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# **VOLUNTARY ORGANISATIONS FINANCIAL MANAGEMENT**



*As practised in*  
**COMMUNITY HEALTH CELL**  
*Functional Unit of*  
**Society for Community Health Awareness**  
**Research and Action (SOCHARA), Bangalore**  
No. 367, Srinivasa Nilaya, Jakkasandra 1st Main  
1st Block, Koramangala, Bangalore - 560 034



# **SOCIETY FOR COMMUNITY HEALTH AWARENESS, RESEARCH AND ACTION BANGALORE (COMMUNITY HEALTH CELL)**

The Society for- Community Health Awareness, Research and Action (Community Health Cell) is a Voluntary, Not-for-Profit, Health and Development organization. registered under the Karnataka Societies Registration Act, 1960.

## **AIMS AND OBJECTIVES OF THE SOCIETY**

- Create awareness regarding the principles and practice of Community Health among all people involved and interested in health and related sectors.
- Promote and support Community Health Action through voluntary as well as governmental initiatives.
- Undertake research in Community Health Policy issues, particularly
  - Community Health Care strategies,
  - Health personnel training strategies, and
  - Integration of medical and health systems.
- Evolve educational strategies that will enhance the knowledge, skills and attitudes of persons involved in Community Health and Development.
- Dialogue and participate with health planners, decision makers and implementers to enable the formulation and implementation of community oriented health policies.
- Establish a library, documentation and interactive information centre in Community Health.

*Note : This document of the Society for Community Health Awareness, Research and Action, Bangalore is being made available to the voluntary organisations (registered as Society, Trust or Company) in the hope that it will facilitate the management of their finances.*

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## PREFACE

The Community Health Cell (CHC) started as an informal study - action - reflection experiment for the study and promotion of community health in 1984. After seven years of functioning, an external review recommended that it should formalize so as to continue its work from a stable base. The Society for Community Health Awareness Research and Action (SOCHARA) was registered in 1990, and CHC which had become a known name by then, became the functional unit of the society, SOCHARA.

As the CHC team deepened their understanding of the dynamics of community health in India, it became clear that there is a need to move beyond a biomedical and even a public health approach to a social paradigm in community health. Additionally right from the beginning we felt the need to establish sound procedures of functioning. Very often medical and health groups, including NGOs, tend to neglect the financial aspects of their organizational functioning. The complexities of working with people and communities result in finance management getting low priority. CHC has always felt that the proper conduct of financial affairs was important as a core value. Over the years financial management procedures and policies were evolved in CHC through the inputs and efforts of many people. Establishing systems involved the hardwork of many team and society members, to each of whom CHC is grateful.

This is the twentieth year of the functioning of CHC and we thought it is an appropriate time to share the financial management systems that have evolved with a wider audience through a publication. We place on record our thanks to Dr. C.M. Francis, our senior consultant who has prepared the document and to the Executive Committee members of SOCHARA who gave comments and suggested publication.

The core principles of integrity, accountability, and transparency are particularly important at this period of time when the health sector (public, voluntary and private) is under increasing pressure from prevailing neo-liberal tendencies to commercialize and make profit out of the suffering and healing of persons. This tendency is being rationalized, justified and mainstreamed. There is an increasing group within all segments of the health sector and the public who recognize the value of good practices. As active members of the Peoples Health Movement, we feel it is important to share the details how good financial management can be practiced. Ideas shared here will need to be modified, further developed and adopted to different organizational settings. Better financial management will help to make health care more affordable and accessible, both key components of Primary Health Care and of Health for All.

Bangalore  
30th October 2003

*Dr. Thelma Narayan*  
Coordinator  
Community Health Cell





# I. FINANCIAL POLICY

Good stewardship of Voluntary Organisations calls for efficient and ethical management of their finances. The funds must be raised following the ethos of the organization and used diligently getting maximum benefit. The Financial policy is laid down by the General Body of the Society. It is reviewed periodically

## 1. FINANCIAL MANAGEMENT SYSTEM

There are many subsystems.

**Planning:** Financial planning will be an integral part of total planning. The economic resources are a means to achieve the objectives, the focus being on service to the community, empowering the community. There has to be correlation between activity plan and financial plan.

**Budgeting:** There are capital and operating (recurring) budgets, cash transactions, programmes, and administration. There will be annual, short-term and long-term budgeting.

**Accounting, monitoring and controlling:** These will be ongoing processes where the organization will be vigilant to ensure that the funds are used efficiently and effectively.

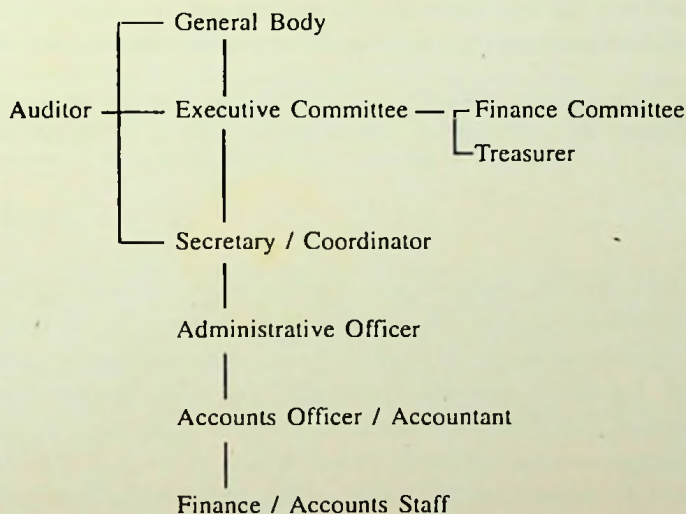
**Compliance with laws, rules and regulations:** There are a number of pieces of legislation (governmental) affecting the financial transactions. In addition, there are requirements of donors (partners) to be complied with.

**Funds management:** There will be transparency in all financial transactions. There will also be accountability.

**Audit:** Both internal and external (statutory) audits will be used.

**Reviews:** Financial reviews will be conducted periodically. at least on a bi-annual basis.

### Organisation for financial management





- 1.1. **The General Body** is the policy making body and ensures that the financial policy is congruent with the policy and objectives of the society. The General Body appoints the auditors.
- 1.2. **Executive Committee:** The Executive Committee is the decision-making, implementing and monitoring body. It meets (for financial management) at least thrice a year to consider the budget proposals and the midterm and annual audit and to consider the recommendations and comments of the Finance Committee.
- 1.3. **Finance Committee:** There is a Finance Committee (Subcommittee of the Executive Committee), whose function is advisory on all finance matters. The committee meets time to time, as required. The committee consists of the Co-ordinator, Treasurer and one other member nominated by the Executive Committee. The committee may co-opt other members.
- 1.4. **Secretary / Coordinator:** The Secretary / Coordinator is the Chief Executive Officer and is responsible for all financial matters of the Society. She/He corresponds with the government / partners / other organizations and executes agreements on behalf of the Society.
- 1.5. **Administrative Officer:** The Administrative Officer oversees all accounts and ensures that returns are sent on time to the appropriate authorities.
- 1.6. **Accountant:** The Accountant (Accounts Assistant in the absence of Accountant) is responsible for the day-to-day accounting, preparation of all financial statements, including financial returns, as per law and agreements, to the statutory bodies and donors / partners. He/she will also prepare and submit to the Secretary / Coordinator, through the Administrative Officer, progressive cumulative monthly totals of expenditure / payments and receipts of the previous month during the first week of the succeeding month; this will have variances between the estimates and actuals and the reasons for the same.
- 1.7. **Other Staff:** The staff will help the Accountant (Accounts Assistant) in accounts and records keeping, legal compliance, facilitating audit, cash transactions, maintenance of files, etc.
- 1.8. **Financial Calendar:** The Administrative Officer will in consultation with the accounts section, work out a financial calendar for the financial year, which is April 1 to March 31 of the succeeding year.

## 2. BUDGETING:

Annual and three year budgets are prepared, based on plan of action, past experience and taking into consideration newer programmes and personnel. The core budget is prepared by the Co-ordinator and Administrative Officer. The projects budget is prepared by the staff concerned in consultation with the Administrative Officer and the Co-ordinator. The Finance Committee finalizes the budgets and places them before the Executive Committee, after consultation with the CHC team. The Executive Committee will finalize the budget proposal before the end of March of the year. The Executive Committee then puts them up to the General Body for approval. The budgeting involves anticipated receipts, capital costs and recurring costs.





### **3. RESOURCES / RECEIPTS:**

The financial resources of the Society are

- Membership fee
- Donations / Grants
- Contributions
- Income generation from
  - activities
  - interest from investments

All receipts (from Government / Partners / Other agencies) are promptly deposited in the bank, under the appropriate heads of accounts. The receipt is acknowledged through pre-numbered receipts.

### **4. INVESTMENTS:**

There will be investment planning for making prudent investments. This will take into consideration the yield, safety, liquidity, mix and government regulations. There will be an investment register in the safe custody of the Administrative Officer.

Monthly investment reports will be available, giving investments made, percentage of returns, return for the month, investments matured and investments maturing in the next quarter and suggestions for new or renewal of investments.

### **5. CASH TRANSACTIONS:**

Cash transactions and accounting will be separate. Two different persons will be responsible for the two functions.

Petty cash payments and large payments will be segregated. This is done through an imprest system for petty cash.

Payments, except for petty cash transactions, will be effected through cheques, as far as possible. All payments of Rs. 20,000 or more will be by account payee cheques or demand drafts.

All cash on hand will be verified by the Administrative Officer, with the balance shown in the book, at least once in a week and surprise checks in between.

### **6. BANKING**

One or more suitable banks will be chosen, based on good service, good returns, proximity, etc. These banks will be approved by the General Body. The Executive Committee determines as to who will operate the accounts (signatures by two out of three or more signatories). The accounts will be in the name of the organisation and not in any personal name. There will be separate bank accounts for local and foreign contributions. The cheque books will be kept in the safe custody of the Administrative Officer.

Monthly bank reconciliation statements will be made by the Accountant and verified by the Administrative Officer.



## 7. ASSETS REGISTERS:

Fixed assets registers, recording the more permanent assets, are maintained with separate registers for

- \* Equipments, furniture, etc.
- \* Books

All the original documents and identification marks will be maintained till the items are written off. There will be stock register(s) for all other items.

## 8. ACCOUNTING / REGISTERS

The books of accounts are maintained on a daily basis. The accounting system is computerized, using the Tally Package.

The Registers maintained are

- Cash Book (Local and foreign)
- Day book
- Bank book (incoming and outgoing cheques)
- Journal register
- Ledger accounts
- Voucher files (receipts and payments)
- Receipt book
- Bank Statement file
- Deposit slips.
- Cheque book counterfoils
- Salary register
- Outgoing mail register (local and foreign)
- Depreciation register
- Fixed Deposit register
- Fixed Assets Register
- Library Register (Books as Assets)

The registers are maintained by the Accountant and monitored by the Administrative Officer.



## 9. REPORTING/ SHARING INFORMATION

Finance / accounts section (Accountant)



Administrative Officer



Secretary / Co-ordinator — Government; Partners; CHC team; Associates; People.



Executive Committee ← Finance Committee



General Body of the Society

The reporting is done on daily / weekly / monthly / annual basis, as the case may be.

The process of reporting to funding partners is in line with the agreements entered into with them. It is six monthly (April to September) and annually (April to March).

Reporting to the Government (Income Tax, Registrar of Societies, Home Ministry) and members of the General Body, annually, as per rules/law.

Sharing with CHC Team, Associates and the People in a spirit of accountability and transparency.

## 10. MONITORING

Variances (deviations from the budget estimates) are brought out through the monthly cumulative progress report by the Accountant; the same is discussed by an in-house committee consisting of the Co-ordinator, Consultant (Finance and Management), Ex-Co-ordinator and the Administrative Officer and suitable action taken.

The Finance Committee and Executive Committee will monitor the functioning of the Finance and Accounts Section.

## 11. CONTROLS, CHECKS AND BALANCES

- Payment authorizations are done by the co-ordinator. Head of account for debiting expenses is indicated in the voucher for payment.
- Variances and the reasons thereof are prepared by the Accounts Officer and put up to the Administrative Officer during the first week of the month; so also, the bank reconciliation statement.



## **12. LEGAL ADHERENCE**

- \* Regular filing of returns as per Foreign Contribution Regulation Act, Income Tax Act and the Karnataka Societies Act.
- \* Returns and application for renewal of exemption under clause 80G of the Income Tax Act.
- \* Tax deduction at source from salaries of the staff.

## **13. AUDIT**

- > The General Body appoints the auditor(s). As authorized by the General Body, the Co-ordinator fixes the audit fees, in consultation with the auditor(s).
- > Half yearly and annual (statutory) audits are conducted by the auditor(s). Their observations are discussed by the Finance Committee and Executive Committee and necessary action taken.
- > Audited statements are considered by the Executive Committee and placed before the General Body for its approval at the annual general body meeting.
- > Utilization certificates (required by funding partners) are countersigned by the auditor and sent to them.

## **14. FINANCIAL SUSTAINABILITY:**

The Corpus Fund has been created to help in Financial Sustainability. There is a committee for helping in improving the Financial Sustainability. Necessary action will be taken at every level to ensure financial sustainability.

## **15. COLLABORATIVE STUDIES / PROJECTS:**

The Society takes up collaborative studies and projects, provided they fall within the objectives of the Society and they are feasible. These may be governmental or nongovernmental. 10 -15% of the cost of the project may be charged as contribution to the society, if it is allowable, for the expenses incurred by the Society. But administrative charges may not be levied always, if it is not possible under the rules and regulations of the collaborating parties or there are financial constraints; the studies or projects can be taken up if they help to advance the objectives of the society.

## **16. TRANSPARENCY / ACCOUNTABILITY:**

The Society is accountable. Transparency will be maintained in all transactions. Proper maintenance of registers and documents and timely reporting to donors and funding partners help. The statement of accounts are sent to all society members.

## **17. INSURANCE:**

- The staff are insured against personal accidents, under a group personal accident insurance scheme.
- The office equipment and other articles are insured against theft and fire.

## **18. MAINTENANCE:**

Annual maintenance contract is taken for office automation system.

## **19. FILING SYSTEM:**

- > All finance related files are maintained and numbered properly, ensuring easy retrievability.
- > All agreements, contracts and registration and other certificates are kept in the safe.



## II. SALARY POLICY:

- ◆ In evolving this policy for salary, benefits and social security, the Society has kept the principles of equity and equitable distribution as desirable goals.
- ◆ The quest for equity will however take into account factors such as qualifications, experience, skill, capability and motivation. The principle of accountability will also be fostered.
- ◆ Team building and participatory decision making are important aspects of the promotion of Community Health. An attempt has been made to internalise into the policies of the Society all management principles that will foster this development within the CHC team itself and the salary policy will reflect this process.
- ◆ The policy will be reviewed from time to time to ensure that it is responsive to new needs, new situations and new demands arising from the Society's initiatives.

### 1. SALARY AND ALLOWANCES

The Salary Policy of the Society is based on a system of units, each evolved on the basis of criteria or factors, which will be added up to arrive at each team members salary.

There will be 10 units

- i. Qualifications and basic pay;
- ii. Experience;
- iii. Additional duties;
- iv. Previous employment - consideration of part protection of salary;
- v. Variable Dearness Allowance;
- vi. House Rent Allowance;
- vii. Conveyance Allowance;
- viii. Additional Conveyance Allowance;
- ix. Child Allowance;
- x. Book Allowance.

### 2. ADDITIONAL BENEFITS

In addition to salary and allowances, there will be some additional benefits as well, applicable to all team members. These will be

- a. Travel reimbursement;
- b. Provident Fund;
- c. Gratuity Scheme;
- d. Medical Benefits;



- e. Loans;
- f. Encashment of earned leave at termination of service.

### 3. SCALES OF PAY

All Staff will be placed on an appropriate scale of pay with annual increments. Staff' will be allowed annual increments on confirmation, unless it is stopped by specific orders.

*The master scale of pay will be as*

1,400 - 150 - 2,000 - 200 - 4,000 - 300 - 7,000 - 400 -  
11,000 - 500 - 16,000 - 550 - 18,750

### 4A. CO-ORDINATOR

As per the rules of the Society, the Coordinator will be appointed by the Executive Committee as a special appointee and put in charge of the overall management and coordination of the Society. As far as possible, his/her emoluments will be in line with the above policy though he/she may be given some additional allowance / benefits in keeping with the nature and demands of his/her job. The present policy is to have the Secretary (who is also a Fellow-In-Charge) as the Coordinator who will be given an additional allowance to be fixed by the Executive Committee.

For the present, he/she will be allowed the following:

He/She will be allowed a telephone provided by the Society and reimbursements for all calls, local and outstation, made in the context of the discharge of his / her official duties connected with the Society.

- a. His / Her Coordinator allowance will be Rs. 2,000/- per month at present.

### 4B. ADVISER

A past coordinator if continuing full time as a fellow may be designated as Adviser. He/She will share the responsibilities of the coordinator as delegated to him/her and act in the absence of the coordinator. He/she will be given an additional allowance of Rs. 1,500/- per month. Adviser's telephone bill for local and outstation calls made for official purposes will be paid by the Society.

### 5. OTHER APPOINTMENTS

The above clauses apply to all full time staff members. Certain other appointments and linkages can also be made by the coordinator in consultation with Executive Committee. The policy framework will be as follows:

#### a. Part time appointments

All part time appointments (i.e., at least half day / half time) will draw approximately 60% of the salary and allowances computed for full time employment at the same post and level.

#### b. Consultants

Senior professionals, retired or otherwise, who are willing to support the objectives of the Society and provide some time on a more regular but flexible basis can be invited to become



consultants to the Society. They will ordinarily be given honoraria (retainer fee) not exceeding Rs. 6,000/- per month with a travel allowance not exceeding Rs. 2,000/- per month. There will not be more than three consultants at any point of time.

**c. Adhoc appointments**

Suitable candidates with potential for any one of the categories / levels of appointment can be considered for a short term adhoc appointment not exceeding six (6) months. They can be taken when available and if there is a vacancy expected or a special need and when funds are available. They will draw a consolidated salary fixed suitably lower than what they would have get in full time, regular employment at their level of qualification or experience.

Other adhoc flexible appointments to meet unexpected needs may be made by the Co-ordinator, subject to ratification by the Executive Committee.

**d. Short term Assistantship / Fellowships**

Professionals interested in public health / community health, newly qualified or soon after post-graduation can be provided short term internships / assistantships / fellowships for periods of 6 months not exceeding one year to get experience. They will also draw a consolidated fellowship lower than what they would normally get on full time regular employment at that level of qualification and experience.

Appointees under (b), (c) and (d) will not get additional salary benefits, such as provident fund, gratuity, medical benefits, loans, deputation and consultancies.

**6. TAX AT SOURCE**

Tax will be deducted at source as per income tax, professional tax and other rules.

**7. REVIEW**

This policy is an overall framework to guide the society in the finalization of the salary and allowances for the present. It will be reviewed once in three years by the finance committee taking into account recommendations made by the coordinator and all changes must get the prior approval of the Executive Committee of the Society.

**7A. FIXATION IN THE NEW SCALE (JULY 2002)**

After salary revisions

1. If the present basic pay is less than the minimum of the new scale for the post, fix at the minimum of the new scale.
2. If the present basic pay falls at or between two stages of the new scale fix the basic pay at the next higher stage.
3. Increments (weightage for service) are given as follows:

Service at CHC

1. Less than 2 years - one increment
2. 2-5 years - 2 increments
3. More than 5 years - 3 increments.

The succeeding increments will be on completion of qualifying service for one year from the date of fixation in the new scale.



## 8. DEPUTATION AND CONSULTANCIES

CHC receives requests for short-term consultancies and project support that require deputation of team members for short periods of time. To ensure that there is no adhocism in this ongoing response, the following overall guidelines will apply :

1. Staff may be deputed for project-consultancies or support according to the particular needs for a period not exceeding one month ordinarily.

During the deputation the institution / project / group receiving the facility will provide the salary of the staff member for the period deputed + 20% additional deputation allowance which is to be provided to CHC for having provided this service. Travel and incidentals according to need of assignment will be met *by the institution / project / group*.

*Deputation can be of two types*

- a. If the project / assignment is a CHC coordinated one, then the deputation is a specific time allotment under CHC supervision.
  - b. If the project / assignment is not a CHC coordinated one, then the deputation will be a secondment to the project / institution requesting the service.
2. Professional team members will also be given permission for technical consultancies not specifically within the CHC framework or priorities, for periods not exceeding two months in the year. This will be seen in the context of professional advancement and gaining professional experience. These consultancies will be allowed without prejudice to ongoing CHC commitments or initiatives and on the discretion of the Executive Committee. *The terms and conditions will be set by the Executive Committee.*





## UNIT (1) - QUALIFICATIONS LINKED BASIC PAY

- i. Since the Society is a Research and Technical support institution, the basic level will be 'graduate' at three levels. It is the policy of the society to encourage the staff to acquire higher qualifications and achieve higher position of responsibility (upward mobility)
  - a. Generalists - B.A., / B.Sc., / B.Com. / similar.
  - b. Graduates in Nursing / Pharmacy / R.N.R.M. / similar course.
  - c. Graduates in Medicine / Postgraduates in Social Sciences / Social Work / Management / *similar course*

*Higher post-graduate qualifications may be fixed as minimum for posts.*

*Minimum periods of experience may be fixed for each post in addition to the qualification.*

Postgraduation received from a recognised / reputed university / institution, over and above what is required for the Post (eg., M.Com., / M.D. / Ph.D) will be given additional allowance if **the area/skill is relevant to the Society's work**. The allowance will vary with the number of years required for the course i.e., one, two or three years (**No allowance will be given if the course is less than 6 months**)

	One Year	Two Years	Three Years
Generalists (a)	500.00	650.00	800.00
Professionals (b) and (c)*	800.00	1,100.00	1,400.00

- ii. For team member, with educational experience lower than graduate level if otherwise suitable, a proportionately lower level will be fixed, not lower than Rs. 1,100/- per month.
- iii. A person with less experience than the minimum required may be appointed if otherwise suitable, reducing the starting salary proportionately.
- iv. Post-graduate qualification allowance over and above the requirement for the post will be clubbed to basic pay for all salary calculations.

## UNIT (2) - EXPERIENCE IN PARTICULAR AREA

The Committee will assess previous experience in years in the particular area depending on experiences relevant to the work of the Society gained anywhere previous to appointment. A weightage of up to a maximum of 5 additional increments may be added to the start of the scale, if so recommended by the Committee interviewing the candidate.

## UNIT (3) - ADDITIONAL DUTIES

If the person is assigned certain additional duties / responsibilities, he/she may be given an additional charge allowance ranging from Rs. 300/- to Rs. 600/- per month, assessed and suitably fixed by the Executive Committee. The additional duties may arise in the temporary absence of a regular incumbent. Ordinarily the duration of such additional duty will not exceed 6 months.

\* Note : 'Professionals' here mean 'Professionals in health related disciplines'.



#### UNIT (4) - PREVIOUS EMPLOYMENT / PROTECTION OF SALARY

Especially when candidates have been invited to join the Society or when good resource persons are identified and encouraged to join, an attempt will be made to reduce the gap between salary at previous employment and the computation as per the policy of the Society in order to protect to some extent the candidate during the process of change. This will be done by an additional amount decided on the discretion of the committee. It may not always be possible to make up the gap but an attempt will be made within feasible limits. There cannot be a real comparison between the salaries in the "private / public / corporate" sector and the voluntary sector engaged in Community Health.

#### UNIT (5) - VARIABLE DEARNESS ALLOWANCE

The Variable Dearness Allowance (VDA) linked to the cost of living index computed annually by the Government will be given to all staff members equally. This will be based on the number of points above the base as on 1.4.1991. The amount will be 0.90 paise per point rise above the base as on 1.4.1991.

VDA will be added to basic pay for purposes of computing other allowances.

#### UNIT (6) - HOUSE RENT ALLOWANCE

All staff members will get a House Rent Allowance as shown below:

Sl. No.	Designation	Grade	H.R.A. (Rs.)
1	Coordinator / Fellow In-charge (Information Training / Research)	I	4,200-00
2	Research and Training Associate (Technical: Senior / Associate Fellow)	II	4,200-00
3.	Administrative Officer	II	4,200-00
4.	Research / Training Assistant (Technical - Junior / Assistant Fellow)	III	3,000-00
5.	Documentation Officer	IV	2,500-00
6.	Accounts Officer	IV	2,500-00
7.	Office Superintendent	IV	2,500-00
8.	Accountant / Office Supervisor	Va	2,500-00
9.	Accounts Assistant / Documentation / Library / Information Assistant / Secretarial Assistant	Vb	1,500-00
10.	Office Assistant	VI	1,200-00

#### UNIT (7) - TRANSPORT ALLOWANCE

All staff members will get 20% of their basic pay + V.D.A. + PG allowance as transport allowance subject to a maximum of Rs. 2,000/- p.m.



#### **UNIT (8) - ADDITIONAL TRANSPORT ALLOWANCE**

Where the staff member is living beyond 10 Kms. from CHC, an additional amount will be sanctioned to meet the expenses subject to a maximum of Rs. 200/- per month depending on the distance from CHC.

This will be sanctioned by the Executive Committee on the recommendation of the Coordinator.

#### **Travel re-imburement**

All additional travel within or outside Bangalore (from CHC) on official work related to the Society's programmes will be re-imbursed separately as per rates approved by the Executive Committee.

The present rate, for use of own vehicles, is Rs. 2.50 per km for mopeds, Rs. 3.00 per km for scooters/motorised bikes and Rs. 6.50 per km for four wheelers.

#### **UNIT (9) - CHILD ALLOWANCE**

In view of the importance of child development and the additional expenditure involved, an additional allowance of Rs. 100/- p.m. per dependent child will be given

Dependent child - unemployed and wholly dependent on the member of the staff.

#### **UNIT (10) - BOOK ALLOWANCE**

In view of the importance of staff development especially in terms of better information, a reimbursement up to a maximum of Rs. 3,000/- p.a. for Grades I & II and up to a maximum of Rs. 1,500/- p.a. for Grades III to VI towards purchase of books and magazines is allowed.



### III. STAFF WELFARE

The Welfare of the Staff is of great concern for all organisations and particularly, the Voluntary Organisations. The Community Health Cell has a number of schemes for staff welfare.

1. Public Provident Fund
2. Gratuity
3. Medical Allowance
4. Comprehensive Accident Insurance
5. Staff Welfare Fund
6. Loans
7. Book Allowance.

#### 1. PUBLIC PROVIDENT FUND

The Community Health Cell is a small organisation and the Contributory Provident Fund Scheme is not applicable at present. However, the Community Health Cell is keen to promote savings and help the members to provide for the needs which will arise later. Hence, all members of the staff, on completion of probation, will join the Public Provident Fund. The Community Health Cell will contribute 12% of the pay (basic pay + increment + variable dearness allowance + additional post-graduate allowance) at present and the staff member will contribute an equal (or larger) amount. The staff will join the Contributory Provident Fund Scheme when it becomes applicable.

#### 2. EMPLOYEES GRATUITY SCHEME

##### a. Name

The Scheme shall be called "Society for Community Health Awareness, Research and Action Employees' Gratuity Scheme".

##### b. Object of the Scheme

The object of scheme is to provide for the payment of gratuity to the employees of the Society in accordance with the provisions herein contained.

##### c. Applicability

The Scheme shall be applicable to full time and part-time employees.

##### d. Eligibility

Gratuity will be payable to a confirmed employee or his/her nominee on the termination of his/her employment after he/she has rendered *continuous service for not less than five years*.

- a. on his/her superannuation or retirement, or
- b. on his/her resignation, or
- c. on his/her retirement on medical grounds, or
- d. on his/her death.

Provided that the completion of continuous service of five years is not necessary where the termination of employment is due to death or retirement on medical grounds.



For the calculation of gratuity, 6 months and more remaining, after the number of completed years, will be considered as one year; less than 6 months will not count.

For the purpose of eligibility, persons with continuous service of 4 years and 6 months or more will be eligible.

In the case of death of an employee, gratuity payable will be paid to his/her nominee, or if no nomination is made, to his/her legal heir(s).

Employees who are dismissed from service shall not be eligible for gratuity.

**e. Quantum of Benefit**

For every completed year of service or part thereof in excess of six months, the gratuity payable will be calculated at the rate of half a month's salary [basic pay plus dearness allowance and post-graduate allowance] last drawn by the employee *in the case of full-time employees. Child allowance; book allowance; transport allowance and house rent allowance do not count. For the period of part-time (half-time) employment, if any, the gratuity will be at the rate of half month's salary (60% of the basic pay plus dearness allowance and post-graduate allowance). If the salary had been fixed as lumpsum, it will be broken into these constituents for purposes of calculation of gratuity.* The amount of gratuity payable shall not exceed twenty months' salary last drawn or Rupees three (3) lakhs.

**f. General**

The payment of gratuity is subject to deduction of dues, if any, from the employee concerned to the Society.

In case of any dispute on any matter arising under this scheme, the decision of the Co-ordinator shall be binding on the employee concerned, subject to an appeal only to Executive Committee of the Society.

**3. MEDICAL BENEFITS**

- a. All (full-time and half-time) staff will be reimbursed upto a ceiling of Rs. 1,500/ per year for medical treatment on production of valid certified vouchers for treatment of illness and accidents, etc. Ordinarily this will not exceed Rs. 750/- within 3 months.
- b. The Society also has Group Personal Accident Insurance Scheme for staff for Rs. 1 lakh for each member, paying suitable premium for the same.

**4. STAFF WELFARE FUND**

1. The fund will be called Community Health Cell Staff Welfare Fund (CHC-SWF) and hereinafter called the fund.
2. **Aims and Purpose of the Fund**
  - To render financial assistance to its members at times of need.
  - To offer additional security to its members at the time of leaving Community Health Cell (CHC) or on retirement.
  - To help the bereaved family on the death of the member.



- To assist the members at times of ceremonies, such as marriage of the member or close relation (son / daughter / brother / sister)]
3. **Membership**
- All staff of CHC are eligible for membership.
  - He/She should apply in writing to be a member and also appoint a nominee from his/her family.
4. **Organisation**
- a. **General Body:**  
The general body consists of all the staff of CHC.
- b. **Managing Committee:**
- i. A team of three persons will be elected as members of the Committee, by the General body at its annual general body meeting
  - ii. Of these three persons, one will be the chairperson, one the secretary and one the treasurer.
  - iii. The term of this Committee is two years.
5. **Accounts**
- i. The financial year of CHC-SWF commences on 1<sup>st</sup> April of every year and closes on 31<sup>st</sup> March of the succeeding year.
  - ii. The Treasurer shall maintain the accounts of the fund. He/She shall submit the accounts to the Committee at its monthly meetings and a statement of accounts at the end of the financial year to the Annual General Body. A copy of the statement of accounts will be sent to the Coordinator, for information.
6. **Subscriptions**
- a. Every member shall pay a monthly subscription, the amount being fixed by the General Body, for a period of 60 months.
  - b. Subscription is to be paid by the 5<sup>th</sup> of every month. If so authorized in writing, it can be a deduction from the salary.
  - c. Defaulters are liable to pay a penalty, which will be decided by the Committee.
7. **Contribution**  
CHC will contribute to the fund a monthly matching grant, equal to the amount received by way of subscription.
8. **Loan Facility**  
The staff can avail loans based on the following guidelines:
- i. Those needing loans, should apply in writing to the Committee atleast 3 clear days before the meeting, stating the purpose.
  - ii. The maximum loan to be given to a member will be half of the balance available in the fund or Rs. 5,000/- whichever is less.
  - iii. A second loan under this scheme will not be given if there is a loan outstanding under it.



- iv. Interest at the rate of 4% p.a. will be charged. In case of ceremonies or celebrations, the rate of interest will be 6% p.a. This rate of interest may be changed by the committee.
- v. The loan taken is to be repaid in 10 equal monthly instalments commencing from the month in which the loan is taken.
- vi. Defaulters may have to pay a penalty, as decided by the Committee and ratified by the General Body.

#### **9. Termination / Leaving of CHC**

- i. After becoming a member, one is free to withdraw from the fund by clearly stating one's intention to do so in writing. A copy of this has to be marked to the Coordinator.
- ii. Membership of the fund stands terminated automatically on the member ceasing to be a member of CHC on retirement or death or otherwise.

#### **10. Benefits**

- i. A member has to complete membership for one full year to get any benefits from the Fund. If he/she leaves before completion of one year, his/her subscription will be refunded to him/her.
- ii. Any one leaving the fund or on being terminated after one year is entitled to his/her contribution and that of CHC without any interest or other benefits.
- iii. A member dying while in service of CHC shall be eligible for benefits as in (ii). In addition, his/her family will be given an ex-gratia payment as decided by the committee to meet funeral and other expenses.

#### **11. Banking**

- i. The amount available under the fund will be deposited as savings bank, recurring or fixed deposit account or as decided by the Managing Committee, in Nationalized / Scheduled / Co-operative Bank in the name of the Fund. It will be operated jointly by any two of the members of the committee.

#### **12. Interpretation**

In case of doubt regarding the interpretation of the regulations of the Fund, the matter will be decided by the General body, whose decision shall be final.

#### **5. LOANS**

Up to two months interest free salary advance subject to a maximum of Rs. 8,000/- may be drawn by team members as a loan against their salary for personal contingencies and emergencies. Salary for this purpose will be basic pay plus Dearness allowance plus post-graduate allowance. This will have to be repaid in approximately equal instalments that will allow full repayments within 10 months, starting with the month following the month in which the loan is availed of.

#### **6. ENCASHMENT OF TERMINAL LEAVE**

A staff member can encash accumulated earned leave (maximum of 60 days) on termination of service with the Society. The benefits will be based on the last salary drawn.



## IV. FUNDS

The following Funds have been created to meet expenditures which might come later.

### 1. GRATUITY FUND

It is a fund created for the purpose of paying the staff (or heirs) the gratuity as per the rules of the organization, at the time of his / her retirement / resignation / death while in service. The gratuity payable is calculated annually and put into term deposits of approved banks, on the basis of eligible staff on the rolls. This is a staff welfare measure.

### 2. DEPRECIATION FUND

Capital assets of the organization depreciate over time. Equipments have to be replaced. The fund has been created based on the depreciation in value of the item. The quantum of depreciation will follow the guidelines of the Income Tax Act and Rules. Depreciation is treated as expenditure. Funds to the extent of depreciation are placed in term deposits in approved banks, to be used as needed.

### 3. CORPUS FUND (ENDOWMENT FUND)

The Corpus Fund has the following objectives:

- Ensure the financial stability of the Society.
- Meet the advance expenses such as salaries of staff and other commitments under unforeseen circumstances, when funds are not available in the normal course.
- Have funds for capital expenditure for building / purchase of major equipments, etc., if not provided for in the budget.
- Use the interest from the Fund to meet the core administrative expenses. if so decided by the Executive Committee.

#### Donations for Corpus Fund

Earmarked grants, donations and contributions to the Corpus fund only will be included in the Fund. Exemption under the appropriate clauses of the Income Tax Act and Rules will be obtained.

#### Investment

The funds generated will be invested in term deposits in approved banks. A target of Rs. 35,00,000/- (Rupees Thirty Five lakhs only) has been fixed for the Fund, at present.

#### Committee

There will be an Endowment Committee to raise the funds.







“Whenever you are in doubt  
recall the face  
of the poorest and most helpless  
man whom you may have seen  
and ask yourself  
if the step you contemplate  
is going to be of any use to him  
—will it restore to him a control  
over his own destiny?”

**- M.K. Gandhi**