



AUM SRI SAI RAM

Cell : 9493295009
8331817910

SRI SAI BALAJI CHILD WELFARE & EDUCATIONAL SOCIETY

Regd. No. 223/2005

3/2778, Saraswathi Lane, Karnatakanagepalli Road,
PUTTAPARHI - 515 134. Sri Sathya Sai Dist., A.P.

Ref :

Date 31.07.2024

Accounting Practices and Rules Policy and Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy

Sri Sai Balaji Child Welfare & Education Society is committed to maintaining the highest standards of financial integrity, accountability, and compliance with applicable laws and regulations, including the Financial Action Task Force (FATF) guidelines. This policy outlines our accounting practices and rules, as well as our anti-money laundering (AML) and combating financing of terrorism (CFT) measures.

Scope

This policy applies to all financial transactions and accounting practices conducted by the Sri Sai Balaji Child Welfare & Education Society, including but not limited to budgeting, financial reporting, cash management, internal controls, and AML/CFT compliance.

Accounting Principles:

- 1. Accrual Basis Accounting:**
 - Revenues and expenses are recorded when they are earned or incurred, regardless of when the cash transactions occur, to ensure accurate financial reporting.
- 2. Consistency:**
 - Consistent accounting methods will be applied from one period to the next unless there is a justified and documented reason for a change. Any changes in accounting policies will be disclosed in the financial statements.
- 3. Transparency:**
 - Financial statements and records will be prepared in a clear and understandable manner to ensure transparency and accountability to donors, stakeholders, and regulatory authorities.
- 4. Accuracy:**
 - All financial transactions will be accurately recorded and supported by appropriate documentation, such as invoices, receipts, and contracts. Regular reconciliations will be performed to ensure the accuracy of the financial data.
- 5. Compliance:**
 - The society will comply with all applicable accounting standards, laws, regulations, and FATF guidelines to ensure proper financial management and ethical conduct.

Budgeting:

1. Annual Budget:

An annual budget will be prepared and approved by the board. The budget will include projected revenues, expenses, and capital expenditures, and will be aligned with the society's strategic goals and objectives.

2. Monitoring:

The budget will be monitored regularly, and variances between actual and budgeted figures will be analyzed and addressed. Monthly financial reports will be reviewed by the Secretary and Treasurer to ensure budget adherence.

3. Adjustments:

Any significant changes to the budget will require approval from the board. Budget adjustments will be documented and justified based on changing circumstances or priorities.

Financial Reporting:

1. Monthly Reports:

Monthly financial reports will be prepared and reviewed by the Secretary and Treasurer. These reports will include income statements, balance sheets, and cash flow statements, providing a comprehensive overview of the society's financial position.

2. Annual Financial Statements:

Annual financial statements will be prepared in accordance with generally accepted accounting principles (GAAP) and will be audited by an independent auditor. These statements will be presented to the board.

3. Donor Reports:

Regular financial reports will be provided to donors if requested, detailing how their contributions have been utilized. These reports will include information on program expenditures and outcomes to demonstrate the impact of their donations.

Cash Management:

1. Bank Accounts:

All cash receipts will be deposited into the society's designated bank accounts. Bank accounts will be reconciled monthly to ensure the accuracy of the recorded balances.

2. Cash Handling:

Proper procedures will be established for handling cash, including, authorization controls, and secure storage. Cash transactions will be minimized, and electronic payments will be encouraged.

3. Petty Cash:

A petty cash fund may be maintained for small, incidental expenses. Petty cash transactions will be recorded and reconciled regularly. Access to petty cash will be limited to authorized personnel.

Internal Controls:

1. Authorization:

All financial transactions will require appropriate authorization from designated personnel. Authorization limits will be established and documented to ensure proper oversight.

2. Documentation:

3.

All financial transactions will be supported by appropriate documentation, such as invoices, receipts, and contracts. Documentation will be retained in an organized manner and made available for audit and review.

4. Audits:

Regular internal audits will be conducted to ensure compliance with accounting policies and procedures. An external audit will be conducted annually by an independent auditor to provide an objective assessment of the society's financial statements.

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy:

Risk Assessment:

1. Risk Identification:

Regularly assess the risk of money laundering and terrorist financing associated with our financial activities. This includes evaluating the sources of funds, the nature of transactions, and the geographical locations involved.

2. Risk Mitigation:

Implement appropriate measures to mitigate identified risks, including enhanced due diligence for high-risk transactions and ongoing monitoring of financial activities.

Customer Due Diligence (CDD):

1. Donor Verification:

The Society will ensure to verify the identity of all donors, particularly for significant donations, to ensure they are legitimate and lawful. Donor information, including name, address, and identification documents, will be collected and retained.

2. Record Keeping:

The Society will maintain accurate records of donor information and financial transactions for a minimum of five years. These records will be securely stored and made available to regulatory authorities upon request.

Monitoring and Reporting:

1. Transaction Monitoring:

The Society will regularly monitor financial transactions for any suspicious activity that may indicate money laundering or terrorist financing. Suspicious transaction patterns will be investigated and documented.

2. Suspicious Activity Reporting:

The Society will oversee to report any suspicious activities to the relevant authorities in compliance with local laws and regulations. Suspicious Activity Reports (SARs) will be filed in a timely manner.

Internal Controls for AML/CFT:

1. Policies and Procedures:

The Society will establish and implement robust internal controls, policies, and procedures to detect and prevent money laundering and terrorist financing. These controls will be reviewed and updated regularly to ensure their effectiveness.

2. Training:

The Society will provide regular training to employees and volunteers on AML/CFT policies and procedures to ensure awareness and compliance.

Audit and Compliance for AML/CFT:

1. Regular Audits:

The Society will conduct regular internal and external audits to ensure compliance with AML/CFT policies and FATF guidelines. Audit findings will be reported to the board and published on the website, and corrective actions will be taken as needed.

2. Compliance:

The Society will regularly oversee compliance of AML/CFT measures and ensuring adherence to relevant laws and regulations.

Cooperation with Authorities:

1. Information Sharing:

The society will cooperate with law enforcement and regulatory authorities by providing information and assistance as required. The society will respond promptly to requests for information related to AML/CFT investigations.

2. Regulatory Compliance:

The Society will stay informed about and comply with all relevant local and international AML/CFT regulations and guidelines.

Record Retention

1. Retention Period:

Financial records will be retained for a minimum of seven years or as required by law. AML/CFT-related records will be retained for at least five years after the termination of the business relationship.

2. Storage:

Records will be stored securely to protect against loss, theft, or damage. Electronic records will be backed up regularly to prevent data loss.

Review and Amendments

This policy will be reviewed annually by the board and amended as necessary to ensure it remains current and effective.

By adhering to these comprehensive accounting practices, rules, and AML/CFT measures, the Sri Sai Balaji Child Welfare & Education Society aims to maintain financial integrity, ensure accountability, and foster trust with donors and the community we serve, while complying with FATF guidelines.



For Sri Sai Balaji Child Welfare &
Educational Society

Sri Sathya Sai
Secretary