



OEC Records Management Co. Pvt. Ltd.

Cash & Bank Management

Policies and Procedures

1 OBJECTIVES

1.1 The purpose of this document is to ensure the following:-

- 1.1.1 Establish a policy and procedure to standardize the management, accounting and reporting of Cash & Bank transactions.
- 1.1.2 Cash & Bank transactions are recorded in a timely manner in the books & there is timely information flow for facilitating effective funds management.
- 1.1.3 The internal control framework is in-built into the process to mitigate the instances of unauthorized use, pilferage or defalcation of company fund through an appropriate approval and periodic system of physical cash verification and cash and bank reconciliation.
- 1.1.4 Legal compliance

1.2 The policy establishes the management philosophy that:-

- 1.2.1 There are no surprises in business; and
- 1.2.2 All business risks are identified and mitigated in a timely manner.

2 POLICY

2.1 Expense reimbursement to employees:-

2.1.1 Employee reimbursements (relating to expenses on conveyance, food, staff welfare, travel, etc. exclusively incurred for business purpose) shall be restricted as per the entitlements defined in the respective HR policies and approved as per the Authorization Policy (refer Annexure 1).

2.1.2 Employees shall ensure that all claims are submitted to Branch Head/ Accounts dept. within 15 (fifteen) days of incurring the same. Any undue & inordinate delay in submitting the claim shall require approval of the Director – Finance & Accounts/ VP – Operations/ VP – Admin/ VP – Sales & Marketing.

Advances not settled within 15 (fifteen) days shall be recovered from the Employees salary.

2.1.3 Employee reimbursement shall be made twice a month on 10th and 25th. The two cut-offs for the employees to submit the claims shall be 5th and 20th of the month respectively.

2.2 Responsibility of the Employees/ Users:-

2.2.1 Employees/ Users shall fill-up the voucher (refer Annexure 2 for standard format) for claiming expense reimbursements. In case of multiple items, item-wise details shall be listed in a separate sheet & the account head-wise summary shall be listed in the voucher. Data entered in excel print-out of the voucher (as per standard format) shall be acceptable.

2.2.2 The employee/ user shall mention (as applicable):-

- Basic details including employee no., name & department;
- Voucher date shall be the date on which the voucher is being made; &
- Mention proper & meaningful narration describing the nature of the transaction.

2.2.3 All vouchers shall be supported with original invoices/ cash memos/ statements/ etc. & duly authorised/ approved as per the Authorization Policy (refer Annexure 1); supporting on thermal/ fax paper shall be duplicated and attached.

2.2.4 In case the expenses are related to the customers, the name of the customer, nature of work, whether reimbursable, etc should be mentioned.

2.3 Responsibility of the Approvers:-

2.3.1 The Approving authority shall ensure:-

- Employees/ users have complied with the above requirements before approval.
- The transaction being approved is incurred for genuine business purpose.

2.3.2 The approval shall be documented with legible initial and/ or signature of the approving individual and the date of approval shall be mentioned.

2.4 Responsibility of the Cashier:-

2.4.1 The Cashier shall maintain a transaction-wise record of the petty cash transaction for each day in the form of the petty cash book; which may be maintained in MS Excel & Cash Register (refer Annexure 3 for format).

- The Cashier (Location) shall mail the MS Excel petty cash book alongwith the supporting documents on a weekly basis to the Cashier (HO).
- The Cashier shall follow standard file naming convention for the MS Excel petty cash book as under:-

– Location_MMMYYYY_1/2/3/4/5 e.g. Pune_Jan2014_1 denotes that this is the petty cash file for Pune location for the first week of the month of Jan'2014.

- The 1/ 2/ 3/ 4/ 5 in the naming convention indicating whether it pertains to the 1st week or 2nd or 3rd or 4th or 5th week of the month.

- 2.4.2 The receipt & disbursement of cash shall be on the basis of duly approved vouchers.
- 2.4.3 The petty cash book shall be immediately updated on receiving/ disbursing the cash. The entry in the petty cash book shall be in the order of occurrence of transaction; Cashier shall ensure that there shall not be any negative cash balance appearing in the petty cash book.
- 2.4.4 The petty cash expense vouchers shall be numbered by the Cashier based on the sequential document no. as per the excel petty cash book.
- 2.5 **Responsibility of the Accounts Department:-**
- 2.5.1 Cash/ bank transactions shall not be routed through journal vouchers.
- 2.5.2 The Accounts department shall ensure:-
- The transaction is supported with the necessary documents (original, wherever possible) & approved as per the Authorization Policy (refer Annexure 1).
 - The transaction is accounted in the correct GL code(s) depending on the nature of the transaction.
 - Appropriate, meaningful and useful narration shall be mandatorily captured in Tally. Proper narration helps in correct and speedy reconciliation of accounts and in solving statutory/ legal/ audit issues.
- 2.5.3 To prevent misuse/ duplicate entry/ double payments, all supporting documents shall be defaced immediately on accounting of the transaction in Tally by affixing “PAID” stamp.
- 2.6 **Fraud/ Incorrect/ Duplicate Invoices:-**
- 2.6.1 Employees/ Users/ Approvers/ Accounts dept. shall verify the following items to minimize the risk of “fraud” invoices/ claims:-
- Scrutinise the invoice to check for any inconsistencies/ corrections in:-
 - handwriting (on the invoice/ supporting documents/ etc.).
 - amount/ date/ signature on the invoice.
 - PAN/ Service Tax / Sales Tax/ VAT Numbers.
 - In the case of computer generated invoices check whether similar fonts/ letter sizes/ formats are used in various invoices.
 - Check invoices which have been submitted after considerable delay; wherever the reason for abnormal delay is not known.
 - Check whether receipt of 3rd party Vendor has been attached (wherever applicable).
- 2.7 **Safekeeping of cash:-**
- 2.7.1 During business hours, the cash shall be securely stored in a locked cash box with access restricted only to the Cashier.
- 2.7.2 Cash disbursements shall be done during fixed defined days & timings.
- 2.7.3 Outside of business hours, all cash shall be securely stored in a safe away from where the cash is typically handled.
- 2.7.4 The original keys of:-
- The Cash box shall be in possession of the Cashier.
 - The Safe shall be in possession of the Branch Head/ Sr. Manager (Accounts).
- 2.7.5 The duplicate set of key(s) shall be kept with the Branch Head/ Sr. Manager (Accounts).
- 2.7.6 In case key is lost, the same shall be reported immediately and the lock/ cash box shall be changed.

2.8 **Safekeeping of blank signed cheques:-**

As a policy no blank cheque(s) shall be issued to whomsoever whether signed or otherwise. However, to handle exceptional circumstances when the authorised signatory is expected to be out of office for a long period of time, the following procedure shall be followed:-

- 2.8.1 Depending on the requirement & concurrence from the authorised signatory, the Sr. Manager (Accounts) (HO) shall enter the cheque details in a log book (refer Annexure 4).
- 2.8.2 The authorised signatory shall sign the blank cheque(s) & initial the log book. However, even in such exceptional circumstances, only 1 (one) signatory shall be authorised to sign blank cheque & the 2nd authorised signatory shall sign the cheque in person at the time of approving the transaction. In no circumstances shall the cheque be signed blank by both signatories.
- 2.8.3 Such blank signed cheques shall be maintained in a sealed envelope in the safe locker.
- 2.8.4 Whenever the blank signed cheque is required to be issued, the Sr. Manager (Accounts) (HO) shall get the cheque prepared & alongwith the supporting documents & log book, forward the cheque to the 2nd authorised signatory for signature. In such case, the Sr. Manager (Accounts) (HO) shall not sign the cheque as 2nd authorised signatory even if the amount of the cheque is within the authorisation limit for his/ her signature.
- 2.8.5 Post approval & sign-off of the cheque, the 2nd authorised signatory shall initial the log book indicating approval for the cheque.
- 2.8.6 After returning from leave, the concerned authorised signatory shall ratify the issue of the cheque by reviewing the transaction & signing on the log book. It shall be the responsibility of the Sr. Manager (Accounts) (HO) to ensure such ratification.
- 2.8.7 On a periodic basis, any Director of the company shall review & physically verify the stock of the blank signed cheques.
- 2.9 **Segregation of Duties:-**
 - 2.9.1 To ensure adequate segregation of duties, the below roles and responsibility shall be assigned to different Executives to handle:-
 - Handling of cash
 - Accounting of cash
 - Preparation of cheque for disbursement
 - Key holder for the safe/ cash box
 - 2.9.2 When limited staff size prevents a full segregation of responsibilities, the following shall be ensured:-
 - Compensating independent supervisory review of the related activities is performed.
 - Staff role rotation on a quarterly basis, wherever possible.
- 2.10 **Insurance:-**
 - 2.10.1 The following personnel handling cash shall be covered under fidelity insurance:-
 - Cashier including the personnel who is responsible for handling cash in the absence of the designated Cashier.
 - 2.10.2 Insurance for cash-on-hand and cash-in-transit shall be obtained for all locations handling cash.

2.10.3 The review of cash-insurance limits shall be done on an annual basis.

2.11 **Records Retention:-**

2.11.1 Vouchers & supporting documents shall be properly arranged and filed.

- 2.11.2 The Accounts dept. shall maintain a Voucher Register for monitoring removal of vouchers. Such recording shall be cleared on return of the vouchers.
- 2.11.3 Old vouchers (more than 8 years old) shall be destroyed; except those relating to any deposits, loans, fixed assets, contracts, promissory notes, original agreements and the ones that may be required for audit, legal and taxation issues. It is advisable to file these (important documents) separately to ease destruction of other records.

3 CASH WITHDRAWAL

3.1 Policy

- 3.1.1 Each location shall be authorised to hold cash in hand as per the retention limit approved by the Board (refer Annexure 5).
- 3.1.2 The approval for holding cash over & above the retention limit shall be separately obtained from the VP – Operations.
- 3.1.3 The cash withdrawal shall be permissible against Requisition Mail (RM) duly approved as per the Authorization Policy (refer Annexure 1).

3.2 Process

Responsibility	SN	Activity Forward to	Frequency
Cashier (Location/ HO)	1a	<ul style="list-style-type: none"> Subject to estimated requirement and cash balance in hand going below the cash retention limit, prepare the RM for cash withdrawal & forward for confirmation to Branch Head. 	As & when required
Branch Head/ Sr. Manager (Accounts)	1b	<ul style="list-style-type: none"> Review & confirm the RM. Forward the RM for approval to the:- <ul style="list-style-type: none"> VP - Operations CC to Sr. Manager (Accounts) & Accounts dept. Cash request in excess of the defined cash retention limit will be allowable subject to documented reason and separate & additional approval from the VP - Operations. 	As & when required
VP – Operations	2	<ul style="list-style-type: none"> Review & approve the RM; forward approval mail to:- <ul style="list-style-type: none"> Cashier (at location) CC to Sr. Manager (Accounts) & Accounts dept. Ensure separate approval is given for cash withdrawals over & above the retention limit 	As & when required
Sr. Manager (Accounts) (HO)	3	<ul style="list-style-type: none"> Basis the approved RM, issue & execute the funds transfer. Communicate the transfer details to Executive (Accounts) (HO). 	As & when required
Executive (Accounts)	4	<ul style="list-style-type: none"> Communicate the transfer details to Cashier (Location). 	As & when required

Responsibility	SN	Activity Forward to	Frequency
(HO)		<ul style="list-style-type: none"> Pass the accounting entry in Tally for the funds transfer. 	
Asst. Manager (Accounts) (HO)	5	<ul style="list-style-type: none"> Review & confirm the entry in Tally; match the amount transfer details with the approved RM. 	As & when required
Cashier (Location/ HO)	6	<ul style="list-style-type: none"> Receive funds transfer communication from Accounts dept. Prepare cheque in self-name for cash withdrawal. Forward the cheque to authorised signatories for signing. Collect the signed cheque from the authorised signatories. Withdraw cash from the bank; update petty cash book. Communicate details of withdrawal to Executive (Accounts). 	As & when required
Executive (Accounts) (HO)	7	<ul style="list-style-type: none"> Receive cash withdrawal communication from Cashier (Location). Pass the accounting entry in Tally for the cash withdrawal. 	As & when required
Asst. Manager (Accounts) (HO)	8	<ul style="list-style-type: none"> Review & confirm the cash withdrawal entry in Tally. 	As & when required

4 CASH RECEIPT

4.1 Policy

- 4.1.1 Cash transactions with Debtors/ Creditors are strictly prohibited; the company shall not collect any cash against sales (excepting scrap sales).
- 4.1.2 Cash collections from scrap sales shall be immediately deposited in the Bank & not used as petty cash.

4.2 Process

Responsibility	SN	Activity Forward to	Frequency
<i>Cashier (Location/ HO)</i>	1	<ul style="list-style-type: none"> • Receive cash against:- <ul style="list-style-type: none"> – refund of travel/ imprest advance from Employee. – scrap sales. • Count the cash & confirm in line with the Expense Voucher (EV)/ Travel Expense Statement (TES)/ Receipt (for scrap sales); ensure approval as per Authorization Policy (refer Annexure 1). • Deface all supporting bills/ statements with “paid” stamp. • Update the petty cash book. • In case of cash collections from scrap sales do not use as petty cash. <ul style="list-style-type: none"> – Prepare the bank deposit slip & deposit the cash in the Bank (on the same day or if after banking hours then on the next working day). – Update the petty cash book. • Forward the EV/ TES/ Receipt alongwith supporting documents & the acknowledged deposit slip to Executive (Accounts) (HO). 	As & when required
<i>Executive (Accounts) (HO)</i>	2	<ul style="list-style-type: none"> • Review and check the EV/ TES/ Receipt with the supporting bills/ statements; confirm:- <ul style="list-style-type: none"> – details/ documents as required are available (<i>for HR related payments/ advances as per the HR policy</i>). – nature of the expense/ advance & within eligibility limits (<i>for HR related payments/ advances as per the HR policy</i>). – adjustment of travel advance, if any. – appropriateness of the narration listed. – approval as per Authorization Policy (refer Annexure 1). • Pass the accounting entry in Tally for booking the cash receipts. • Based on the acknowledged bank deposit slip, separately pass the accounting entry for booking the 	As & when required

Responsibility	SN	Activity <u>Forward to</u>	Frequency
		cash deposited in Bank. <ul style="list-style-type: none"> • Capture all relevant data in Tally including the travel details in the narration & the name of the scrap dealer. • Forward the EV/ TES/ Receipt along with the supporting documents to the Asst. Manager (Accounts) (HO). 	
<i>Asst. Manager (Accounts) (HO)</i>	3	<ul style="list-style-type: none"> • Review & confirm the accounting entry in Tally. • Approve & forward the documents for filing to the Executive (Accounts). 	As & when required
<i>Executive (Accounts) (HO)</i>	4	<ul style="list-style-type: none"> • File the EV/ TES in serial order (alongwith the deposit slip) & supporting documents. 	As & when required

5 CASH PAYMENT

5.1 Policy

- 5.1.1 All expense/ purchase transactions shall be routed through Purchase Order only (*refer "Purchase" policy for exceptions*). Payment of cash for transactions, which may normally be paid by cheques, shall be prohibited. Cash payments above Rs.20,000/- shall not be made under any circumstances (*refer "Purchase" policy for exceptions*).
- 5.1.2 The Sr. Manager (Accounts) shall prepare a list of expenses that are authorised for payment in cash along with the value limit for each expense head (*refer Annexure 6*). This list shall be approved by the Director/ CEO. Such list shall be annually reviewed & updated.
- 5.1.3 Cash transactions shall only be done during the cash counter timings, as communicated by the Sr. Manager (Accounts).

5.2 Process

Responsibility	SN	Activity Forward to	Frequency
Cashier (Location)	1	<ul style="list-style-type: none"> • Receive the EV/ TES; ensure approval as per Authorization Policy (<i>refer Annexure 1</i>). • Review and check the EV/ TES with supporting bills/ statements; confirm:- <ul style="list-style-type: none"> – details/ documents as required are available (<i>for HR related payments/ advances refer HR policy</i>). – nature of the expense/ advance & within eligibility limits (<i>for HR related payments/ advances refer HR policy</i>). – adjustment of previous advances, if any. – appropriateness of the narration listed. • In case of any discrepancies, revert to the User. • Ensure compliance with statutory liability related to TDS/ VAT/ Works Contract Tax/ Service Tax/ Other Taxes as applicable. • Obtain payee's signature on the EV after affixing revenue stamp (as per statute). Deface all supporting bills/ statements with "PAID" stamp. • Disburse cash from petty cash & update the petty cash book. • Forward the EV/ TES and supporting documents to the Executive (Accounts) (HO). 	As & when required
Executive (Accounts) (HO)	2	<ul style="list-style-type: none"> • Review and check the EV with supporting bills/ statements. • Pass the accounting entry in Tally; capture all relevant data in the narration. • Ensure compliance with statutory liability related to TDS/ VAT/ Works Contract Tax/ Service Tax/ Other 	As & when required

Responsibility	SN	Activity	Frequency
		<p>Taxes as applicable</p> <ul style="list-style-type: none"> • Forward the EV/ TES & supporting documents to the Asst. Manager (Accounts) (HO). 	
<i>Asst. Manager (Accounts) (HO)</i>	3	<ul style="list-style-type: none"> • Review & confirm the accounting entry in Tally. • Approve & forward the EV/ TES and supporting documents for filing to Executive (Accounts). 	As & when required
<i>Executive (Accounts) (HO)</i>	4	<ul style="list-style-type: none"> • File the EV/ TES in serial order alongwith all supporting documents. 	As & when required

6 PHYSICAL VERIFICATION OF CASH

6.1 Policy

6.1.1 The physical cash shall be verified by the Cashier on a daily basis & alongwith the Branch Head/ Asst. Manager (Accounts) (HO) on a weekly basis; fact of physical verification & confirmation shall be signed & initialled by the respective personnel.

6.1.2 The Branch Head/ Sr. Manager (Accounts) (HO) shall conduct a surprise verification atleast once a month.

6.1.3 Delegation of authority (for physical verification of cash only): In the absence of the:-

- Branch Head → Asst. Manager (Operations)
- Asst. Manager (Accounts) (HO) → Sr. Manager (Accounts) (HO)
- Sr. Manager (Accounts) (HO) → VP – Admin/ Operations/ Sales & Marketing

6.2 Process (at HO)

Responsibility	SN	Activity Forward to	Frequency
Cashier (HO)	1	<ul style="list-style-type: none"> • On receiving/ disbursing cash, immediately update the petty cash book. 	As & when required
Executive (Accounts) (HO)	2	<ul style="list-style-type: none"> • On receiving the EV/ TES/ Receipt, immediately account & update the Tally cash book. 	As & when required
Cashier (HO)	3	<ul style="list-style-type: none"> • Physically count the cash & reconcile with the petty cash book. • List the currency denomination of the physical cash in hand on the petty cash book & initial the same. • In case of difference, immediately report the matter to the Asst. Manager (Accounts) (HO). 	Day-end
Asst. Manager (Accounts) (HO)	4	<ul style="list-style-type: none"> • Download & take printout of the day cash book from Tally. • Review the transactions of the day. • Confirm the Tally cash balance with the petty cash book. • Physically count the cash and confirm with the Cash Book & the currency denomination list listed in the petty cash book. • In case of difference, immediately report the matter to the Sr. Manager (Accounts). • Initial the petty cash book & also obtain the signature of the Cashier on the Tally Cash Book. 	Fortnightly
Sr. Manager (Accounts) (HO)	5	<ul style="list-style-type: none"> • Download & take printout of the day cash book from Tally. • Review the transactions of the day. • Confirm the Tally cash balance with the petty cash book. 	At-least once a month surprise check

Responsibility	SN	Activity <u>Forward to</u>	Frequency
		<ul style="list-style-type: none"> Physically count the cash and confirm with the Cash Book & the currency denomination list listed in the petty cash book. In case of difference, reconcile & list the Cashier's explanation & immediately report the same to the CEO. Initial the petty cash book & also obtain the signature of the Cashier & Asst. Manager (Accounts) signature on the Tally Cash Book. 	

6.3 Process (at Location other than HO)

Responsibility	SN	Activity <u>Forward to</u>	Frequency
<i>Cashier (Location)</i>	1	<ul style="list-style-type: none"> On receiving/ disbursing cash, immediately update the petty cash book. 	As & when required
	2	<ul style="list-style-type: none"> Physically count the cash & reconcile with the petty cash book. List the currency denomination of the physical cash in hand on the petty cash book & initial the same. In case of difference, immediately report the matter to the Branch Head/ Sr. Manager (Accounts) (HO). 	Day-end
<i>Branch Head</i>	4	<ul style="list-style-type: none"> Review the transactions of the day. Physically count the cash and confirm with the petty cash book & the currency denomination list listed in the petty cash book. In case of difference, immediately report the matter to the Sr. Manager (Accounts). Initial the petty cash book & also obtain the signature of the Cashier. 	Fortnightly + surprise checks

7 BANK PAYMENT

7.1 Policy

7.1.1 The company shall follow a weekly system of payment processing.

7.1.2 All cheques issued shall be compulsorily crossed “A/c payee”.

7.1.3 All cheques issued shall be signed by the authorised signatories as per banking Authorization Policy (refer Annexure 1) approved by the Board of Directors. The latest copy of the certified Board resolution shall be maintained with the Accounts dept.

- Basis the information received from HR dept. about exiting employees, Accounts dept. shall ensure that no cheques shall be got signed-off from authorised signatory atleast 2-days prior to his/ her last serving date.

7.1.4 All cheques paid to Vendors shall be identified/ matched to an invoice for correct outstanding ageing report.

7.1.5 The Accounts dept. shall ensure the name and the amount on the cheque matches with the supporting documentation for each payment.

7.1.6 All chequebooks shall be stored under lock and key at the end of each day.

7.2 Process

Responsibility	SN	Activity Forward to	Frequency
<i>Executive (Accounts) (HO)</i>	1	<ul style="list-style-type: none"> • Generate the as on date Vendor Outstanding Report (bill-wise) from Tally. • Forward the report to:- <ul style="list-style-type: none"> – Manager Admin & VP - Admin – CC to Director, CEO & Sr. Manager (Accounts) 	Weekly (every Friday/ Saturday)
<i>Manager Admin/ VP – Admin</i>	2	<ul style="list-style-type: none"> • Prioritize the payment schedule based on the report. • Mail the priority payment list to:- <ul style="list-style-type: none"> – Sr. Manager (Accounts) & Accounts dept. – CC to Director, CEO & Manager Admin 	Weekly (every Friday/ Saturday)
<i>Sr. Manager (Accounts) (HO)</i>	3	<ul style="list-style-type: none"> • Based on the cash flow position & the priority payment list, instruct Executive Accounts (HO) to issue payments for the week. 	Weekly (every Monday)
<i>Executive (Accounts) (HO)</i>	4	<ul style="list-style-type: none"> • Review the priority payment list; extract pending invoices from the Unpaid Bills file for the payment to be released. • Review and check the supporting bills/ documents/ statements; confirm:- <ul style="list-style-type: none"> – If any special remarks for deductions, etc. are listed on the bill. – adjustment of previous advances, if any. • Ensure compliance with statutory liability related to TDS/ VAT/ Works Contract Tax/ Service Tax/ Other Taxes as applicable. • In case of CMS printed cheques, compile the payment 	Weekly (every Monday)

Responsibility	SN	Activity Forward to	Frequency
		<p>file in Excel (as per Bank format).</p> <ul style="list-style-type: none"> • In case of manual cheques, prepare the Bank Payment Voucher (BPV) & the cheque; list the cheque no. & the Vendor bills details on the BPV. Pass accounting entry in Tally for manual cheques; ensure mandatory & meaningful narration listed. • In case of Vendor/ tax/ other liabilities, ensure the payment is matched to the relevant invoice/ open entry to facilitate ageing analysis. • Forward Excel file & the BPV/ cheques to the Asst. Manager (Accounts) (HO). 	
<i>Asst. Manager (Accounts) (HO)</i>	4	<ul style="list-style-type: none"> • Review the excel file with the priority payment list & supporting documents. <ul style="list-style-type: none"> – Convert file to CSV format. – Communicate the file creation details to Sr. Manager (Accounts) (HO) for enabling upload of the .csv file onto Banks online platform. • In case of manual cheques, verify the BPV/ cheque with priority payment list & supporting documents & confirm accounting entry; initial the BPV. • In both system & manual cheques, match the vendor name and the amount listed in the excel file/ cheque to the supporting documentation for each payment. • For manual cheques, forward the BPV/ cheques/ documents to the authorised signatories as per the banking Authorization Policy (refer Annexure 1). 	Weekly (every Monday)
<i>Sr. Manager (Accounts) (HO)</i>	5	<ul style="list-style-type: none"> • In case of online tax payments:- <ul style="list-style-type: none"> – review the tax working. – pay the tax online. – generate the payment acknowledgement/ challan & attach with the BPV. – forward the BPV to the Executive (Accounts) for filing. 	As & when required
		<ul style="list-style-type: none"> • For system cheques:- <ul style="list-style-type: none"> – Review the .csv file with the priority payment list & supporting documents (test check basis). – Upload the .csv file on Banks online platform. 	Weekly (every Monday)
<i>Director/ Authorised Signatories</i>		<ul style="list-style-type: none"> • For system cheques:- <ul style="list-style-type: none"> – Login to bank site. – Approve the .csv file for payment; individual cheque-wise or the whole batch. 	Weekly (every Monday)

Responsibility	SN	Activity Forward to	Frequency
		<ul style="list-style-type: none"> • For manual cheques:- <ul style="list-style-type: none"> – Review the payments & sign-off cheques. – Forward signed-off cheques to Accounts dept. 	Weekly (every Monday)
<i>Executive (Accounts) (HO)</i>	3	<ul style="list-style-type: none"> • Post approval of the .csv file, receive the cheques from the bank. • Review and confirm the cheque with the supporting bills/ documents/ statements. • Pass the accounting entry in Tally; capture all relevant data including the narration (list the batch no. of the .csv file in the narration). • Communicate details of the entry to Asst. Manager (Accounts) (HO). 	Weekly (every Tuesday)
<i>Asst. Manager (Accounts) (HO)</i>	5	<ul style="list-style-type: none"> • Review & confirm the entry in Tally. • Match the vendor name and the amount on the check to the statement. 	Weekly (every Tuesday)
<i>Executive (Accounts) (HO)</i>	6	<ul style="list-style-type: none"> • For online payment cases, receive the approved BPV & file it alongwith the tax paid challan in a separate Tax file. • For cheque payment cases:- <ul style="list-style-type: none"> – collect the signed cheques & documents from the authorised signatories. – for Vendor payments, forward the signed cheque alongwith covering letter to the Admin. Dept. for onward to Vendor. – for others handover the cheque to the Payee. – file the BPV in serial order alongwith all supporting documents. 	Weekly (every Wednesday)

8 BANK RECEIPT

8.1 Policy

- 8.1.1 All cheques received from customers shall be identified/ matched to an invoice for correct ageing reports. In the case of RTGS/ NEFT transfers, Accounts dept. shall ensure that the relevant invoice details are obtained from the Collection dept.
- 8.1.2 Sales receipt, wherever issued, to Customers shall be pre-numbered.

8.2 Process

Responsibility	Sn	Activity Forward To	Frequency
<i>Executive (Accounts) (HO)/ Cashier (Branch)</i>	1a	<ul style="list-style-type: none"> • In case of receipts against sales, ensure :- <ul style="list-style-type: none"> – listing of invoice details is available/ received from Customer/ Sales dept./ CSE/ Project Manager. – prepare the serially numbered Sales Receipt (SR) (if required); fill-in the required details, affix the revenue stamp (as per statute) & issue the SR to the Customer. – second-copy or carbon-copy of the receipt should be retained. 	As & when required
<i>Executive (Accounts) (HO)/ Cashier (Branch)</i>	1b	<ul style="list-style-type: none"> • In the case of refund of advances (e.g. Travel, Imprest, On-Account), receive the TES/ EV; ensure approval as per the Authorization Policy (refer Annexure 1). • Review and check the TES/ EV with supporting bills/ documents/ statements; confirm:- <ul style="list-style-type: none"> – details/ documents as required are available – the nature of the expense/ advance & within eligibility limits – adjustment of previous advances, if any. – appropriateness of the narration listed. • In case of any discrepancies, revert to the User. 	As & when required
<i>Executive (Accounts) (HO)/ Asst. Manager (Accounts) (HO)</i>	1c	<ul style="list-style-type: none"> • In case of RTGS/ NEFT transfer, review the online bank statement on a daily basis & check for such transfers. • Coordinate & obtain invoice details from Collection dept. 	As & when required
<i>Cashier (Branch)</i>	2	<ul style="list-style-type: none"> • Prepare the deposit slip & deposit the cheque in the Bank (on the same day or if after banking hours then on the next working day). • Compile excel file for collections & mail to Executive (Accounts) (HO). 	As & when required
<i>Executive (Accounts)</i>	2	<ul style="list-style-type: none"> • Prepare the deposit slip & deposit the cheque in the Bank (on the same day or if after banking hours then 	As & when

Responsibility	Sn	Activity <u>Forward To</u>	Frequency
<i>(HO)/ Asst. Manager (Accounts) (HO)</i>		<p>on the next working day).</p> <ul style="list-style-type: none"> • Pass accounting entry in Tally for bank deposit (including for the branch collections as per the collections excel file); in case of Customer/ other assets, ensure the payment is matched to the relevant invoice/ open entry to facilitate ageing analysis. • Forward the details of the entry to the Asst. Manager (Accounts) (HO). 	required
<i>Asst. Manager (Accounts) (HO)/ Sr. Manager (Accounts) (HO)</i>	4	<ul style="list-style-type: none"> • Review & confirm the accounting entry in Tally; ensure correct invoice matching. • Check the entry with the relevant supporting documents. 	As & when required
<i>Executive (Accounts) (HO)</i>	5	<ul style="list-style-type: none"> • File the BRV in serial order (alongwith deposit slip) & supporting documents. 	As & when required

9 BANK RECONCILIATION

9.1 Policy

- 9.1.1 Accounts dept. shall reconcile the bank statement with the books of accounts on a monthly basis.
- 9.1.2 All stale cheques not cleared within three months shall be reversed to the party account before finalising the Bank reconciliation for the relevant month.
- 9.1.3 The Accounts dept. shall ensure all bank charges are accounted in Tally & not unnecessarily carried-forward as unreconciled item in the Bank Reconciliation Statement.

9.2 Process

Responsibility	SN	Activity Forward to	Frequency
<i>Executive (Accounts) (HO)</i>	1	<ul style="list-style-type: none"> Collect the bank statement from bank. Prior to compiling the Bank Reconciliation Statement (BRS), ensure the following adjustments have been accounted in Tally:- <ul style="list-style-type: none"> – reversal of cheques not presented for 3 months, – return of cheque deposited, – bank charges, interest costs, etc. The same should not be unnecessarily carried-forward in the bank reconciliation. Use the bank reconciliation facility of Tally; match & reconcile the entries in the bank book with the bank statement. Generate the BRS from Tally; initial and forward to Asst. Manager (Accounts) for confirmation. 	Monthly+5
<i>Asst. Manager (Accounts) (HO)</i>	2	<ul style="list-style-type: none"> Check the BRS; review outstanding items and follow-up for clearance. Unresolved items should be reported to Sr. Manager (Accounts) for necessary action. Confirm and initial the BRS; forward for filing. 	Monthly+5
<i>Executive (Accounts) (HO)</i>	3	<ul style="list-style-type: none"> File the BRS in monthly order alongwith bank statement. 	Monthly+5
<i>Sr. Manager (Accounts) (HO)</i>	4	<ul style="list-style-type: none"> On test check basis, review & confirm the BRS. 	Monthly Surprise check

10 KEY CONTROLS

SN	Risk	Controls	Person responsible	Frequency
1	<ul style="list-style-type: none"> Excess cash disbursement over and above requirement. Interest loss due to fund blockage 	<ul style="list-style-type: none"> Cash retention limits are defined for each location & withdrawal is as per the limit. Prior approval of VP – Operations required in case of withdrawal in excess of retention limit. 	<ul style="list-style-type: none"> Branch Head/ Sr. Manager (Accounts) (HO) VP –Operations 	As & when required
2	<ul style="list-style-type: none"> Unauthorized use of cash 	<ul style="list-style-type: none"> Cash Withdrawals/ Payments made on the basis of approved RM/ EV/ TES. Cash payment allowed only for eligible business expenses. 	<ul style="list-style-type: none"> Approving Authority (at respective level) Asst. Manager (Accounts) (HO)/ Sr. Manager (Accounts) (HO) 	As & when required
3	<ul style="list-style-type: none"> Unaccounted Cash/ Mis-appropriation of cash 	<ul style="list-style-type: none"> Cash Withdrawals/ Payments made on the basis of approved RM/ EV/ TES. Cash transactions accounted on the same day in the Petty Cash Book. Cash Reconciliation/ physical count is performed on a daily/ fortnightly basis in addition to the surprise check. 	<ul style="list-style-type: none"> Cashier/ Executive (Accounts) (HO) Asst. Manager (Accounts) (HO) Branch Head Sr. Manager (Accounts) (HO) 	As & when required
4	<ul style="list-style-type: none"> Under-insurance of cash 	<ul style="list-style-type: none"> Insurance taken on cash-on-hand and cash in transit Insurance limits reviewed on an annual basis 	<ul style="list-style-type: none"> Sr. Manager (Accounts) (HO) 	As & when required
5	<ul style="list-style-type: none"> Cash Pilferage 	<ul style="list-style-type: none"> Fidelity insurance & insurance taken on cash on hand and cash in transit Cash kept in safe and access restricted to Cashier only Daily cash count, reconciliation and surprise check performed. 	<ul style="list-style-type: none"> Cashier Asst. Manager (Accounts) (HO) Branch Head Sr. Manager (Accounts) (HO) 	As & when required

SN	Risk	Controls	Person responsible	Frequency
6	<ul style="list-style-type: none"> Defalcation/ embezzlement of funds 	<ul style="list-style-type: none"> Mismatches/ discrepancies to be immediately reported to Senior Management. System of monthly reconciliation 	<ul style="list-style-type: none"> Cashier/ Executive (Accounts) (HO) Asst. Manager (Accounts) (HO) Branch Head Sr. Manager (Accounts) (HO) Approving Authority (at respective level) 	As & when required
7	<ul style="list-style-type: none"> Signed blank cheques being misused 	<ul style="list-style-type: none"> Blank cheques signed only in exceptional circumstances. Log book maintained. Issuance of signed blank cheques requires approval of 2nd authorised signatory. Issuance of signed blank cheques to be ratified subsequently by 1st authorised signatory. Surprise check of stock of blank cheques by any Director. 	<ul style="list-style-type: none"> Sr. Manager (Accounts) (HO) Authorised signatory for banking. Directors 	As & when required

11 GLOSSARY OF ABBREVIATIONS USED

GL	General Ledger	RM	Requisition Mail
EV	Expense Voucher	TES	Travel Expense Statement
BPV	Bank Payment Voucher	BRV	Bank Receipt Voucher
CPV	Cash Payment Voucher	CRV	Cash Receipt Voucher
RTGS	Real Time Gross Settlement	NEFT	National Electronic Fund Transfer
CSE	Customer Service Executive	SR	Sales Receipt
BRS	Bank Reconciliation Statement		

12 POLICY VERSION CONTROL

12.1 History

Ver.	Description	Date	Designed by	Reviewed by	Approved by
1	Original	???	Viral Doctor	Mr. Sunil Parab, Sr. Manager Finance & Accounts	Mr. Viral Doctor, Director

12.2 Periodicity of Review

- ◆ Annually at the end of each financial year; OR
- ◆ Immediately, in the case of:
 - Process change/ revision, or
 - Change in the organisation structure

12.3 Sign Off Structure

Ver.	Prepared By	Approved By	Revision Date	Effective Date
1	Viral Doctor	Mr. Viral Doctor, Director	First version	???

Annexure 1 – Authorization Policy

a) Expense & Purchase Approval matrix

SN	Limits Rs.	Authorization by			
		Primary	Joint		Supportive
		Level 1	Level 2	Level 3	Level 4
1	Upto 5,000	Purchase Executive/ Asst. Manager	Manager Admin./ Branch Manager		Sr. Manager (Accounts) (HO)
2	Upto 10,000	Purchase Executive/ Asst. Manager	Manager Admin./ Branch Manager	VP – Admin, Infra & Security	Sr. Manager (Accounts) (HO)
3	Upto 1,00,000	Manager Admin.	VP – Admin, Infra & Security		Sr. Manager (Accounts) (HO)
4	Upto 5,00,000	VP – Admin, Infra & Security	Director	Board	Sr. Manager (Accounts) (HO)
5	Above 10,00,000	Board	Board	Board	Sr. Manager (Accounts) (HO)

Notes:-

- (1) *Cash payments above Rs.20,000/- shall not be made under any circumstances (refer "Purchase" policy for exceptions).*

b) Cheque signing matrix

As per Board of Directors Authorization

Annexure 2 – Voucher Format

Annexure 3 – Petty Cash book format

Voucher		Expense Head	Employee/ Party Name	Narration	Withdrawal	Payment	Balance
No	Date						

Annexure 4 –Blank Cheque Signed logbook format

Blank Cheque signed			Issued against Voucher			Ratified	
No	Date	Signature of 1 st Authorised signatory on leave	No.	Date	Signature of approval by 2 nd authorised signatory	Signature of approval by 1 st authorised signatory	Date

Annexure 5 – Cash Retention Limit

SN	Branch	Cash Retention Limit Rs.
1	Ahmedabad	20,000
2	Chennai	40,000
3	Corporate	3,00,000
4	Dharuhera	50,000
5	Dheku	15,000
6	Hyderabad	15,000
7	Khopoli	15,000
8	Kolkata	30,000
9	Lucknow	12,000
10	Mumbai	2,00,000
11	Pune	25,000
12	Vadodara	30,000

Annexure 6 – Expenses authorised for Cash Payment

SN	Expense Head	Cash Payment Limit Rs.
1		As per HR policy
2		
3		
4		
5		