



ASEEMA CHARITABLE TRUST FINANCE POLICY

Aseema Charitable Trust

G3 Josephine Apartments, Ground Floor, Chimbai Road, Bandra West, Mumbai 400050



ASEEMA FINANCE POLICY

Ownership	Finance
Forum where approved	Board of Trustees
Date of Approval	October 2022

BACKGROUND:

Aseema Charitable Trust is a Mumbai based non-governmental organization with a mission to equip children from marginalized communities with high quality, value based education enabling development of their limitless potential. In Mumbai, Aseema works in partnership with the Municipal Corporation of Greater Mumbai (MCGM) to create centres of excellence within the public education system. In each of these schools, Aseema supports the MCGM by providing teachers who are oriented to Aseema's child friendly approach, making the learning environment stimulating and safe and creating a culture that respects the child and promotes learning.

PURPOSE:

This policy aims to outline the guidelines and procedures for financial management and reporting within our organization. Its goal is to promote transparency, accountability, and compliance with all applicable laws and regulations.

The Aseema Finance policy is a set of guidelines for managing finances that promotes transparency, accountability, and alignment with the Organization's strategic objectives. It serves as a reference for decision-makers and ensures that financial decisions uphold the Organization's goals and values.

SCOPE:

This policy is applicable to the Finance team, staff, and consultants of Aseema regardless of their location. It is applicable to all kinds of financial transactions which are undertaken at Aseema.

DEFINITIONS:

- a) **Donations**

Donation refers to money, goods, services, or other resources voluntarily given by donors to support Aseema's cause. Both individuals and corporate entities can donate in cash or kind to the organization. Once the amount is credited to the bank account, Aseema will issue an 80 G receipt and a thank-you letter to the donor within seven working days.

All corpus donations should be accompanied by a letter from the donor stating the intent of the donation specifically for the corpus

b) **Operating Expenses**

Aseema incurs ongoing costs known as "OpEx" or "Operating Expense" for its routine operations and day-to-day activities. These expenses are necessary to keep the organization functioning, regardless of whether Aseema is selling products or generating revenue. They are associated with maintaining the trust's overall operations and infrastructure.

At Aseema, our policy is to adhere to the annual budget and cover all operating expenses accordingly.

c) **Capital Expenditure**

Aseema incurs significant expenses called "CapEx" to acquire, upgrade, or improve long-term assets. These expenses are distinct from operating expenses (OpEx), which are incurred for day-to-day functioning of the organization. CapEx investments are made to enhance Aseema's capabilities, expand its operations, or maintain and replace assets with long useful lives. These expenses are usually not fully deducted in the year they are incurred, but rather are depreciated or amortized over time, as the benefit from them is for more than a year. Expenses are categorized as Capital only once the donor for the respective expenses has been identified. Further expenses below Rs 10000 are written off.

d) **Investment**

Investments of corpus donation or surplus donations in approved avenues are to be made only after the approval from the chairperson/trustees in their meeting and as per the draft Investible Surplus Funds Policy.

e) **Basis of Accounting**

Aseema will adhere to the Accrual Basis of Accounting as its policy for maintaining its books of accounts, which may be subject to changes in Income Tax Rules and regulations.

POLICY:

This policy provides specific guidelines for the detailed procedure mentioned in the Finance Process handbook.

a) **Policy for Advances to Employees:**

All Support Staff of Mumbai and Igatpuri who have completed a minimum of two years of continuous service are eligible for a fresh advance. The previous advance must be cleared in accordance with HR policy before a new advance can be given.

Employees will be eligible for advance for the following purposes:

- Medical treatment of immediate family (spouse, children, parents)
- Higher education of children.
- Purchase or repair or reconstruction of the house of an employee

b) **Policy for the recording of Donations/Revenues and Expenses**

Aseema has established a policy to ensure efficient recording of bills, invoices, receipts, and vouchers for proper management of receipts and payments.

For Donations

A donation receipt will be sent to the donor within 7 working days of the donation being received in the Aseema bank account. Cash donations exceeding Rs. 2,000/- (Rupees Two thousand only) will not be accepted.

Donations in kind will be accepted only after verifying the requirements with the respective team heads.

For Expenses and payments

Expenses and payments will only be processed once the procurement process as defined in the Procurement process note and the procedures mentioned in the Finance Process Handbook have been followed.

Review:

The Finance policy will be reviewed annually or as and when required.