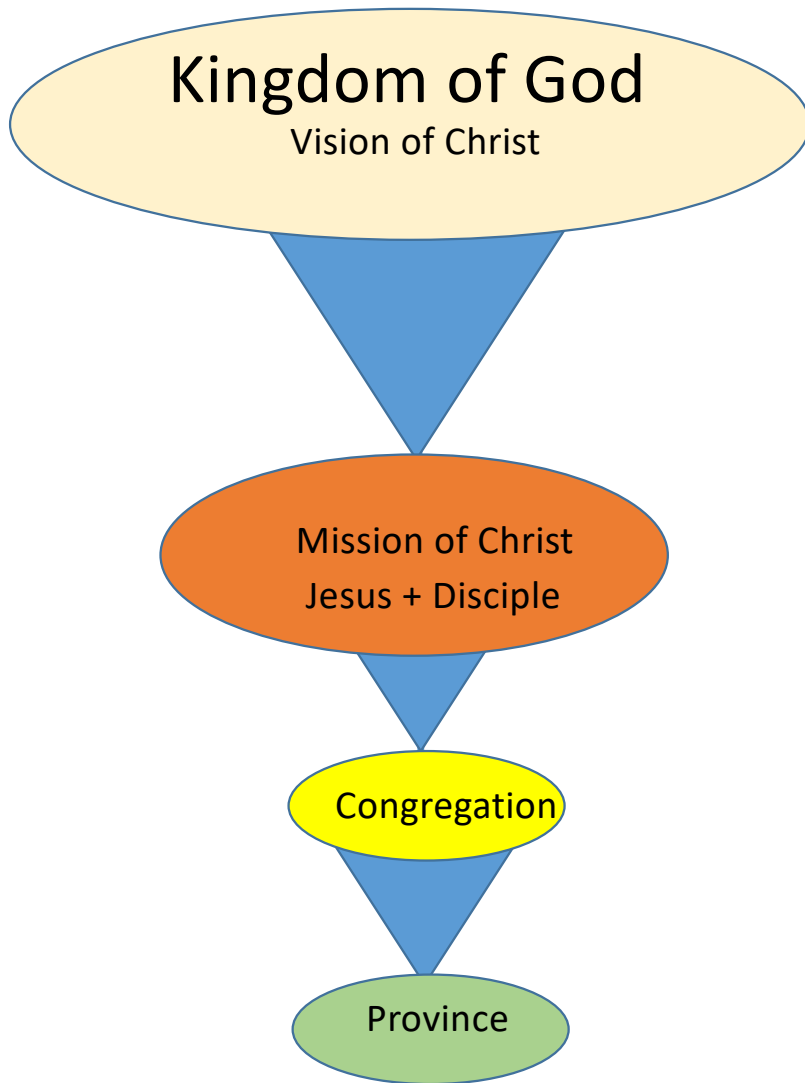


Financial Management & Documentation



Vision

Mission

Collective Mission Journey

**We do not share the mission
But Join the mission Journey**

We share the responsibility in mission Journey

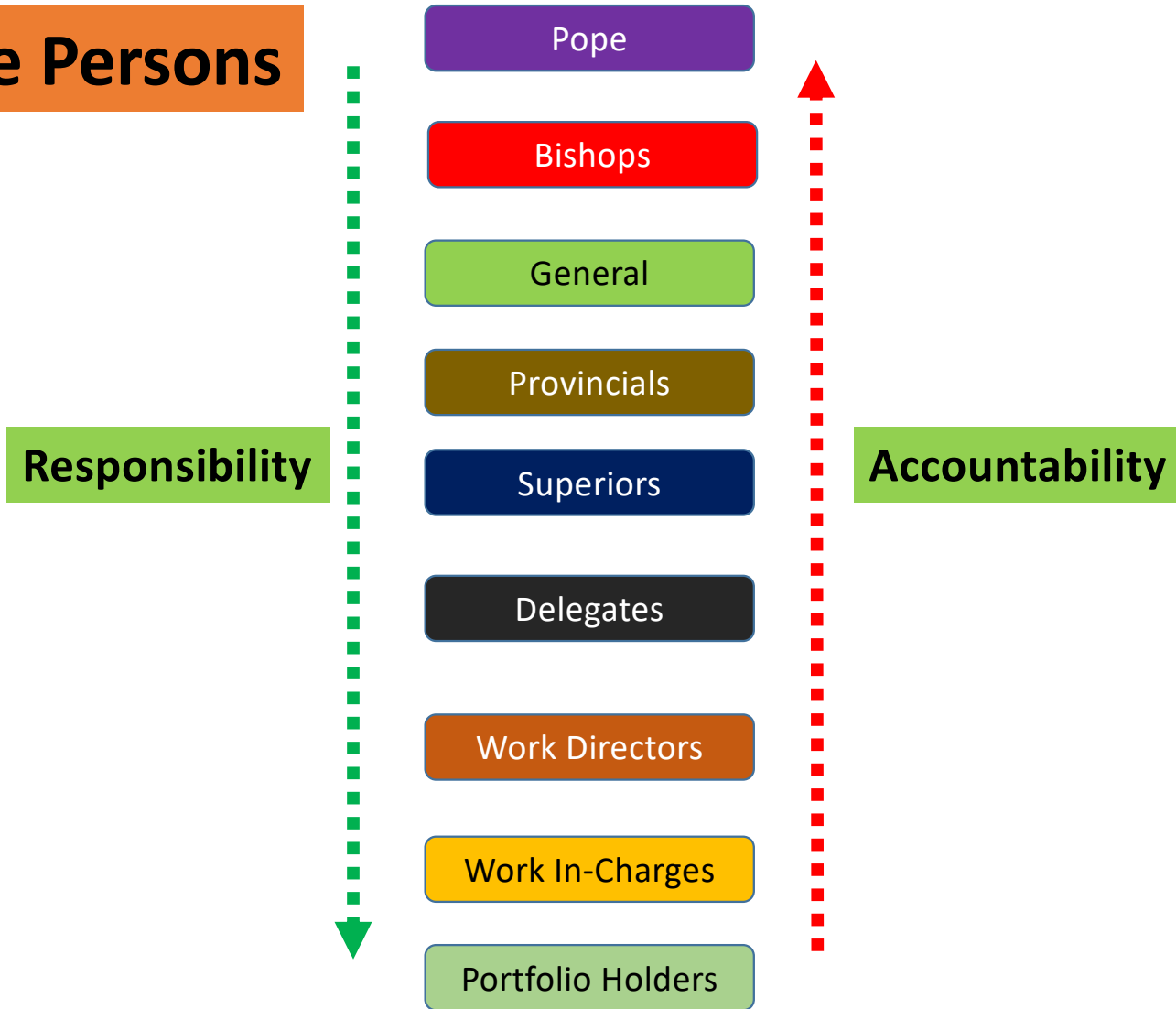
Responsible Person who holds the responsibility

Who are the responsible persons

One who is anointed, appointed, delegated, allotted



Responsible Persons



Overview : Financial Management

1. Planning – Location of Source
 - Specifying Source of Income
 - Main Source of Income
 - Explorating Alternative Source of Income
 - Location of Expenses
 - Normal & Daily Expenses
 - Extraordinary Expenses
 - Provisions
2. Implementation
 - Beginning of the Work
3. Control Mechanism
 - Reducing the use of Cash
 - Keeping two or three Signatories
 - Asking for Quotations
4. Evaluation
 - Internal Evaluation
 - External Evaluation

Need of Finance in Society of Jesus

School for Catechism : 16 Century

Need : Situation

Maintenance of Residence
Maintenance of Mission
Professed House-Maintenance
Quality & Free Education to Children
Continuation of Ours
Continuation of Congregation

Mass Stipend
Created Intensions
Help from benefactors
Properties Donation
Begging

School for Modern : 1548

Centre of

- Teaching & Learning
- Earning & Supporting

Financial Management & Documentation

- Spiritual** • **Resource Mobilization and Utilization**
- Practical** • **Accounting and Auditing-Latest Norms & Guidelines**
- Innovative** • **Maintenance of Various Records and Documents**

Why do we need Financial Management & Documentation

Why Financial Management

- To achieve the Goal of Church-challenges accepted by founders
- To be able to buy food for Journey/ Eucharist
- To protect our root and wings/ Charism
- To protect our Financial and Human Resources
- To be effective and affective in our Congregational Mission

Why Documentation

- To keep our mission identity
- To safeguard our Congregation and Church

Financial Management & Documentation

Corporate Vs Religious Corporate Body

Corporate Body	Religious Corporate Body
Created Persons/ Artificial Persons	Community of Incorporated Persons
In the world and of the world	In the world but not of the world
In the world but not of the world	Give to God what belongs to God
Social Responsibility (Vision & Mission)	Congregational Responsibility (Vision & Mission)
Corporate Responsibility comes from Human	Congregational Responsibility comes from Divine

Financial Management & Documentation

- **Resource Mobilization and Utilization**
- **Accounting and Auditing-Latest Norms & Guidelines**
- **Maintenance of Various Records and Documents**

1

Resource Mobilization and Utilization

Resources

Physical Resources

- Assets : Kind & Currency
- Documents : Proof for Assets

Human Resources

- Person : Personnel
- Documents : Artificial Person

Mobilization

Collect & Distribute

to meet

Individual & Collective

Goal

Resource Mobilization and Utilization

Resources

- Capitals
- Incomes – Earnings, Profits
- Possessions- Belongings
- Properties – Land, Buildings
- Funds – Reserves, Money, Investments
- Assets - Vehicles
- Wealth- Richness
- Means-Earnings

Categorised: Heritage, Kind, Money

Heritage

- Society
- Legacy
- Registered Society-Title
- Parishes/Social Centers/Schools/Colleges-Title
- Residence-Title

In Kind

- Land & Building
- Furniture Fittings
- Vehicles and Machines
- Electronics and Computers
- Person
- Personnel-Principal, Clerk, Treasurer
- Human Resources –Talent in different fields

- Funds-Money

Resource Mobilization and Utilization

Resources are to be in move



Situation	Mobilize	Biblical Foundation
-----------	----------	---------------------

• Unknown	Known	Revelation
• Shattered	Organized	wandering
• Vague	Planned	low result
• Dead	Activated	Breathing
• Slowdown	Speeded up	Continuity
• Unused	Useful	Negligence
• Surplus	Shared	Blessings

Resources are to be Utilised

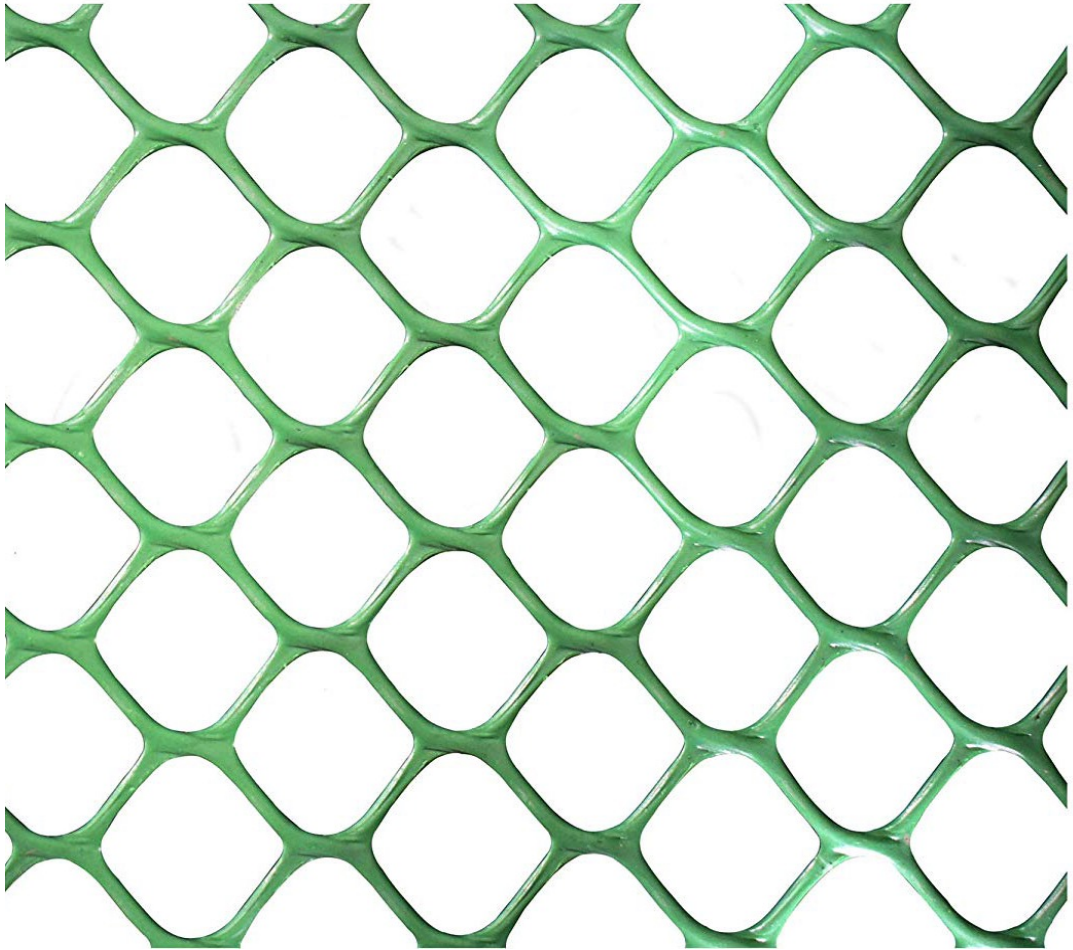
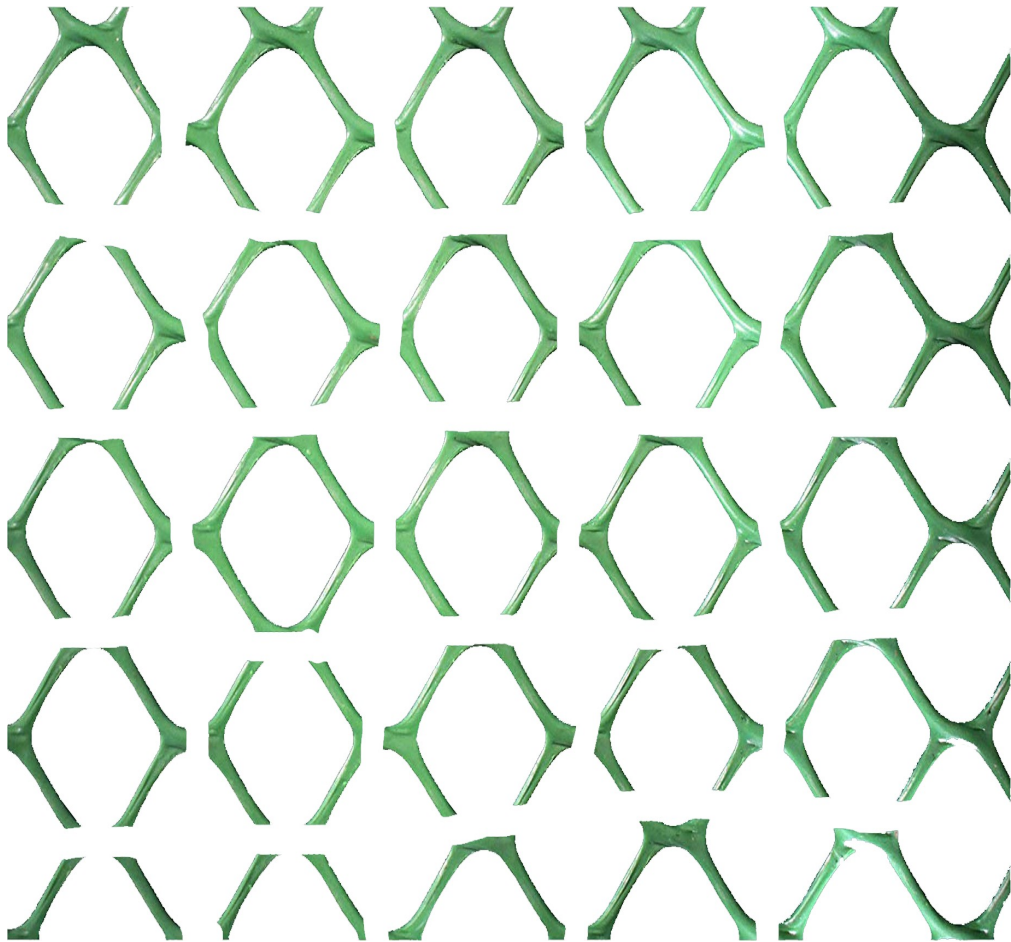


Consumption and Sharing

- Need Based
 - Individual
 - Community
- Mission Based
 - Community
 - Province
 - Church
- Geographical/Area Based
 - Local
 - Global

Resource Movement : Networking-Walking together

Compassion



Need Based Mobilization: Sharing with networking

Openness & Generosity



Mission Based Mobilization: Sharing with networking

To be sent/ to be shared



Area Based Mobilization: Sharing with networking

Availability for sharing



From the desk





Given seed
Responsibility sow



Result



2

Financial Management & Documentation

- **Accounting and Auditing**
 - **Latest Norms & Guidelines**
-
- Money does not belong to the individual.
 - Money belongs to the Society/ Registered Society
 - Registered Society is eligible to make use of Money
 - Office bearer are responsible for the proper use of Money.

2A

Financial Management & Documentation

- **Accounting and Auditing**

Maintaining Records & Documentation

Resources

- Capitals
- Incomes – Earnings, Profits
- Possessions- Belongings
- Properties – Land, Buildings
- Funds – Reserves, Money, Investments
- Assets - Vehicles
- Wealth- Richness
- Means-Earnings

What are those Resources : Heritage, Kind, Money

Heritage

- Society
- Legacy
- Registered Society-Title
- Parishes/Social Centers/Schools/Colleges-Title
- Residence-Title

In Kind

- Land & Building
- Furniture Fittings
- Vehicles and Machines
- Electronics and Computers
- Person
- Personnel-Principal, Clerk, Treasurer
- Human Resources –Talent in different fields

- Funds-Money

Accounting
Auditing
Documenting

Accounting
Auditing
Documenting

Accounting
Auditing
Documenting

Accounting

Auditing

Daily Routine of Financial Accountability

Systematic record of Financial transaction

Systematic Arrangement of Voucher

Following the Legal Accounting Process

Systematic watch

Systematic Verification

Lawful cross Check

Legal Certification

Official Binding of the Accounts

Following the Legal Accounting Process

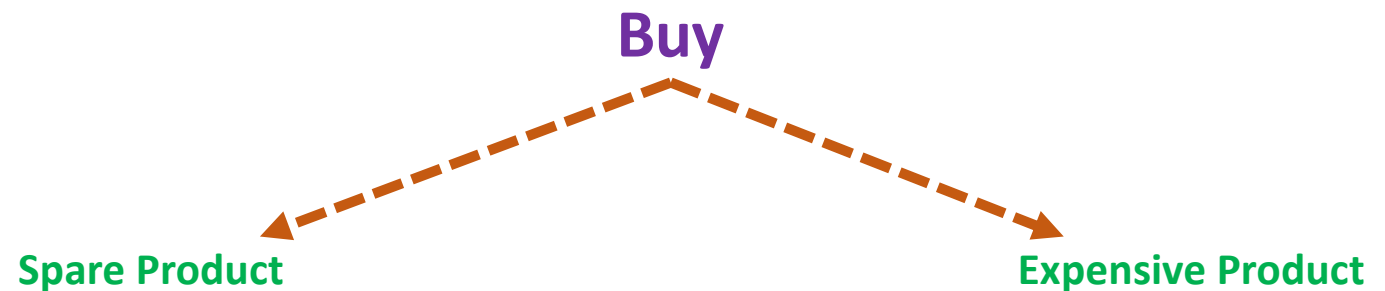
Annual Budget: Procedure

- Financial Status in the hand of Superior and work Directors
- Work Directors' Plan and Vision in the hand of Treasure
- Working Note by the Treasure
- Community Discourse: Dialogue on Yearly plan
- Finalize the Capital Budget
- Community Discernment
- Finalize the Annual budget

After Budget Approval

- Follow up the Budget
- Regular monitoring of work
- Proper Accounts to be maintained

Business Secrecy



Revenue Expenditure : Vouching

- Purchase with original GST Bill/ Money Receipt
- Non-GST Bill-self certified bill bellow 5000/-/ 10000/-
in a day for one purpose.

Fake Expenditure : Payment Disallowed

Fake Expenditure : Payment Disallowed

To reduce the Tax Liability on Profit

- Donate in Charity
 - Receive & Donate 85% on Work 25% Charity
 - Earn & Donate 0% on Work 100% on Charity
 - Submit the Tax
- (5 Years Duration)

Allowed bill bellow 10000/-

in a day for one purpose to one person.

Fake Expenditure : Penalties

40A (3): if more than 20,000/- is paid in a same day to a party, then this will not be considered as business/ revenue Expenses.

40A(3A): Now the cash transaction limit has been brought down to 10,000 to a single person in a day.

- Fake Expenditure As per section 270A (1), a penalty of 50% will be levied
- Misreporting of Income to reduce the Tax 200% Penalty

Therefore, an individual's deliberately submission of fake bills to misreport the income will attract penalty of 200%."

Allowed bill bellow 10000/-

in a day for one purpose to one person.

Accounting

Loans & Advance • Taxable

Giver

To reduce the Profit/Earning

Receiver

10% TDS

Other than **Relative**/ Society with same purpose

Giver

To reduce the Profit/Earning

Receiver

0% TDS

Relative/ Society with same purpose

But with Proper Purpose & Procedure

Donations

Purpose & Time

- Earning of current financial year.....donation to all
- Donation is out ofSurpluses
- Donation is Not allowedfrom accumulated funds
- Donation is Not allowedfor diversion of fund

- Financial Support in kind-----as per the nature of Institution.

Therefore Procedure to be followed:

- Request & its approval
- Institutional resolution for donation
- Approval of Finance Commission
- Donation against the approval & Resolution
- Donation Receipt
- Utilization & Activity Report as support to donation Receipt

Unknown Donation

30% Taxed

Donation Process : Two Parts

Congregational Process

- Annual Budget-Community Discernment
- Finance Commission – Approval
- Approval Letter of Provincial
- Provincial's Direction for Financial Support

Societal Process

- Donation Request letter to the directed Society
- Letter: Approval of General donation requested
- Donation Transferred to said Account
- Money receipt
- Utilization Report

Follow up.....

- Estimate – Approval Community + Provincial
- Work Order by Secretary to Contractor/ Supplier
- Bill for payment
- TDS work [on construction or suppliers]
- Money Receipt

Unknown Income

Income Disclosed	0%	tax
No disclosure	100%	tax penalty
Inspected as fraud	200%	tax penalty

Assets Purchase

Purpose & Time

- Budget Approved by Commission
- GB Resolution
- GB Approval
- Quotation Bill
- Estimation approval by Superior/ Principal
- Purchase in the name of the Society/ Institution/ C/o by Office bearer
- Invoice Bill, approved by, forwarded by, passed for payment by, paid by
- Money receipt to be attached

Land to be purchased

- Resolution of Finance Commission
- Building Commission (if building)
- Resolution of GB of Registered Society
- Proper Land Papers
- General Land without dispute
- Sale Agreement Paper
- Bank payment with the account of Seller
- Registration: Registration Value as per the amount paid.
- Not to go with the Government land value

Land Registration – Registrar Office

Land Mutation – Treasury Office

Capital Budget Execution

- GB Resolution for Extraordinary work/Purchase
- Quotation-Estimate with GST (inclusive) with Invoice No.
- Agreement paper
- Bill of Quantity Approved by Committee
- Work Order by Secretary
- Invoice Bill for payment – **Date within 15 Days**
- TDS work
- Money Receipt

Invoice Bill of Assets

Company Name
Address, PAN, GST, Invoice No

Prepared by
Contractor

verified by
Work In charge

forwarded by
Superior

Approved by
Secretary

Pass for Payment by
Principal

Transfer of Assets to other Society

Purpose

- Surrender of Assets to Provincial Superior
- Surrender of Documents to the Provincial Superior

Travelling

Purpose

- Purpose of Journey in relating to nature of Institution
- Approval of Superior/ Principal/Provincial-to support voucher
- Permission letter with purpose and budget
- Permission granted by the authority
- Purpose should be related to the nature of work
- Estimation of Journey
- Journey Ticket
- Money Receipt

Travelling

Purpose

Brochure-Conference/Meeting
Request for Ticket Booking
Ticket
Money Receipt

Travelling Expenses

Fee Receipt = purpose fulfilled

5% TDS

Sound Accounting



Brochure-Marriage/Celebration
Request for Ticket Booking
Ticket
Money Receipt

Office Expenses

Fee Receipt = Fund diversion

5% TDS

Threat in Scrutiny



No Brochure
Request for Ticket Booking
Ticket
Money Receipt

Personal Expenses

Fee Receipt = Purpose misused

5% TDS

Heavy Threat in Scrutiny



Festive Dinner Expenses

Intuitional Programme/ Institution member

- Event Committee request to Principal
- Approval Letter of Principal
- Management Resolved
- Order placed to Canteen/ Suplier
- Invoice Bill
- Money Receipt

Non Intuitional Programme/ Province Programme

- Financial help request to Provincial
- Provincial forwarding Letter to Management
- Management Resolved – Superior
- Order placed to Canteen/ Suplier
- Invoice Bill
- Money Receipt

Surpluses Accumulation

- Gratuity & Building Corpuses.....to be accumulated for long term as specified in fee received.
- Other funds: general or Specific as accumulated.....to be utilized within 5 years.
- Accumulated funds-----directed to make FD....TDS 10%/Debt Fund investment as per IT Rule

Fee Structure

Particulars	Amount	Fee Allocation	%	Utilization
Admission Fee	xxxxx	Tuition Fee	50%	40 % Salary + 10% Office Expenses
Registration Fee	xxxxx	Gratuity/ Retirement Benefit	5%	Corpus
Tuition Fee	xxxxx	Maintenance / Facilities	15%	15%
Office Expense	xxxxx	Co-curricular Activities	15%	10%
Gratuity	xxxxx	Building Fund & Intuition Dev. Fund	10%	Corpus
Staff Development	xxxxx	Accidental/ Emergency	5%	General Saving
School Development	xxxxx	Total	100%	80 % Utilized + 15% Corpus + 5%Saving
Building Fund	xxxxx			
Total	XXXX			

Building Fund, Gratuity, Development Fund could be invested for future with proper manner with Board Resolution.

If we fail make the resolution, we are forced to utilize 85%.

High Quality Education = High Maintenance = High Outcome = High Fee

Missionary Schools

Low Fees = low Quality + low Facility

why

10% Not able to pay
90% Don't want to pay

Expectation of Students, Parents, Industries, Society

Best Education + Best Job

Academic Score poor+ stumbling formation

Subject expert, Work expert, Analytical,
Data Expert,
Data export/import/ migrate

Competitors

High Fees = High Quality + High Facility

why

0% Not able to pay
100% want to pay

Expectation of Students, Parents, Industries, Society

Best Education + Best Job

Academic Score + Well equipped

Subject expert, Work expert, Analytical,
Data Expert,
Data export/import/ migrate

Job Opportunity

SJR 1908

DAV 1885/1981

DPS 1949/2003

Appointment Letter

Permanent Probation

Contractual 11 months (Renewable)

Daily Wages Basis

Foreign Contribution

FC Process

- Need realized
- Need Expressed to Donor
- Donor's Acceptance
- Donor's Fund Received
- Utilization Process
- Accountability
 - Proposed Budget approved
 - Proper Agreement
 - Timely work Execution
 - Payment done
 - Utilization Certificate
 - Geo-Tag Photo Proof
 - Final Report sent to Donor
 - Intimation to Home Ministry

Note:-Record of all document transacted on line or offline [10 Years]

Office Handing over

What to handover
As a Superior, Principal,
Treasurer, Work Director

Institutional Documents by Virtue

- Office Key
- Cash Balance
- Bank Balance
- FD/Investment Statement
- Loans and Advances (Received + Given)
- Properties (Movable + Immovable)
- Human Powers/ Employees

Institutional Documents

- Registered Society
- Affiliation Certificate
- Historical Documents
- Follow up Documents

2B

Financial Management & Documentation

Latest Norms & Guidelines

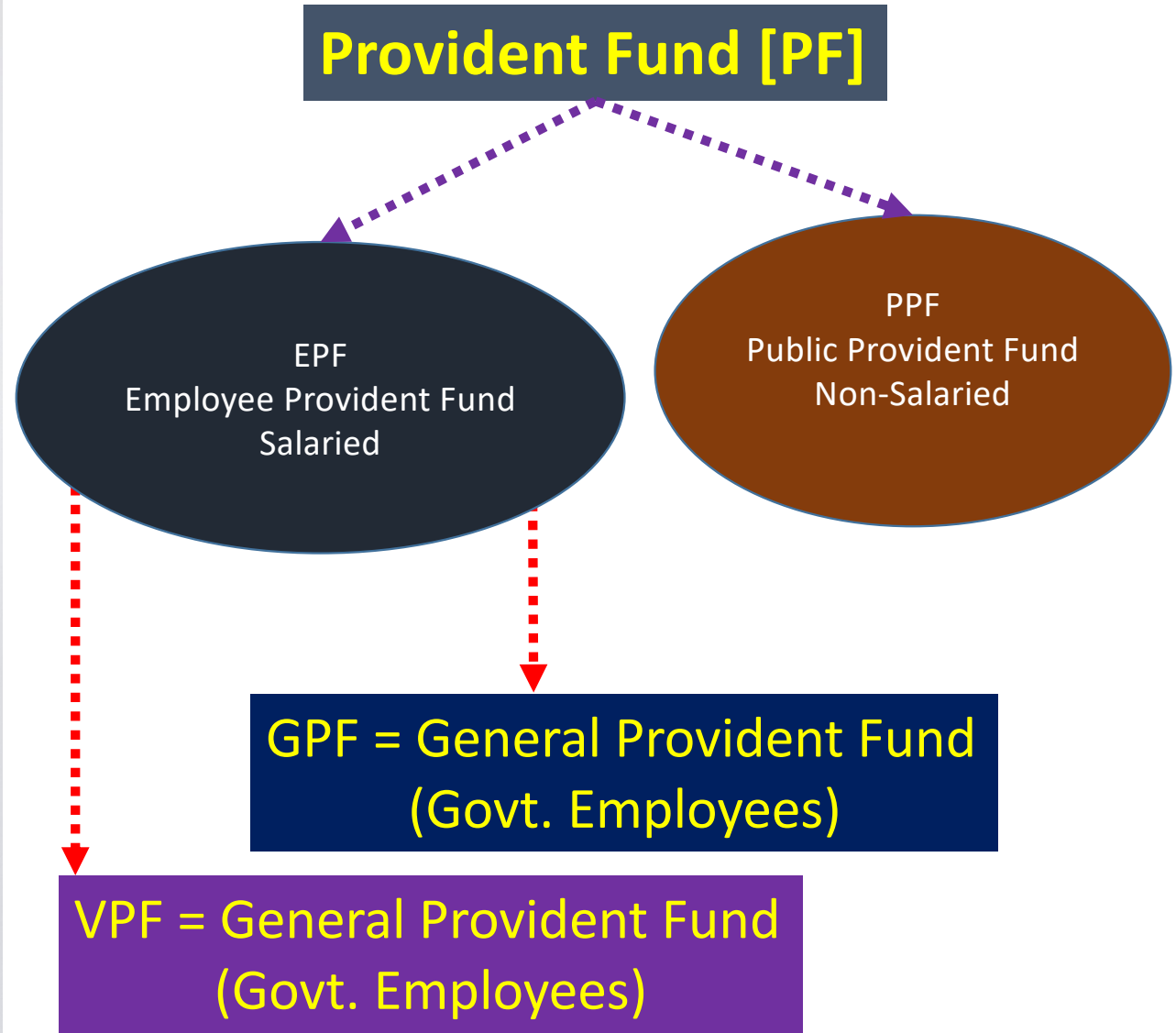
Provident Fund [PF]

(Artificial Golak)

Golak



- **Social Security after Retirement: Medical**
- **Social Security in emergency : Medical, Education**



Provident Fund

SN	EPF (1952)	PPF (1968)
1	Compulsory	Optional
2	Compulsory (20 employees) – Salaried	Individual (Income)
3	Workers/Employees	Resident India
4	EPFO	Bank/Post Office
5	12% (1800/- limit) Monthly Salary	500 – 1.5L/ Annual
6	Interest : 8-9% (correction on 3 months)	Interest : 7-8% (correction on 3 months)
7	Governed by Finance Ministry	Governed by Central Government
8	Maturity : On Retirement	Maturity : On or After 15 Years
9	Partial Withdrawal : after 5 Years	Partial Withdrawal : after 5 Years
10	Debt Liability : No	Debt Liability : No
11	Tax: Free After Maturity : EEE	Tax: Free After Maturity : EEE
12	One Person One Account: AdSense	One Person One Account: AdSense
13	More than Limit : GPF (Govt. and VPF (Pvt.) (If more than 12%)	

NPS: New Pension Scheme

2004	
Age	18-65 Years
Type	Optional
Resident	India
Maturity	60 Years
Partial Withdrawal	After 5 Years
Liquidity	Very Low
Investment Opportunity	Bonds + Mutual Fund
Risk	High Risk
Debt Liability	0
Tax	EEE

Gratuity

Gratuity Act 1972

5 Years works in same organization

Government /Pvt. More than 10 workers

Gratuity Amount : (1) or (2) whichever is less

- 1. Gratuity Calculated Value = $[(\text{Basic} + \text{DA}) \times 15 \times \text{no. of service year}] / 26$**
- 2. Government/ Management Limit Value**

F. No.370142/4/2021-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
(TPL Division)

Dated: 3rd June, 2022

Standard to be Maintained for Registered Society

1. Source of Income
2. Income not entertained
3. Separate Books of Accounts
4. Income from Property
5. Charitable Trust
6. Promotion of Charitable Activity
7. Activity in Institution

Based Nature of Registered Society
from Business/ Trading
if by chance engaged in Business
Not use for the public Religious Purpose
not use Income for Religious Purpose
No non-Genuine Charitable Activity
Activity based on Purpose for which registered

No. II/21022/23(22)2020-FCRA-III
Government of India
Ministry of Home Affairs
(Foreigners-II Division-FCRA)

Dated: 3rd June, 2022

Extension of Validity of FCRA Registration Certificates

Extended till 31-03-2023

The Economics Times

The Central Board of Direct Taxes
(CBDT)

Anuradha Shukla
Journalist, ET

Mandatory Requirement for Charitable Institution

1. Books of Accounts
2. Original Bills of Payments
3. PAN, AADHAR, Address of Voluntary Donors and Trustees
4. Detail of Loan Taken and Investment made
5. Detail of Project undertaken-Voluntary Contribution Received/ fund transfer to others
6. Detail of Income from Assets, Investments and all the purchase made by Society/ Trust
7. Immovable Properties – Maintain Records of Property held by Trust/Society
8. Movable Properties – Detail of nature & cost of purchase
9. Detail of Investment, Mode, Nature and Eligibility-for Proof

Note: -

All the records should be maintained for 15 Years.

- Soft Copy
- Print Copy

Gazette of India

CG-DL-E-01072022-236966

EXTRAORDINARY

PART II—Section 3—Sub-section (ii)

PUBLISHED BY AUTHORITY

No. 2879] NEW DELHI, FRIDAY, JULY 1, 2022/ASHADHA 10, 1944

MINISTRY OF HOME AFFAIRS

NOTIFICATION

New Delhi, the 1st July, 2022

Punishable in violation of FC Rule

Gazette of India
CG-DL-E-01072022-236966
EXTRAORDINARY

Act Punishable	Penalty
1. Accepting Hospitality with breach	Rs. 10,000/-
2. Transferring FC to other Person with Breach	Rs. 1,00,000/- or 10% of FC whichever is higher
3. Paying beyond 20% of FC received as Administrative Purpose.	Rs. 1,00,000/- or 5% of FC whichever is higher
4. Accepting FC with breach	Rs. 1,00,000/- or 30% of FC whichever is higher
5. Receiving FC other A/c other than specified FC A/c	Rs. 1,00,000/- or 5% of FC whichever is higher
6. Non-reporting FC to Home Ministry	Rs. 1,00,000/- or 3% of FC whichever is higher
7. Receiving or depositing Non-FC in FC A/c	Rs. 1,00,000/- or 2% of FC whichever is higher
8. No Intimation to Home Ministry about FC received & Purpose	Rs. 1,00,000/- or 5% of FC whichever is higher
9. Not maintaining the FC A/c	Rs. 1,00,000/- or 5% of FC whichever is higher

3

Financial Management & Documentation

Maintenance of Various Records and Documents

Financial Management & Documentation

Maintenance of Various Records and Documents

Institutions

Officer bearers

Executives

- Rector/Superior
- Principal
- Parish Priest
- Work Directors
- Elected Jesuits
- Treasurer



Officer bearers

Officials

- President
- Vice-President
- Secretary
- Treasurer

Registered Society

Take care of my Sheep (Jn. 21:15-19)

Society Related Documents

- Memorandum of Association
- Rules & Regulations of Association
- Society Registration Certificate : Person
- 12AB Certificate of Trust – allows for Tax Exemption
- Affidavit of GB Members
- Minutes of Governing Body Meetings
- Minutes of General Body Meetings
- Annual Report

Land Documents

- Land Map -Specific
- Village Map
- Land Deed: Sale/Lease
- Lease Paper [if]
- Banda Parch
- Khatiyān
- Rent Receipts-Malgujari-Latest

Statutory Documents

- Holding Receipts if under Municipality
- Building Occupation Certificate (if)
- Electricity Regulars Paid Bill
- Waste & Solid Bill
- Water Harvesting Completion Certificate with Bill
- Safety Audit Paper
- Green Audit Paper

Schools-Documents

- NOC Paper
- Affiliation Paper
- Appointment Letters of All the staff
- PF Documents
- ESI (Employees' State Insurance) Documents
- Salary –updated Documents
- Annual Plan and Reports
- Annual Budget
- Annual Audit Report
- Minutes of Statutory Meetings : Managing Committee

Accounts-Documents

- Annual Budget
- Audit Reports
- Assets purchased Papers [Vehicles]
- PAN/ Permanent Account Number
- TIN/ Tax Identification Number to deposit Tax
- Bank Accounts-Society, Intuition and Individuals

FC-Documents

- FC Accounts: Head Office and Utilization
- FC Certificate
- FC Renewal Receipt
- Audit Report
- Annual Filed Return Receipt
- Detail information of GB Members with Affidavit
- Annual Reports
- Document Transaction with Donors

Statutory Meetings of Society & Institutions

Governing Body/ Managing Committee -2

General Body - 1

Governing Body /Managing Committee Meeting

- Minutes of Previous Meeting
- Approval of Minutes
- Action Taken
- Activity Report
- Different Agendas
- Any Other

General Body Meeting

- Minutes of Previous Meeting
- Approval of Minutes
- Action Taken
- Activity Report
- Approval of New Members
- Audit Report & Annual Budget
- Appointment of Auditor
- Decision/Policy Making
- Any Other

Financial Management & Documentation

- **Financial Planning**
- **Financial Investing**

Financial Planning

How to use the existing Financial Resources properly

Rs. 10,00,000/-

Plan out for proper use of the amount

- Budgeting
- Allocating
- Utilizing
- Monitoring
- Reporting
- Binding

Financial Investing

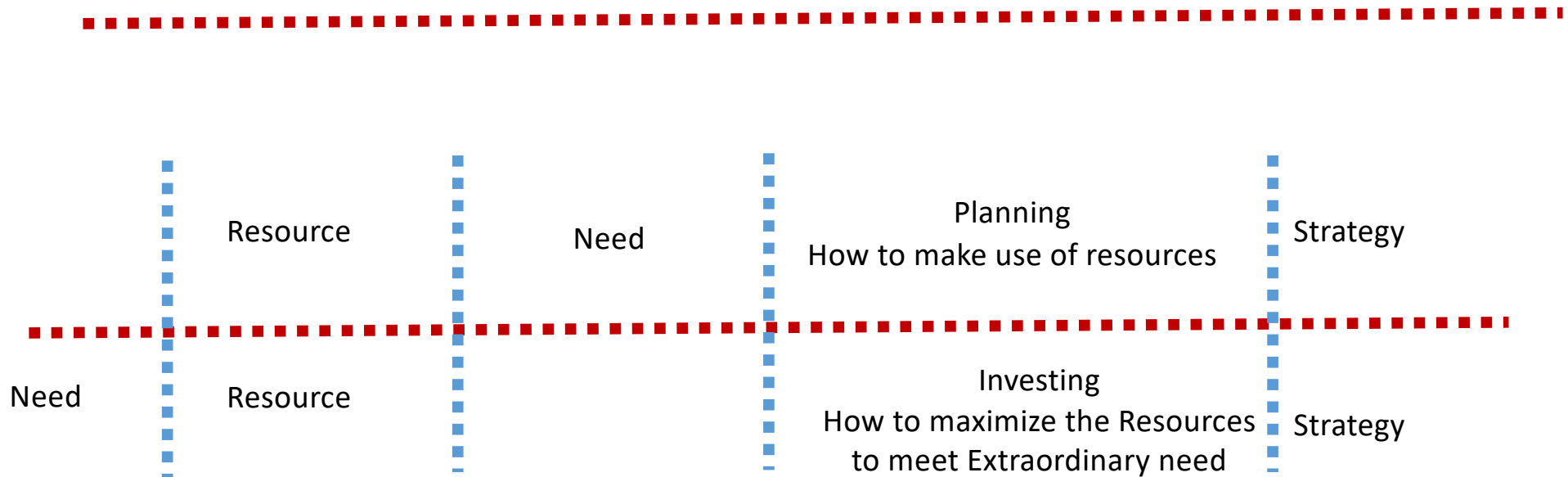
How to use the existing Financial Resources to meet Extraordinary need

Rs. 10,00,000/-

Plan out to meet the Extraordinary need

- Targeting
- Maximization
- Budgeting
- Allocating
- Utilizing
- Monitoring
- Reporting
- Binding

Financial Planning & Investment



Investment Planning

We plan the limited resources to meet unlimited need

Limited resources of Rs. 1000/-.....to meet the need that cost 5000/-

- Charity/FC + Local
- Advance -Local
- Loan-Local
- FD: 2-6%
- Mutual Fund: 2-40%

Time Frame Planning

- Short Term Planning
- Medium Term Planning
- Long Term Planning

Investment Planning

Year	Fund	Project	2%	4%	6%	10%	15%	20%	25%	30%
1	10000	20000	10200	10400	10600	11000	11500	12000	12500	13000
2	10000	20000	10400	10800	11200	12000	13000	14000	15000	16000
3	10000	20000	10600	11200	11800	13000	14500	16000	17500	19000
4	10000	20000	10800	11600	12400	14000	16000	18000	20000	22000
5	10000	20000	11000	12000	13000	15000	17500	20000	22500	25000
			FD	FD	FD	Mutual Fund	Mutual Fund	Mutual Fund	Futual Fund	Futual Fund
					Futual Fund	Investment Plan	Investment Plan	Investment Plan	Investment Plan	Investment Plan
							Strategic Plan	Strategic Plan	Strategic Plan	Strategic Plan
								Business Study	Business Study	Business Study
									Market Analysis	Analysis
									Credit Risk	Credit Risk
										Business Confidence

CA : Chartered Account

- Arranges the Documents
- Verifies according to Law
- Prepares the Financial Statements
- Consults with the Management before Binding

Confidential Support to the Government

- To intimate financial Information to Income Tax Department
- To Intimate Society Matters to the Income Tax Department

CA Should be guided by the Management

- Let us make CA work Properly
- Fear makes us blind
- Consult with prudence but give order to work

Suggestions/ Recommendations

- Reduce the Cash Transactions above 5,000/- instead of 10,000/-
- Follow the purchase procedure as stated above to safeguard the Jesuits and Society.
- Help Curia to establish financially strong and Legally Sound
- All the Superiors, Rectors, Work Directors and Treasures must have above given documents
- There should be one Treasurer of the ministries under one community.
- Superior and work directors should be the verifying authority of the transactions made
- No Superior, Rector and Work Director should handle the Money independently
- No Monthly Pocket money should be practiced instead
 approach the Treasure for the Money with proper procedure
- Need in kind should be expressed to Minister/Superior for its fulfilment
- Revenue Expenditurepermission needed from Local Superior
- Capital Expenditurepermission needed from Provincial Superior

Therefore

Superior needs to understand fellowmen like St. Ignatius of Loyola understood his brothers.

(Cura Personalis: Care fore the entire person)

(Cura Missio Dei/Ecclesiae: Care for the Mission of God/Church)

Thanks