



YOUNG IGNITED MINDS FOUNDATION

(Registered under The Indian Trust Act, 1882, Registered under sec 80G &12AA of Income Tax Act,1991)

Finance Policy

for Young Ignited Minds Foundation

(2024-25)

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Table of Contents

Purpose	3
Financial Responsibilities	3
Budgeting and Financial Planning.....	3
Accounting and Bookkeeping.....	4
Cash Management.....	5
Donor Funds and Reporting.....	6
Compliance and Audit	6
Amendments to the Finance Policy.....	7

Purpose

The purpose of this finance policy is to establish comprehensive guidelines and procedures for financial management within YIMF. This policy aims to ensure transparency, accountability, and compliance with legal and regulatory requirements in all financial activities.

Financial Responsibilities

2.1 Board of Directors

2.1.1 The Board of Directors holds the ultimate responsibility for overseeing the financial affairs of YIMF. They are responsible for reviewing and approving the annual budget, financial reports, and any major financial decisions.

2.1.2 The Board shall appoint a Finance Committee to provide oversight and guidance on financial matters.

2.2 Finance Department

2.2.1 The Finance Department is responsible for managing day-to-day financial operations and ensuring compliance with this finance policy. Their responsibilities include, but are not limited to:

- a. Budgeting and financial planning
- b. Accounting and bookkeeping
- c. Cash flow management
- d. Donor reporting and compliance
- e. Internal and external audits
- f. Financial reporting to the Board of Directors

Budgeting and Financial Planning

3.1 Annual Budget

3.1.1 YIMF shall prepare an annual budget in consultation with relevant departments and program managers. The budget should be realistic, aligned with the organization's strategic goals, and approved by the Board of Directors.

3.1.2 The Finance Department shall monitor actual performance against the budget and report any significant deviations to the Board.

3.2 Financial Reporting

3.2.1 Regular financial reports shall be prepared and provided to the Board of Directors, highlighting the actual financial performance against the approved budget. These reports should include an income statement, balance sheet, cash flow statement, and any other relevant financial analysis.

3.2.2 Financial reports should be accurate, timely, and presented in a format that is easily understandable by stakeholders.

3.3 Financial Planning and Forecasting

3.3.1 YIMF should engage in financial planning and forecasting to assess future financial needs and ensure the sustainability of its programs and operations.

3.3.2 Long-term financial projections should be prepared to identify potential risks and opportunities.

Accounting and Bookkeeping

4.1 Chart of Accounts

4.1.1 YIMF shall maintain a standardized chart of accounts to ensure consistent financial reporting and analysis.

4.1.2 The chart of accounts should be reviewed periodically to ensure it remains relevant and aligned with organizational needs.

4.2 Recordkeeping

4.2.1 Accurate and complete financial records shall be maintained, including invoices, receipts, bank statements, payroll records, contracts, and any other relevant financial documentation.

4.2.2 Financial records should be retained in accordance with legal and regulatory requirements, and a record retention policy should be established.

4.3 Internal Controls

4.3.1 YIMF shall establish and maintain robust internal controls to safeguard assets, prevent fraud, and ensure the accuracy and reliability of financial information.

4.3.2 Internal controls should include segregation of duties, authorization procedures, regular reconciliations, and periodic internal audits.

4.3.3 The Finance Department shall document and regularly review internal control procedures to identify and address any weaknesses or deficiencies.

4.4 Financial Systems and Software

4.4.1 YIMF should utilize appropriate financial systems and software to facilitate efficient and accurate financial management.

4.4.2 The Finance Department shall maintain and update financial systems as necessary to ensure they meet the organization's needs and provide reliable financial information.

Cash Management

5.1 Bank Accounts

5.1.1 YIMF shall maintain one or more bank accounts in its name. All bank accounts should be reconciled on a regular basis, and account signatories should be approved by the Board of Directors.

5.1.2 The Finance Department shall periodically review bank fees and services to ensure competitiveness and efficiency.

5.2 Cash Disbursements

5.2.1 Payments should be made by check or electronic transfer, with proper supporting documentation such as invoices or receipts.

5.2.2 Cash payments should be avoided except in exceptional circumstances and with appropriate approval.

5.3 Cash Receipts

5.3.1 All cash receipts should be promptly recorded and deposited into the designated bank accounts. Dual control procedures should be in place for handling and recording cash.

5.3.2 The Finance Department shall establish guidelines for the handling and depositing of cash to minimize the risk of loss or misappropriation.

Donor Funds and Reporting

6.1 Donor Restrictions

6.1.1 Donor funds shall be used in accordance with the specified restrictions and conditions set by the donors. Proper records and tracking systems should be maintained to ensure compliance.

6.1.2 The Finance Department shall establish procedures for tracking and reporting on the utilization of donor funds to ensure transparency and accountability.

6.2 Donor Reporting

6.2.1 Regular and timely reports shall be prepared and submitted to donors, as per their requirements. These reports should provide accurate and transparent information on the use of funds and the progress of the programs or projects funded.

6.2.2 The Finance Department shall maintain effective communication with donors and promptly address any inquiries or requests for information.

Compliance and Audit

7.1 Legal and Regulatory Compliance

7.1.1 YIMF shall comply with all applicable laws, regulations, and reporting requirements related to financial management, taxation, and charitable activities.

7.1.2 The Finance Department shall stay informed of changes in laws and regulations and update policies and procedures accordingly.

7.2 Internal and External Audit

7.2.1 Regular internal audits shall be conducted to assess the effectiveness of financial controls and ensure compliance with policies and procedures.

7.2.2 The Finance Department shall coordinate with external auditors for annual financial audits and any other required audits or reviews.

7.2.3 Audit findings and recommendations should be addressed promptly, and appropriate action plans should be developed and implemented.

Amendments to the Finance Policy

Any amendments to this finance policy should be proposed by the Finance Department, reviewed by the Board of Directors, and approved by a majority vote. The updated policy should be communicated to all relevant staff members and stakeholders.

