

# **FINANCIAL POLICIES**

## **AIESEC in Mumbai (2015-2016)**

**Signatories to the policy:**

**Fiola Aranha – Vice President Finance & Legal**

**Vivek Singh – Local Committee President**

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## 1. General Policies

- 1.1 All cheques, drafts and bills etc. should be made in the name of **"AIESEC Mumbai"**.
- 1.2 All invoices of the Local Committee shall be payable within a duration of **14 days** of the date of submission of Invoice.

### 1.3 The PAN

The PAN No. for AIESEC India is **AABTA3359F**.

For all tax related purposes AIESEC in Mumbai shall use the PAN of AIESEC India as a whole.

- 1.4 In all cases where **TDS** is applied (Tax Deducted at Source) the **16A forms** must be duly collected from the respective organizations in a timely manner

### 1.5 Assets of the LC

No member of AIESEC in Mumbai shall be personally liable for any undertakings in the Local Committee

A member will be directly and individually responsible for any cash, cheque or infrastructure with him/her. Any loss would be borne by him/her irrespective of any circumstances

However in case loss is caused due to unavoidable or reasonable reasons, the cause will be given in writing to the FTF and will be considered by the EB. The member will be exempted from the liability if the EB considers the reasons valid enough after reviewing his/ her case. The reason should be strong enough and once passed by EB, it should be displayed to the LC

- 1.6 No loan shall be given to any member regardless of the post under any circumstances
- 1.7 The Local Committee shall at no time provide funds for on behalf of a member without having first received the complete sum from the member
- 1.8 The Local Committee's assets should be utilized in a manner so as to enable maximum benefit to all its members at the same time ensuring the goals of the Local Committee are being met with
- 1.9 The Local Committee property and equipment may not be used for personal usage or for personal benefit by any member
- 1.10 Members resigning from the Local Committee without clearing their dues shall not be granted alumni status and his/her status will be critically analyzed
- 1.11 At the beginning of every month, each department must submit an approximate of the estimated investment required into the department for the month. This must be sent by the **5<sup>th</sup> of every month**
- 1.12 At the end of every week, the amount spent by the respective departments should be sent to the VP-F along with the bills(soft copy)

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- 1.13 All documents (Contracts, agreements etc) must be proof read by the VPF **before** it is sent for approval and once before it is signed. This includes trainee notices etc.
- 1.14 The Vice President Finance (Finance Controller) is responsible for the finances within the Local Committee; though shall be aided by the Finance Task Force
- 1.15 The Vice President Finance is allowed to ratify expenses up to Rs. 10000 as a single expense without the sanction of the Finance Task Force and up to Rs. 30000 in multiple expenses in a week. The FTF can authorize transactions up to 30000/- over and above which the executive body takes a call up to the slab of 50000/-, above which the MC needs to be consulted
- 1.16 In case of a dispute, the ultimate decision making with regards to investment is with the VPF in consultation with the LCP. The decision of the VPF would be final
- 1.17 Cash Transactions are to be avoided as far as possible
- 1.18 Under no circumstances can a member withhold LC cash/use it for personal purposes. Under such circumstances, the member can be fired from the LC and the sum withheld/used will have to be duly refunded by the member.

## **2. Budgeting Policies**

- 2.1 The budget for the coming year should be prepared by the incoming Vice President Finance and be presented for ratification at the Annual General Meeting.
- 2.2 The Outgoing Vice President Finance should provide the Incoming Vice President Finance with all the financial documents(For example, the previous year's budgets and policies, the internal audit file, tally report etc, contracts, templates, document formats etc.) to enable the making of the new budget by the Annual General Meeting.
- 2.3 Any changes to the budget must be first passed by the Finance Task Force and then presented to the Executive body and then the Local Committee
- 2.4 Any changes over Rs. 20,000 must be first passed by the Finance Task Force and then ratified by the Local committee
- 2.5 An actuals vs. budgeted report of the budget must be passed around to the General Body at the Annual General Meeting
- 2.6 The LC reserve and long term investments must be kept in mind while making the budget
- 2.7 The Budget shall be the guidelines to track performance of each portfolio and shall be answerable to the shortcomings.

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### 3. Audit Policies

- 3.1 The accounts of the Local Committee will be maintained in “Tally 9.ERP”. Accounting and auditing for AIESEC in Mumbai will be done by MC accountant in the national office.
- 3.2 The accounts will be maintained according to the standard charter of accounts as prescribed by the Member Committee.
- 3.3 The accounts of each month shall be reviewed at the start of the next month by the Executive Body.
- 3.4 There shall be an **internal audit** conducted every month by an Internal Audit team of the Local Committee along with the MC VP-F at the national office before the half yearly and annual external audit.
- 3.5 AIESEC in Mumbai shall present receipts and invoices for all incomes received as well as maintain vouchers for all expenses incurred.
- 3.6 All accounting related books physical copies are to be sent to the MC office every 15 days. A copy of every book will be maintained by VPF and filed at office.

### 4. Banking Policies

- 4.1 The Local Committee currently operates out of HDFC Bank.
- 4.2 Cheques/DD received should be in the name of “**AIESEC Mumbai**” only.
- 4.3 The VP-F is the final decision making body on all financial transactions & Financial Policies of the Local Committee.
- 4.4 The Executive Board will play a consultant role in Financial Policy Making and Management.
- 4.5 HDFC Bank Account No. is : **00161000084295**.
- 4.6 All cheques/cash must be deposited within 7 days of their receipt. A full track must be kept of cheque number, amount, and source and this must be presented to the VP F on depositing the cheque failure to do so would lead to forms being put on hold or reduction in the investment into the concerned department(including conference subsidy) or both.
- 4.7 All cash/cheques shall be issued only on TUESDAYS and THURSDAYS provided that prior intimation at least two days in advance has been given to the VPF via the ‘Cash Withdrawal Request.
- 4.8 No cheque should be issued without prior approval from the VPF
- 4.9 Only EB members can issue ‘Cash Withdrawal Requests.’

- 4.10 At no given point any LC member should be holding LC money apart from reimbursements. **ONLY** EB members are allowed to keep LC money for petty expense or any other type of investment
- 4.11 All operations of the Local Committee shall be valid only post their reflection in the accounts.
- 4.12 Post - dated Cheques shall be accepted, dated only within the due time limit.
- 4.13 Outstation charges on Cheques/ DD's shall be borne by the issuer. Any tax on the same shall also be borne by the issuer.
- 4.14 In case of Cheque bouncing, an extra charge of Rs.120 shall be paid by the issuer in addition to the amount due. All services being provided to the issuer shall be withheld till a new Cheque along with the extra charge is credited into the bank accounts.

## 5. Exchange policies

5.1 The administration fees for the different exchange programs are as follows:

Program	Raise Fees	Match/Realization Fees	Total
<b>OGCDP</b>	<b>6,000/-</b>	<b>9000/-</b>	<b>15,000/-</b>
<b>OGIP</b>			
ET	6,000	6,000	12,000
IT (3 Months)	8,000	4,000	12,000
IT (6 Months)	8,000	8,000	16,000
IT (12 Months)	8,000	10,000	18,000
IT (>12 Months)	8,000	12,000	20,000
<b>IGCDP</b>			
1-7 Interns	2,000	\$240/\$270	2000 + \$240/\$270
7+ Interns	1,500	\$240/\$270	1500 + \$240/\$270
<b>IGIP</b>			
3 Months	5,000	8,000	13,000
6 Months	5,000	14,000	19,000
<12 Months	5,000	22,000	27,000

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- 5.2 No form shall be put on EXPA until the administrative fees have been duly paid by the organization or student nominee.
- 5.3 Value of the product shall remain constant for every client and will not be customized or changed to particular clients
- 5.4 The raises/ realizations are not valid until the money for the same comes in
- 5.5 All raise fees must be received within 7 days of signing the contract
- 5.6 All raise fees of the organizations is liable to be returned only if AIESEC in Mumbai cannot meet with the requirements which was asked for while signing the Traineeship contract. Refund Policy is as mentioned in the Contract
- 5.7 All realization fees from the company must be duly received **within 14 days of realization**. Post this a **surcharge of 2% per week** will be levied for late payment. If the money does not come in within 30 days of realization then all dealings (such as matching any of their forms, Raising with the company etc.) are put into abeyance till the money comes in
- 5.8 The VPF can reject any form with the consent of the LCP if the dues of the same have not been cleared
- 5.9 Reminders are to be sent to external organizations who are debtors of the Local Committee as put down in the Contracts. Account managers and their team leaders are responsible for this. A matched EP must pay his realization amount within 14 days of sending in the AN for the internship
- 5.10 The EP must bear a surcharge of 2% per week for late payment. AIESEC in Mumbai shall not take responsibility for an intern who has not paid within 14 days of being realized
- 5.11 The Exchange Vice Presidents shall be responsible to clear all the dues timely. Penalties will be imposed on continuous lapse
- 5.12 All deposit slips and invoices should be sent to the VPF on a weekly basis (soft copy) and handed over at the end of every month. Failure to do so would lead to forms being put on hold
- 5.13 In case of outgoing exchange departments, no cheque must be accepted without a receipt. The maximum time allowed to issue a receipt would be one week post which forms will be put on hold



## 6. Project Policies

- 6.1 All projects and events must have a financier responsible
- 6.2 The budget for any project must be made by the Project responsible and the Vice President Finance of the Local Committee
- 6.3 The budgets of any project must be presented before the Finance Task Force prior to ratification of the project team
- 6.4 All project teams must be ratified within 15 days of being announced
- 6.5 All project/event organizing committees must entail a dedicated position for handling and tracking the Finances
- 6.6 The LC will bear NO cost for the event under any circumstance
- 6.7 The OCVF Finance will report to the VP F and the Finance manager of the Local Committee
- 6.8 Expenses of no project shall be undertaken until the budget for it is made and is passed by the VPF
- 6.9 The Project finance responsible shall be responsible for finance related issues during the project
- 6.10 The finance responsible shall present a detailed weekly record (along with the bills/soft copies of the cheques) of expenses and incomes to the VPF and LCP
- 6.11 No project shall be allowed to start unless 60% of the cost has been procured in physical form at least 3 days prior to the commencement of the project/ event
- 6.12 All reimbursements must be via a reimbursement slip. No reimbursement is permitted without a reimbursement slip
- 6.13 Any project team discharge report must consist of a budgeted vs. actuals report with reasons stated for the variance (if any) with regards to the budget. This report shall be presented to the finance task force and later on be presented at the following LCM. This report must be prepared within 14 days of completion of project
- 6.14 No project OC can go for discharge until the dues and accounts are cleared
- 6.15 A project team will not be discharged unless the initial budget, actual budget, project discharge report, company list, contact sheets, bills, remaining promotion material, memorabilia etc are submitted to the Executive Body
- 6.16 At no given time any OC member will be handling LC/ project cash. **Only** the EBC is permitted to handle and maintain cash for any purpose
- 6.17 Any loss of funds due to theft or mismanagement shall be duly accounted for

- 6.18 All events/projects have to make a profit of 25%, if not break even. Failure to do so would lead to the event/ project being discontinued
- 6.19 Any infrastructure taken for the project shall be returned in the same condition to the Local Committee after the completion of the project
- 6.20 All Memorandum of Understanding must be submitted to the VP-F at the end of the event along with all the bills
- 6.21 At any given point the VP-F in consultation with the LCP reserves the right to discontinue the event. The final decision will be of the VP-F and will be binding on the event
- 6.22 Every event must ensure 100% delivery of the event

## **7. Reimbursements Policies**

- 7.1 All bills should be in the name of 'AIESEC in Mumbai'
- 7.2 All bills must be dated
- 7.3 Re-imbursements are only made if the nature of the work is official.  
Re-imbursements are not made for personal payments made by any member while on official duty
- 7.4 Any expense over the amount of Rs.500 will have to receive prior approval of the Vice President Finance. Failure to do so would result into non-reimbursement
- 7.5 Any unbudgeted expense requires the prior permission of the VPF
- 7.6 All reimbursement bills should be attached to the 'Reimbursement Request' and the slip should be duly filled and attested by the concerned department VP/EBC. All reimbursement slips for a given month must be submitted to the VP F by the 1<sup>st</sup> of the next month
- 7.7 In case of bill not being obtained, the member should produce a duly signed voucher for the same and the Vice President Finance must be intimated of the same prior to the expense
- 7.8 Local Travel reimbursement will be given only if the total travelled distance is over 24 kilometres. For travel reimbursement only the cheapest mode of transport shall be counted
- 7.9 All billed reimbursements for a given month shall be handed out within a week of submission of the request
- 7.10 Telephone costs will be reimbursed at the rate of Rs 0.40p/ min. This would be for recruitment OC's and departments which the VPF in consultation with the LCP deem necessary and are highly essential

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7.11 All unbilled reimbursements shall be given only on discharge from the current leadership role.

7.12 No member shall be reimbursed if it exceeds a period of a month.

7.13 No member will be reimbursed after he has resigned.

## **8. Member Investment Policy**

8.1 No rewards or recognition shall be given to any member in cash at any point of time

8.2 All rewards and recognitions will be given on the basis of trackers and as per the discretion of the Executive Body

8.3 Rewards shall strive to be constructive and life enriching

## **9. Trainee Policies**

9.1 Accommodation to the trainees will be provided on first cum first serve basis

9.2 The refundable deposit will be collected from all trainees on their arrival and will be returned back to them at the time of their departure

9.3 Receipts must be issued for this deposit being paid and paid back to the trainee. The receipt should be submitted to the VPF on a weekly basis

9.4 All trainees must pay rent for the full month if they stay in the trainee house for more than 15 days a month

9.5 All initial payments must be paid by the trainee within 7 days of realization

9.6 The trainees will be levied a surcharge of Rs200 per week for late payment

9.7 AIESEC in Mumbai shall not pay the trainee stipend on behalf of the company, the trainees must be paid directly by the company

9.8 The trainees must pay for such amenities as electricity, gas, internet, maids, etc themselves

9.9 In cases where accommodation is provided by AIESEC in Mumbai – If the trainee doesn't like the accommodation, he/she will have to find and pay for another one themselves

9.10 Receipts must be issued for rent collection

## 10. Subsidy Policy

- 10.1 A subsidy is a reward for having worked/working for the Local committee and not an incentive to work
- 10.2 All Subsidies shall be measured by the ROI value of the subsidy
- 10.3 Only the Vice President Finance in consultation with the Local Committee President is allowed to disperse subsidies to any member with regards to all member development opportunities
- 10.4 Subsidies shall not exceed the budgeted amount
- 10.5 Subsidies shall only be given if the financial standing of the Local Committee is healthy\*
- 10.6 Financially healthy\* is defined when the minimum bank balance is between Rs. 1,50,000 to Rs. 2,00,000
- 10.7 Subsidies shall never include the damage/caution/safety deposit if just one individual is attending the conference

## 11. Expansion Policies/ SU Policies

- 11.1 The expansions of AIESEC in Mumbai shall operate out of the account of AIESEC in Mumbai
- 11.2 If the Expansion Local Committee wishes to open their own Bank Account, The VP F of the parent LC - AIESEC in Mumbai – shall be one of the signatories to the account.
- 11.3 In terms of expenditure, the VP F of the expansion LC shall send a proposed I/E sheet 2 days prior to the need.
- 11.4 AIESEC in Mumbai shall hold Rs. 25,000 reserve for such expansions.
- 11.5 The expansions budgets will be integrated into the AIESEC in Mumbai budget
- 11.6 The expansions must present their income and expenses to the AIESEC in Mumbai VPF **every fortnight**.
- 11.7 The expansion must consult AIESEC in Mumbai for any expenditure **above Rs10000**.
- 11.8 Expansions projects shall follow the same procedure as the above.
- 11.9 Expansions shall follow the same banking and exchange policies as above.

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