

Dr. K. Zaman BNSB Eye Hospital
Financial and Procurement Policy

Approved on 12 January 2019



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Hon'y General Secretary
Dr. K. Zaman BNSB Eye Hospital
Mymensingh, Bangladesh

DR. K. ZAMAN BNSB EYE HOSPITAL



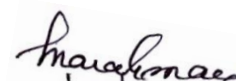
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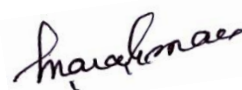
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1. The Manual

1.1 About the Manual

This manual covers the guidelines about the Financial and Procurement procedures of K. Zaman BNSB Eye Hospital. The custodian of this manual shall be the Board of Trustee of the organisation. It should be available to everybody who is involved in the finance and procurement procedures of the organisation.

As part of capacity building process of partner organisation, Sightsavers took the initiative to establish sound financial management system within the organisation and provided financial assistance to develop this manual

1.2 Amendment Procedures

The manual shall be reviewed every year (if required) by the Board of Trustee and necessary amendments shall be made in the manual accordingly after decision made in the meeting



2 Introduction

2.1 About the Organization


Dr. K. Zaman BNSB Eye Hospital is a specialized hospital in Eye Care Services. The hospital has ranges of activities which covers Eye Care Services, Outreach services like rural remote eye camps, Primary Eye Care Services and Education, Training and Networking. The hospital was established in 1982. Since then it has raised it to be a 90 bed hospital which serves around 200,000 outdoor patients, does around 11,000 surgeries, carries out about 70 Eye camps and holds around 20 trainings a year. The hospital is currently working in collaboration with Orbis, Sightsavers and BRAC. Dr. K. Zaman BNSB Eye Hospital is an Associate member of the World Association of Eye Hospital (WAEH). The hospital also received IAPB Regional Award at the 9th General Assembly of IAPB in Hyderabad, India on 17 September 2012.

2.2 Vision

A sustainable initiative to reduce avoidable blindness in Bangladesh through improving process and provision of eye care services in the country.

2.3 Mission

Make people aware about prevention of blindness, provide specialized treatment for eye patient and rehabilitate the blind and visually handicapped people.



3 Employee Benefits

3.1 Why Internal Control

A sound internal control structure is a pre-condition for efficient, effective and accurate financial management. A well designed control structure which adopts the basic norms of Internal Control, can ensure proper use of an organisation's resources, safeguard its assets, provide adequate audit trail and make possible accurate representation of financial information, which not only raises an organisations accountability and degree of transparency among the development partners but also increases efficiency of the organisation and its staff members as a whole.

3.2 Financial delegation of authority and procedures

Transactions	Authority			
	Coordinator (functional approval up to 30,000)	Chief Consultant (functional approval up to 50,000)	GS (for financial approval)	Treasurer (for financial)
Capital item cost/ estimate (Purchase of Equipment, Furniture & Fixture, Vehicle, Land etc)	X	X	X	X
Office Management Cost/estimate Details: Printing & Stationery, Audit fee, Utilities, Rent, Repair & Maintenance, Refreshment, Telephone, Fax, Email, Modem.	X	X	X	X
Deed /Agreement/Contract/MOU Details: House rent, Consultant fees, Trainer/facilitator fees.	For any amount GS			
Appointment of Audit Firm and Fixation of Audit Fees	To be appointed by the Board of Trustees			
Comparative Statement	Procurement Committee			
Purchase Order	GS			
Advance to Suppliers	GS			

Legend:

GS = General Secretary of the Trustee Board

PC = Procurement Committee



3.3 Duty Matrix

Particulars	Responsible Persons					Coordinator	Chief Physician
	Cashier	Assistant Accounts Officer (overall hospital)	Accounts Manager	Accountant (individual project)	Accounts Assistant (individual project)		
Cash Receive at the counter and issuance of money receipt	X						
Receiving the collection from Cashier		X	X	X	X		
Receiving cheques			X	X	X		
Entry made at the books			X				
Cash Deposited and withdrawal from the bank		X					
Monthly Bank Reconciliation Statement preparation		X		X	X		
Monthly Bank Reconciliation Statement Approval			X	X			
Writing cheques		X		X	X		
Signing the Cheques	Any two out of three Cheque Signatories						
Preparation of Payroll			X				
Review of Payroll						X	
Preparation of FS			X				
Review and Approval of FS						X	X
Journal Voucher Preparation			X				
JV Posting			X				
Advance Approval						X	X
Budget Preparation			X				
Budget Review	Budget Committee						
Budget Approval	Board of Trustees						
Monthly Budget Variance Report			X				
Fund Requisition to Donor	General Secretary						
Amendment in the Chart of Accounts						X	
Access permission to the software						X	
Approval of Access to any documents						X	

Job responsibilities of financial management team has been allocated in view of standard practices of segregation of duties (SOD) to ensure sound internal control and avoid SOD conflict. Job responsibilities may change as per need of the organisation. The purpose of the above matrix is to give a visual representation of job allocation, which is imperative for avoiding SOD conflict or overlap of responsibilities.

3.4 Management review and monitoring procedures

The management review consists different meetings like Trustee Board Meeting, Clinical Meeting, Staff Meeting, Budget Committee Meeting, Purchase Committee Meeting, PF Trustee Meeting etc which are held time to time.



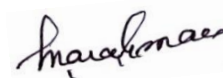
3.5 Summary of dos and don'ts

Dos:

- Approval matrix must be followed in respect of any expenses
- Duty matrix should be followed to avoid any SOD conflict
- Review meeting should be conducted in order to assess the budget implementation status.

Don'ts:

- Claimant cannot approve his / her own expenses
- No payment will be done unless the voucher / invoice has appropriate approvals
- No approval will be given unless the expense is supported by invoice

A handwritten signature in black ink, appearing to read 'M. K. Zaman', is located in the lower right quadrant of the page.

4 Basis of Accounting and Accounting System

4.1 Basis of Accounting

The Hospital will follow cash basis of accounting ordinarily. However, there should be adjusting entries for accrued expenses at the year end. They will also follow the requirement of donor in maintenance of books of accounts.

4.2 Financial Year

The financial year of the hospital starts form July and ends in June of the next calendar year as per the requirement of NBR. However, the organisation can follow different project financial year as per the requirement of different donors.

4.3 Currency

The Hospital will conduct all its financial transaction in Taka and accordingly all its books of accounts and financial statements will be maintained in Taka currency.

4.4 Books of Records and their preservation

The Hospital will take back up of the financial data in the software every week and keep in any hard drive or any other storage device. The data backup shall be kept in the custody of Coordinator. Any data necessary can only be accessed with the permission of the Coordinator.

All documents (Voucher, all registers and any other financial documents) should be preserved at least 7 years. If there is any requirement from any donors as regard to preservation of documents the organisation should follow donor requirements.

4.5 Capitalization of assets

The assets that costs more than Tk. 10,000 and has a useful life of more than one year should be capitalized and treated as fixed assets.

4.6 Depreciation rates

Depreciation rates of the assets will be as follows.

Assets	Depreciation Rates
Land and Building Development	-
Building	2.5%
Generator	25%
Office Equipment	15%
Computer and Hardware	25%
Hospital Equipment	15%
Laboratory Equipment	15%
Furniture and Fixture	10%
Vehicles	20%
Air Conditioner	15%
Books & Periodicals	25%



4.7 Accounting for Donation

Donation will be accounted for on cash basis. Whenever the donation is received, cash donations income shall be increased and bank shall be increased. Donation from different donors for respective projects shall be booked in the particular project account. Donation from individuals received for particular beds shall be shown as "Bed Donation Fund" in Balance sheet.

4.8 Accounting for donation in kind

The Hospital receives non cash donation from its donors. That can be in the form of medical equipment, medicines, medical supplies etc. In that case the value of the contribution shall be assessed at the amount the donor provides.

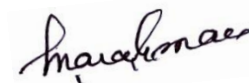
4.9 Summary of dos and don'ts

Do's:

1. Cash basis of accounting will be followed except for the year-end adjustments
2. BDT shall be the recording and reporting currency. .
3. Books of records, files, vouchers etc shall be maintained for 7 years
4. Capitalization of assets shall be done if the value of item crosses 10,000 and has a useful life of more than one year
5. Donation in Kind should be accounted for and reported

Don'ts:

1. Data and files must not be shared without the approval of the Coordinator

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5 Books of Accounts

5.1 Necessary Books of Accounts and Records

The Hospital uses Tally software and generated reports. In addition, it will maintain books like Petty cash register, Cheque issue register, Vendor register, Stock register, Advance Register, Fixed Assets Register and Salary register etc.

5.2 Vouchers

Following category of vouchers will be prepared by the organisation.

- Debit Vouchers
- Credit Vouchers.
- Journal Vouchers,

5.3 Procedures of vouchers preparation

Vouchers shall be prepared through the Tally ERP. The vouchers shall be prepared by the Accounts Executive and it will be approved according to the authority matrix.

5.4 Procedures for books maintenance

Though the accounting system is maintained through Tally ERP software, manual registers like cash book, bankbook, check issue register, payroll register, movement register, loan and advance register etc shall be maintained by the Accounts and Finance Department.



6 Financial Reporting

The organisation will develop monthly, quarterly and annual reports and submit to the management. The management shall share the quarterly/yearly reports with the Board of Trustees in their meeting. Beyond this below mentioned reporting, the organisation will also meet donor requirements.

6.1 Monthly Reporting

The Hospital should prepare monthly financial statements. In the very first week of the next month, the financial management team shall submit the financial statements to the Chief Consultant/Coordinator. Monthly reporting package shall include the following:

- Trail balance
- Receipts and payments Accounts
- Budget Variance
- Bank reconciliation
- Stock report

6.2 Quarterly Reporting

Apart from doing the financial statements, the Hospital shall prepare the followings: The reporting package shall be prepared within seven working of the following month.

- Receipts and payment accounts
- Budget variance
- Trail balance
- Bank Reconciliation statement
- Stock report
- Patient summary

6.3 Annual Reporting

Financial Statements should be prepared on a yearly basis within sixty days of the end of the accounting year. The reporting package shall include the following:

- Financial Statements
- Budget variance
- Trail balance-
- Bank Reconciliation statement
- Stock report-
- Patient summary

6.4 Authorization of annual Accounts

The financial statements shall be placed to the Board of Trustees for final approval.



7 Structure of Financial Management

7.1 Financial Management Team

Financial Management Team of the Hospital consists of four persons. Accounts Manager, Assistant Accounts Officer, Accountant, and the Accounts Assistant.

7.2 Roles of Accounts Manager

The job responsibilities of Accounts Manager shall be:

The job responsibilities of the Assistant Accounts Officer

The job responsibilities of the Accountant

The job responsibilities of the Accounts Assistant

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8 Advance Management

8.1 Types of advances

There can be advances of four categories. Such as

- Programme advance,
- Advances for administrative purposes,
- Advances paid to vendors for goods and services, and
- Travel advance.

Programme Advance: Program advance can only be taken by the person responsible for implementing the program activities. Advance Register will be maintained in Appendix 1.

Advance for administrative expenses: Requisition for smaller administrative expenses will be raised by the requester of goods /services and should be approved as per financial delegation of authority. Budget clearance for the expenses must be obtained from Accounts and Finance.

Advance to Vendor: Advance payment to vendor must be recommended by Procurement Committee and approved by General Secretary. It should be mentioned in the quotation by the respective vendor if advance payment is required.

+Travel Advance: Travel advance should be completed on the basis of requisition. Advances shall not be provided before adjusting prior advance. In case of emergency, subject to approval from General Secretary, there can a further advance keeping the original advance unadjusted.

8.2 Documentation for Advances

- Advance must be supported by an approved requisition (Advance Requisition Form attached in the Appendix 2)
- Advance to vendors shall be supported by the approval of the procurement committee
- and bill submitted by the vendor.
- Loan to employees shall be supported by the application made by the employee which should be recommended by the department head and approved by the General Secretary.
- All advances should be recorded in the advance register.

8.3 Adjustment Procedure

- After completion of the activity, the advance requestor will collect all bills, and prepare a summary of total cost and take approval of his / her Unit as per delegation of Financial Authority. After approval of respective unit, it will be submitted to Accounts along with all supporting documents. The advance adjustment form is attached in the Appendix 3
- Accounts department will check and ensure that all supporting documents are valid and can be accepted. Approval of Accounts will be taken as per financial delegation of authority. After necessary approval advance will be adjusted.
- All advances shall be adjusted within seven working of completion of the activity.
- Advances to vendors should be adjusted as soon as the bill is received and the deliverables are received.


8.4 Summary of dos and don'ts

Dos:

1. Advances should be received raising a requisition and adjusted submitting supporting documents within the stipulated time
2. Advances should be recorded in a register and updated regularly.

Don'ts:

1. No advances should be given before getting the approval the authority
2. No advances should be given without supported by documents.



9 Cash & Bank Management

9.1 Cash transaction procedure

As the revenue of the Hospital is generated through ticket sale and operation charges etc which are collected in cash, there must be good cash management in the Hospital. The cash collected should be recorded immediately in the cash collection register maintained at the counter by the Registration Assistant or Registration Clerk. At the end of the day, the cash collection should be matched with the amount in the register and deposited to the Accounts Assistant with register. Accounts Assistant shall count the cash and sign the cash register to accept the deposit.

The daily collections up to 3 pm shall be counted and deposited in the same day at the bank. Collections after 3 p.m can be held and kept in the safe custody. However, the Hospital cannot hold more than Tk. 200,000 of cash in a day.

As the process of cash depositing, withdrawal from bank and recording are done by the Accounts Assistant, for cash depositing, a clearance must be taken from the Accounts Manager showing the collection register. However, cash transactions for individual projects other than the cash transactions of the overall Hospital is done by the Accounts Assistants and Accounts Officer.

A separate cash register shall be maintained for outdoor collections. The format for cash register is attached in Appendix 4. At the end of the summary of the cash in hand shall be made and signed by the Registration Assistant or Registration Clerk and the Accounts Assistant.

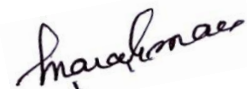
9.2 Physical verification of cash

Cash in the Hospital must be counted on daily basis by Accounts Assistant and the cash count sheet should be maintained in a separate file. A surprise cash count shall be done on a monthly basis by the Coordinator and should be documented.

9.3 Petty cash management

An imprest petty cash shall be maintained by the Hospital for day to day nominal expenses and in cases when cheque payment is impractical. The limit for petty cash shall be Tk. 25,000. The expenses that can incurred through petty cash are entertainment expenses, fuel, small administrative expenses etc.

- All payments should be made after authorization from appropriate person.
- 'PAID' seal should be stamped on the bills and invoices during payment.
- Recipient must sign on appropriate documents while receive any payment
- There should be adequate documents (bill/invoice) against every disbursement.
- Petty cash payment should be recorded in book daily basis.
- Physical cash in hand at the end of the day should be counted and documented.
- Surprise petty cash counting should be conducted and documented.
- Cash should be kept under lock and key
- A responsible person should handle the cash
- Payment cannot exceeded than the approval limit.
- Petty cash summary should prepare during replenishment
- Cash can be taken from petty cash for emergency expenses through I.O.U
- The expenses from I.O.U shall be billed and adjusted within 3 working days.



However, if the Hospital management does not maintain petty cash, nominal expenses can also be incurred directly from cash in hand considering following procedure:

- A cash requisition shall be raised according to the need by the Accounts Assistant and duly approved by the authority
- Once the cash is withdrawn from a contra entry is recorded in the Tally software.
- Out of the cash available, expenses up to Tk. 10,000 in a single transaction can spent in cash.
- The payments shall be made by the Accounts Assistant and must make sure expenses paid are against approved vouchers.
- The expenses incurred daily shall be recorded through payment vouchers and posting shall be done in the software.
- There shall be a surprise cash count any time by the Coordinator.
- The cash shall be kept in the safety box which shall be maintained by the Coordinator.
- There shall be a reconciliation between the cash in hand and the cash book at the end of the month

When 80% of the cash in hand replenishes, cash shall be withdrawn by raising a fresh requisition.

9.4 Bank Operation Procedures

One mother account shall be maintained by the Hospital for receiving the funding from donors. As soon as the funds are received, it should be transferred to the project account.

The project account shall be maintained for day to day transactions. A general account shall be maintained by the Hospital where the income and expenditure should transacted. In addition to this, there can be additional bank accounts as per donor and management requirements. There must be an approval from the Board of Trustees before opening a new bank account.

Three bank signatories shall be nominated by the Board of Trustees. Any two of the signatories shall sign the cheques.

9.5 Bank Reconciliation

Bank reconciliation should be prepared on monthly basis at the beginning of every month. Bank reconciliation should be reviewed and approved by the Coordinator. Year end bank reconciliation must be reviewed and approved by the Coordinator.

9.6 Custody of cash and cheques

Accounts Assistant is responsible for cash dealing and safety of cash. Cheque Book will be preserved by Accounts Manager. These should be always under lock and key. Person handling cash will be responsible to ensure safety of Key of cash drawer Cash counter should be in a restricted area. All cancelled Cheque should be marked "CANCELLED" and preserved. General staff will be discouraged to enter in to that area.


9.7 Summary of dos and don'ts

Dos:

- Mother account should only be used for receiving the fund and fund should be transferred to operational account.
- Bank reconciliation must be completed within 5 working days of the next month
- There should be adequate documents (bill/invoice) against every disbursement

Don'ts:

- No other cash receipts shall be included in the petty cash.
- Cash and cheque book must not be kept in other places than the safe.



10 Budget and Budgetary Control

10.1 Organizational budgeting and Income Plan

Organisational budgeting should be done on a yearly basis. The budget should be prepared by the Accounts Manager with getting inputs from all the departments. A list of estimated requirements should be taken from all the departments, Monthly work-plan and budget will be so designed that project activities are spread throughout the year.

The budget shall be done in a way that matches with the sources of income through a plan of income. The plan shall be devised by the Budget Committee. The process of budgeting shall be initiated with three months remaining from the completion of financial year. The Budget shall be approved in the Budget Committee meeting.

10.2 Budget approval mechanism

(confirm the type of budget) Budget shall be raised in the Budget Committee meeting and presented by the Coordinator and Chief Physician to the Budget Committee. Once convinced the budget shall be approved by the Executive committee.

10.3 Budget modification & approval procedures

If there is any changes in the income plan during the year, there may be necessity to modify the budget. In that case, Budget Committee shall device the modified budget.

10.4 Summary of dos and don'ts

Dos:

- Budgets must be presented and agreed in the Budget Committee before sending to the donor
- Budget Variance reports must be prepared and submitted every month

Don't:

- Expenses should not exceed the budget without prior approval of the Budget Committee and donor
- New expenses should be not incurred beyond budget without prior approval of Budget Committee and donor



11 Procurement Objectives

This chapter is made to ensure an efficient and compliant purchase of goods and services for the Hospital.

This chapter contains the procurement process, the responsible persons who are supposed to carry out the process, payment procedures, vendor enlistment procedure etc.

11.1 Purchase

Purchase involves the process of procuring the goods and services required for the Hospital which may include medical equipment, furniture, vehicles, or services like construction, maintenance etc. The purchases is generally categorized into four different

1. Routine but unforceable item purchases
2. Routine but forceable item purchases
3. Medical equipment purchases

11.2 Purchase requisition and procedure

For purchases of routine but unforce able nature, requisitions should be raised by the personnel who requires the very item in a formal purchase requisition (attached in the Appendix 3) to appropriate authority The purchase process shall be initiated once the requisition is approved. Then the procurement process is initiated.

11.3 Purchase Committee and roles

All purchases over Tk. 100,000 must be made through purchase committee. At least three of the purchase committee members should be involved in the purchase process and sign the purchase recommendations. Beyond the existing procurement committee, new members can be included considering the nature and volume of the procurement.

11.4 Selection of Suppliers

For purchases over Tk. 1,00,000, purchase committee shall be responsible for making recommendations for selection of the suppliers and the ultimate selection shall be made by General Secretary. Suppliers selection would be done from the registered vendors. The listed vendors shall be asked to give quotations, or tenders for the particulars products. Selection shall be made from a comparative analysis based on the price, quality of the goods or services. Once the purchase requisition is approved any purchases up to 10,000 shall be done directly from the market.

11.5 Purchase Order

Procurement should be made through giving a purchase order to the supplier which shall work as a valid contract between the supplier and organisation. The purchase order shall be signed by the General Secretary and the representative of the supplier. The purchase order shall consist the following:

- Vendor's name and full address
- Details specifications of the item
- Unit cost and total cost
- Statutory deduction (Tax & VAT) related issues
- Carrying costs
- Delivery date and place
- Penalty/Termination clause
- Signature of representatives of both parties

Purchase order will be prepared in two copies i.e., first copy for supplier and second copy for accounts department.

11.6 Goods/Service Received Note (GRN):

Document that serves as proof of materials purchased have been delivered or that the services contracted have been rendered. The GRN [Attached] should be collected and preserved with voucher.

11.7 Payment

For making a payment, an invoice or bill for the goods or services should be approved by User Unit first as per Financial Table of Authority. The concerned Unit Coordinator will ensure that the bill has been checked with requisition, work order, receiving report and forward the invoice along with the above documents to Accounts Manager will prepare the debit voucher. The invoice and the voucher along with other documents are then forwarded to the Accounts Manager for writing checks and put it in the check register. The invoice/bill, voucher and all relevant documents are then forwarded to the Coordinator, who will check the invoice and documents create liability in the books. All the documents will then be forwarded to the appropriate level of management for approval and signing cheque. The management will ensure that all procedural matters have been complied-with and Tax/VAT has been deducted as per Income Tax Rules before authorizing the transaction. After the check is signed, the check, voucher, check request and invoice are forwarded again to the Accountant, who will make entry of the payment in the software and pay check to the payee.

Check List for Payment:

- Approved Requisition
- Documents of Value for money
- Purchase order
- Goods/service Receipts Note(GRN)/Stock Book ref. #
- Bill/Claim/Challan from supplier
- Checked by the Accountant whether the bill is mathematically correct or not
- Necessary deduction (VAT, Tax, Advance, etc.) at source.
- Voucher must be signed by Accountant and approval authority
- Partner should make a "PAID STAMP" with project name. They must ensure the paid stamp on all bill/ supporting payment documents.

11.8 Vendor enlistment procedures

In order to build a list of reliable and established local vendors, the procurement committee shall arrange for such enlistment in the following manner:

- i) Circulate as regular practice of invitation for application from interested vendors to enlist with the Hospital.
- ii) Upon receipt of applications from interested vendors, all applications shall be scrutinized keeping in view the following criteria:
 - Tax Identification Number Certificate.
 - Valid trade license and Value Added Tax Registration (if applicable).
 - Experience (In terms of number of years and/or track record) of the firm in business for the Group of items for which enlistment is solicited.
 - Current Bank solvency certificate.
 - Membership certificate from any chamber/business association (if applicable).
 - Reference of three major buyers as reference of business performance.
 - Dealership/distributorship certificate.
 - Vendors will be finally selected through observing their business performance. Hence, in the 1st stage, selection will be provisional and on test basis.
 - Following scrutiny of the applications, all selected vendors shall be notified by Procurement Committee and invite them to sign an agreement with the Hospital detailing period of enlistment and other terms and conditions.
 - Any concern if vendor's organisational involvement with Anti Money Laundering Act may be taken into account.

11.9 Preferred Vendor

For procurement of the recurring items, a market survey shall be made at the beginning of the year and a comparative statement should be and a preferred vendor shall be selected by the procurement committee. A long term contract shall be signed with the manufacturer, dealer, distributor, wholesaler, importer etc

11.10 Conflict of interest

A conflict of interest occurs when one gets torn between two loyalties. A conflict of interest may occur if a person in the procurement committee is anyway in relation with the supplier or any person involved in the process of the supply. There can be any business relation or even a familial relation with the supplier which shall be responsible for conflict of interest. To safeguard conflict of interest, the person in the procurement committee or the approving authority must declare in writing that he does or does not have a conflict of interest in that particular procurement process and the person should keep herself out of the process.

11.11 Summary of dos and don'ts

Dos:

- Conflict of interest should be disclosed
- Purchase orders must be signed and issued before initiating the purchase procedure.
- Payment must be made after ensuring that Purchase Order has been complied with.
- A purchase over Tk. 500,000 must be done through Procurement Committee.

Don'ts:

- Person involved in the conflict of interest should not associate himself in the procurement.

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12 Store Management

12.1 Store space

The store should be of a space that is congenial for keeping medicine and other articles.

12.2 Store authorization procedures

Receiving/recording procedures

A register should be maintained where item-wise stock information such as date, previous balance, receipt quantity, challan number, total quantity, issued quantity, memo number, balance quantity and remarks/ recipient signature are to be recorded.

All stored materials should be kept in safe, secure and good condition.

Receiving any item must be recorded in stock register first and be issued based on requisition and acknowledgement.

If materials are transferred to OT/another office a delivery challan/store requisition should be prepared and preserved.

All the returned materials must be entered in stock register.

The receipts of stock should be den in the presence of the internal auditor. The challan of stock receipts has been attached in the Appendix 5

Issuance procedures

Issue of the stock should be done with the presence of the internal auditor. However, it should be made sure that the recording is reviewed by the Coordinator.

12.3 Physical Inventory & Reconciliation Procedures

Every quarter a physical verification of inventory should be done by the Hospital. The verification team shall feature two persons. The internal auditor shall remain as an observant. If a discrepancy is found in the quantity or the condition of the inventory, it should be adjusted in the books of records with the approval of the Chief Physician. Appendix 6 has the reconciliation format.

12.4 Summary of dos and don'ts

Dos:

- Store should be spacious enough to keep all the medicine and other equipment.
- Recording and receiving and issuing should be done by different persons
- Internal auditor should be present at the time of receive and issue of inventory

Don'ts

- The adjustment must not be given without the approval of Executive Director



13 Fixed Assets Management

13.1 Fixed assets definition

Fixed assets means a property that is controlled by the Organisation. The asset has to be measurable in value and indefinable separately.

13.2 Physical security procedures of assets

The assets should be safeguarded properly by the Hospital management. Assets that are used individually are assigned to separately individual. However, the assets that are used by multiple users are assigned to the Administration Manager

- Valuable assets like building, vehicles etc. should be insured with an insurer properly and updated time to time.

The Hospital will maintain a Fixed Asset Register to ensure proper asset management and ensure Identification number is marked on the body of the individual asset as follows-

(Example-Partner-SS/project/ FY/asset number)

(QF-SS/DECP/FY18/0001)

13.3 Vehicle management

The vehicle should be assigned to the Administration Manager for maintenance. There would be a logbook in the vehicle. The person checking the logbook will sign it regularly. On the basis of the logbook, the Admin Department will prepare the Vehicle report. Vehicles should be insured and renewed appropriately.


13.4 Surgical equipment management

Administration manager and Hospital Manager shall be assigned to manage the surgical equipment. A logbook shall be maintained for the equipment for recording the maintenance. Time to time the condition of the equipment shall be checked by an expert. The administration manager and hospital manager shall ensure that the equipment remain in good condition and these are cleaned regularly.

13.5 Physical verification/reporting procedures

All assets listed in the fixed assets register shall be verified physically at annually. The Coordinator shall ensure that the assets are verified by a team of at least two persons and a report is submitted to the General Secretary before the end of the accounting year.

The General Secretary shall check the report and see if there is any discrepancy between the quantity and status of assets found in the physical verification and the quantity and status of asset as these are supposed to be as per the fixed assets register. The adjusting entries shall be given in the books of accounts for eliminating the discrepancies taking the permission of General Secretary.



13.6 Sale/Disposal of fixed assets

The fixed assets shall be sold or disposed off once the assets are out of use. Sale of assets must be approved by General Secretary. However, for disposal of land and building, approval from the General Secretary will be required.

At the year end, there shall be a committee formed and a list shall be prepared a list of disposable assets and approval shall be taken from General Secretary for disposal. Once the decision of disposal is approved, the assets shall be disposed off following.

1. Competitive bidding process should be followed by collecting quotations
2. A summary of competitive bids shall be made
3. GS shall approve the summary
4. the disposed assets shall be handed over through an agreement
5. the sales proceeds shall be deposited in the general fund of the Hospital

No hospital staff should participate in bidding process to avoid the conflict of interest.

13.7 Summary of dos and don'ts

Dos;

- For every travel, the logbook must be signed.
- Physical verification of assets must be done at least once a year.

Don'ts:

- Sale of fixed assets must not be done before the approval of the GS



14 Audit

14.1 Internal Audit

Considering the necessity and capacity of the organisation, the internal audit department may be introduced in the future. The internal auditor shall report to the General Secretary. The internal audit team shall be responsible for checking the receipts of the inventory as donation from the donor, the internal audit team shall also be a part of the physical verification of assets. The financial statements prepared monthly, and yearly shall be reviewed by the internal auditors and report shall be given to the Board of Trustees. The day to day activities of Internal Auditors shall be as follows:

1. Reviewing the financial statements of the Hospital
2. Overseeing the receipts of the goods.
3. Overseeing the physical verification of the assets
4. Reporting monthly to the Board of Trustee with the observations and recommendations

14.2 External Audit

The external audit of the Hospital shall be done on a yearly basis within two months of the end of the accounting year. The selection of the external auditor should be made in the Board of Trustee meeting . The Governing Body in the decision at the meeting shall decide which auditor they shall appoint and decide on the terms of references of the external audit.

For the audit of the project, the specific guidelines of the donors shall be followed in selecting and appointing the external auditor.

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15 Compliance with legal requirements

The Hospital shall ensure that all the legal requirements are compiled on time. The following regulatory bodies shall be submitted with the necessary reports and documents as follows:

The organisation shall ensure the compliance of NGOAB, NBR, DGHS, Local Government requirements.

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Advance Requisition Form		
Name of the requester:		Signature:
Designation:		Date:
Sl. #	Description/ specifications	Estimated/requested amount
Total estimated cost		

Expected Date of Settlement:

There is Tk.....dated...../no other advance is lying with him

Signature

Accountant

Advance of Tk.....is approved which will be adjusted on

Signature

Accounts Manager



16.2 Appendix 2: Advance Adjustment Form

Advance Adjustment Form			
Date of Advance Taken :	<input style="width: 90%;" type="text"/>	-	
Date of Adjustment :	<input style="width: 90%;" type="text"/>	-	
Date of Actual Adjustment:	<input style="width: 90%;" type="text"/>	-	
Justification for Delay:	<input style="width: 100%; height: 40px;" type="text"/>		
Sl. #	Description/Specifications	Amount Tk.	Head of Accounts
Actual Expenditure in Total	Tk.	0	
Advance Taken	Tk.	0	
Refundable/Payable	Tk.	0	

Submitted by: Reviewed by:

Approved by:



16.3 Appendix 3: Purchase Requisition

Dr. K. Zaman BNSB Eye Hospital

PURCHASE REQUEST (PR)

PR #:	
DATE:	

Requested by:	Date:	
		Signature
Recommended by:	Date:	
		Signature
Approved by:	Date:	
		Signature

SL #	Description	QTY.	QTY.	Unit Cost	Budgeted Cost (BDT)
		Req.	In Hand		
1					
2					
3					
TOTAL:					

REMARKS:

PURCHASED BY: DATE:	RECEIVED BY: DATE:
NAME:	NAME:

16.4 Appendix 4: Cash Collection Register

Dr. K. Zaman BNSB Eye Hospital				
Daily Cash Collection Register				
				Date:
			Amount	
Collections				
Outdoor Collection				
Surgery Charges				
Fees for surgery equipment				
Total Cash Collection				
Add: Cash Available from yesterday's collection				
Total Cash Available from Collections				
Less: Cash Deposited				
Cash Available				

Cash Deposited By

Cash Received By

