	**Actual (Nu.)**	**Variance (Nu.)**	**Variance (%)**
Salaries & Allowances	xxx	xxx		
Employer Contributions (PF/PE, etc.)	xxx	xxx		
Leave Encashment Benefits	xxx	xxx		
Staff Welfare & Recreation	xxx	xxx		
Rent	xxx	xxx		
Utilities (Electricity, Water, Internet)	xxx	xxx		
Printing & Stationery	xxx	xxx		
Bank Charges	xxx	xxx		
Travel & Conveyance	xxx	xxx		
Vehicle Fuel, Repair & Maintenance	xxx	xxx		
Communication Costs	xxx	xxx		
Hospitality & Representation	xxx	xxx		
Advertising & Public Relations	xxx	xxx		
Consultancy Fees	xxx	xxx		
Meeting Expenses	xxx	xxx		
Audit & Professional Fees	xxx	xxx		
Repairs & Maintenance	xxx	xxx		
HRD / Staff Development	xxx	xxx		
Depreciation	xxx	xxx		
Miscellaneous Expenses	xxx	xxx		
	xxx	xxx		
Total Administrative Expenditure				

ANNEXURE 7: PROGRAMME / PROJECT EXPENDITURE BUDGET FOR THE YEAR/MONTH

Programme / Project Expenditure Budget For the year/month						
Budget Code	**Cost Category**	**Description**	**Budget (Nu.)**	**Actual (Nu.)**	**Variance (Nu.)**	**Varian ce (%)**
EXP-01	Personnel Costs	Project staff salaries & benefits				
EXP-02	Programme Activities	Direct implementation costs				
EXP-03	Administrative Allocation	Shared operational costs				
EXP-04	Travel	Field visits & transport				
EXP-05	Training	Workshops & capacity building				
EXP-06	Equipment	Assets & procurement				
EXP-07	Monitoring & Evaluation	Surveys, reviews, assessments				
EXP-08	Communication	IEC materials & outreach				
EXP-09	Consultancy	External experts/services				
EXP-10	Other Approved Costs	Miscellaneous approved expenses				
	Total Programme Expenditure					

ANNEXURE 8: NAZHOEN LAMTOEN – PETTY CASH (IMPREST) REGISTER

Date	Voucher Number	Particulars	Reason / Description	Cash Receipts	Cash Disbursements	Balance	Designation
xx/xx/xxxx		Opening	Initial petty cash	xxx	xxx	xxx	

		Balance	balance				
		Office Supplies	Purchase of office stationery and supplies	xxx	xxx	xxx	
		Office Printing	Printing and photocopying expenses	xxx	xxx	xxx	
		Transportation	Transportation expense	xxx	xxx	xxx	
		Shelter Home	Shelter home expenditure	xxx	xxx	xxx	
		office Expense	miscellaneous Expenses	xxx	xxx	xxx	
		-	-	xxx	xxx	xxx	
		-	-	xxx	xxx	xxx	
		-	-	xxx	xxx	xxx	
		-	-	xxx	xxx	xxx	
		-					
		Cash Added	Petty cash top-up				
		Cash Added	Petty cash top-up				

ANNEXURE 9: BANK RECONCILIATION STATEMENT

Nazhoen lamtoen

Bank Reconciliation Statement

For the year ended…..

Date	**Particulars**	**Amount (Nu.)**	
	Balance as per Cash Book	**xxx**	
	Add: Deposits in transit (recorded in Cash Book but not yet credited by the Bank)	xxx	
	Add: Bank interest not yet recorded in Cash Book	xxx	
	Add: Direct deposits received but not yet recorded in Cash Book	xxx	
	Less: Outstanding cheques (issued but not yet presented)		xxx
	Less: Bank charges not yet recorded in Cash Book		xxx
	Less: Direct payments/debits by the Bank not yet recorded in Cash Book		xxx
	Less: Dishonoured cheques		xxx
	Balance as per Bank Statement		**xxx**
Total		xxx	xxx

Prepare by **review by**

ANNEXURE 10– DEPRECIATION TABLE

Sl. No.	Item	Method of Depreciation	Depreciation Percentage	Estimated useful life	Approximate Scrap Value after useful life
1	Land	Not applicable	Nil	Infinite	Most likely to be appreciated
2	Building Permanent	Diminishing balance	3.5	70 years	-do-
3	Building Semi-Permanent	-do-	10	25 years	To be based on actual condition
4	Road Black Top	Not applicable	-	-	-
5	Road Forest	-do-	-	-	-
6	Bridge Permanent	Diminishing balance	3.5	70 years	8.26%
7	Bridge Semi-permanent	-do-	10	20 years	12.60%
8	Electrical Installation	-do-	10	10 years	34.83%
9	Transmission line High Tension	-do-	5	50 years	8.06%
10	Transmission line Low Tension	-do-	10	20 years	12.16%
11	Sub-station equipment	-do-	10	20 years	12.16%
12	Generators	-do-	20	6 years	26.21%
13	Furniture, fixtures, fittings – Steel	-do-	8	12 years	36.72%
14	Furniture,	-do-	10	10 years	34.86%

	fixtures, fittings – Wooden				
15	**Office equipment**	**Diminishing balance**	**15**	**6 years**	**37.71%**
16	**Vehicle – Heavy, medium, light and 2 wheelers)**	**-do-**	**20**	**6 years**	**26.21%**
17	**Vehicle – Heavy, medium, light and 2 wheelers)**	**-do- Allotment Rule**	**10, 15, 20, 20, 20, 20**	**7 years**	**26.21%**
18	**Earthmoving and other machinery – (heavy, medium and light)**	**Diminishing balance**	**20**	**6 years**	**26.21%**
19	**ICT equipment**	**-do-**	**25%**	**6 years**	**17.80%**
20	**Tents/tarpaulin/linen etc.**	**-do-**	**40%**	**6 years**	**4.67%**

ANNEXURE 11: RECEIPT AND PAYMENT STATEMENT MODIFIED CASH BASIS

Receipt and Payment Statement Modified Cash Basis (For the period ending 31st December 20…..

Sl.No. #	Group/ Broad Head of Account	Schedule	Receipts (Nu.)	ayments (Nu

1	**Opening Balance**			
	a Cash		xxx	
	b. Bank		xxx	
2	**Revenue**			
	a.Operating Revenue		xxx	
	b.Non-operating Ravence		xxx	
3	**Grants**			
	a Cash		xxx	
	b. in- Kind		xxx	
4	**Donation**			
	a. Cash		xxx	
	b. in-kind		xxx	
5	**Program & Project Supports**			
	a. Cash		xxx	
	b. In-kind		xxx	
6	**Expenditure**			
	a. Operating Revenue			xxx
	b. Non-operating Revenue			xxx
	c. Program & Project			xxx
	Excess of income collected over disburse expenses			
7	**Other cash transactions**			
	Principal Repayment of loan			xxx
	Restricted Fund		xxx	
	Bank Loan received		xxx	
	Assets Acquisition			xxx
	Statutory Recoveries/Remittances			xxx
	Advances & Adjustments			xxx
	Net other cash transactions			

	Excess of cash receipts over (under) disbursement for the year			
	Closing Balance			
	a. Cash		xxx	
	b. Bank		xxx	
	Total		xxx	xxx

ANNEXURE 12: STATEMENT OF ASSET AND LIABILITIES /FINAL POSITION OF ORGANIZATION

Statement of Asset and Liabilities As on 31st December 20…….

Asset	**Schedule**	**Current Year(Nu.)**	**Previous Year(Nu.)**
Cash		xxx	xxx
Bank		xxx	xxx
Account Receivable (No)		xxx	xxx
Inventory		xxx	xxx
Prepaid Items		xxx	xxx
Plant & Equipment		xxx	xxx
Advances		xxx	xxx
Accumulated Deprecation		xxx	xxx
Total Assets		**xxx**	**xxx**
Liabilities		xxx	xxx
Account Payable		xxx	xxx
Loans & Borrowings		xxx	xxx
Accrued Liabilities		xxx	xxx
Statutory Remittances		xxx	xxx
Total Liabilities		**xxx**	**xxx**
Total Net Assets		xxx	xxx
Represented by		*xxx*	xxx

Endowment Fund		xxx	xxx
Excess of income collected over expense disbursed:			
Beginning of the year		xxx	xxx
For the year		xxx	xxx
End of the year		**xxxxx**	**xxxxx**

ANNEXURE 13 : RECEIPTS AND PAYMENTS STATEMENT

NAZHOEN LAMTOEN
RECEIPTS AND PAYMENTS STATEMENT
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 20......

RECEIPTS	SCHEDULE	AMOUNT (NU.)	PAYMENTS	SCHEDULE	AMOUNT (NU.)
Opening Balances:	**1**	**xxx**	**Expenses:**	**4**	**xxx**
Cash-in-Hand		xxx	1. Administrative Expenses		xxx
Cash-at-Bank		xxx	2. Project Expenses		xxx
Endowment fund		xxx			
			Refunds	**5**	**xxx**
Funds Received:	**2**	**xxxx**	**Outstanding Advances**	**6**	**xxx**
a. Project/Program Fund		xxx			
b. Grants & Donations Fund		xxx	**Investment - Fixed Deposits**	**7**	**xxx**
c. Interest from Savings		xxx			
d. Other Fund		xxx	**Closing Balance:**	**8**	**xxx**
			Cash-in-Hand		xxx
Fixed Deposit matured	**3**	**xxxxxx**	Cash-at-Bank		xxx
Total		**xxxxxx**			**xxxxxxx**

ANNEXURE 14: SALARY ADVANCE REQUEST FORM

Employee Details

- Employee Name: ____________________________
- C.I.D_______________________________________
- Designation_________________________________

Advance Salary Request

- Date of Request: ___________________________
- Amount Requested: _________________________
- Reason for Salary Advance:

Repayment Details

- Preferred Deduction Method:
  ☐ Full deduction from next salary
  ☐ Deduction in installments
- If installments, specify:
  Number of Installments: _________________
  Amount per Installment: _________________

Employee Declaration

I hereby request a salary advance of the amount mentioned above. I understand and agree that the approved amount will be recovered from my future salary as per the agreed repayment schedule.
Employee Signature: _________________________
Date: _______________________________________

For Office Use Only

- Amount Approved: __________________________
- Approval Status:
  ☐ Approved
  ☐ Rejected
- Repayment Terms:

Manager/Supervisor Signature: _______________
HR Signature: _______________________________
Accounts/Finance Signature: _________________
Date: ______________________________________

ANNEXURE 15: STOCK REGISTER

			Receipts		Weighted aveg, rate (nu)	Issues		Balance		Dish. Vr/Journal Vr		Attestation
Date	Name of Party	GRN GIN	Qty	Total value		Qty	Value Nu	Qty	Value Nu	No	Date	

ANNEXURE 16: VEHICLES LOG BOOK

Vehicles No.

Date	Driver Name	From			To			POL Issued	Distance (KM)	Purpose	Signature
		Time	Place	KM Reading	Time	Place	KM Reading				

ANNEXURE 17: FUEL LOG BOOK

SL. No	Date	Deposit		Issue		Balance	Branch Code	Signature Manger /In charge
		Receipts No	Amount (Nu)	Supply Memo No.	Amount (Nu)	Amount (Nu.)		

ANNEXURE 18: FIXED ASSET REGISTER

FIXED ASSET REGISTER

Rate of Depreciation

Base Cost

Description

Other expenses

Specification

Total Cost of Acquisition

Identification Number

Cost Sheet Reference No

Vr Ref No

Date of Commissioning

Manufacturer /Contractor Name and Address

CATEGORY

Financial Year	Cost of Acquisition Nu	Addition		Disposal/ Transfer				Depreciation	Net Book Value (Nu)	Initial property officer	Remarks
		Ref.no	Cost Nu	Date of Disposal transfer	Disposed to transferred to	Ref No,	Amount Nu				

ANNEXURE 19: PROPERTY REQUISITION FORM

PROPERTY REQUISITION FORM

Name of Office (Section/Division): ____

Sl. No.	Name and Description of Item	Unit	Quantity Requested	Purpose	Quantity Issued	Date	Remarks
1							
2							
3							

Submitted By:
Name: ___________________________
Designation: _____________________
Signature: _______________________

Date: ____________________________

Requisition Approved By

Name: ___________________________
Designation: _____________________
Signature: _______________________
Date: ____________________________

ANNEXURE 20: PROPERTY VERIFICATION REPORT

PROPERTY VERIFICATION REPORT

Name of Office/Division: ___________________________
Verification Date: ________________________________

Sl. No.	**Description of Property**	**Quantity as per Record**	**Quantity Verified**	**Condition**	**Remarks**
1					
2					
3					

Verification Findings:

Verified By:

Name: ___________________________
Designation: _____________________
Signature: _______________________

Date: ______________________________

Approved By:

Head of Agency
Name: ____________________________
Signature: ________________________

Certified that the above properties have been physically verified and found correct except for the discrepancies noted above.

ANNEXURE 21: PROPERTY TRANSFER NOTE

PROPERTY TRANSFER NOTE

Transfer Note No.: ____________________
Date: ____________________
From (Office/Section): ________________________________
To (Office/Section): ___________________________________

Sl. No.	Description of Property	Unit	Quantity	Condition	Remarks
1					
2					
3					

Reason for Transfer:
Transferred By:
Name: ____________________________
Designation: ______________________
Signature: ________________________

Received By:
Name: ____________________________
Designation: ______________________
Signature: ________________________

Approved By (Head of Agency):
Name: ____________________________
Signature: ________________________
Date: _____________________________

ANNEXURE 22: VEHICLE MOVEMENT ORDER

VEHICLE MOVEMENT ORDER (VMO)

VMO No: Date:

Vehicle Registration No:

Driver Name: Passenger(s) Name/Total Number:

Purpose of Travel:

Destination/Route

Departure Date & Time: Return Date & Time:

Opening Odometer Reading (km):

Closing Odometer Reading (km):

Total Distance Travelled (km:

Driver's Signature: Authorized By: