

SECTION 13: ACCOUNTING REQUIREMENTS AND BANKING PROCEDURES

1.0 GENERAL

- 1.1 Sai Centres in Malaysia are registered bodies under the Societies Act 1966. The Constitution of the Sathya Sai Baba Central Council of Malaysia provides for the establishment of Units under a Centre. It is therefore the responsibility of every Centre and Unit to comply with the laws of the Country and, since funds are involved, it is even more important to lay down clearly defined guidelines and procedures for proper accounting and accountability.
- 1.2 With reference to fund collection and the need for Sai Centres and Units to have funds, Baba says, "I do not like collection of funds. But since some expenses have to be incurred, I have to allow it under very stringent conditions!". Thus, it is everybody's responsibility to ensure that the Centre and Unit funds are correctly collected and managed according to the provisions of the Societies Act 1966 and the Regulations made thereunder.

2.0 OPENING OF A BANK ACCOUNT

- 2.1 All registered Sathya Sai Baba Centres in Malaysia are required to open current accounts for the purpose of receipt and payment of monies.
- 2.2 The account must be opened in the name of the Centre e.g.
"Sathya Sai Baba Centre of Glugor"
- 2.3 Likewise, Units may open current accounts in the name of the parent Centre hyphenated with the Unit name e.g.
"Sathya Sai Baba Centre of Bangsar – Batu Caves Unit"

Opening of Accounts in joint or personal names are strictly prohibited.

- 2.4 The following are the standard requirements of all banks for the opening of current accounts:-
- 2.4.1 A certified copy of a Resolution passed by the Committee Members at a meeting:-
- Appointing the Bank as its Banker and requesting the opening of the account.
 - Listing the names of the authorised signatories to the accounts – viz. Chairman, Secretary and Treasurer.

¹ Sathya Sai Speaks, Vol. VI, Page 31



c) Stipulating conditions of operation of account e.g. all cheques must be signed by two of the three authorised signatories (Chairman, Secretary and Treasurer), one of whom shall be the Treasurer. In the case of a Unit, the two mandatory authorised signatories shall be the Treasurer of the parent Centre and the Unit Coordinator.

d) With regard to Units, the Resolution of the Committee Members of the parent Centre shall specify the proposed account name as indicated under 2.3 above in addition to the other requirements enumerated herein.

2.4.2 A copy of the Certificate of Registration of the Centre with the Registrar of Societies.

2.4.3 A copy of the Constitution of the Central Council.

2.4.4 The bank's standard account opening form duly completed and signed by the Chairman and the Secretary.

3.0 OPERATION OF THE CURRENT ACCOUNT

3.1 All cheques issued from the account must be signed by two signatories. The Treasurer's signature shall be mandatory and the other shall be either the Chairman or the Secretary. In the case of a Unit, the Treasurer of the parent Centre and the Unit Coordinator shall be the signatories.

3.2 All monies received by the Centre in respect of donations, sale of books etc. must be handed to the Treasurer, or the Unit Coordinator in the case of Units, to be banked into the current account.

4.0 CHANGE OF AUTHORISED SIGNATORIES

4.1 In the event of the resignation or change of any of the Committee Members of the Centre or the Unit Coordinator as the case may be, the bank must be duly informed of such change and updated of the new authorised signatories with proper resolutions adopted by the Centre Committee

5.0 PETTY CASH ACCOUNT

5.1 The Treasurer can keep a cash float of not more than RM500/- (Ringgit Malaysia Five Hundred Only) at any one time for payment of nominal expenses that may be incurred from time to time.

5.2 A petty cash record is required to be kept by the Treasurer. A Petty Cash Voucher must be prepared by the Treasurer for any petty cash payment and authorised by either the Chairman or Secretary. The recipient of the petty cash must acknowledge receipt on the same voucher. Wherever possible, all petty cash payments must be accompanied by an official bill or receipt of expenses incurred. The same procedure shall be adhered to by Unit Coordinators at Unit level. Sample of petty cash payment voucher is shown in Appendix 13A.



6.0 OTHER PAYMENTS

- 6.1 In the event of payments by cheque, then the above procedure still applies except that the payment shall be made by cheque with a PAYMENT VOUCHER as shown in Appendix 13B and the necessary authorisation obtained.

7.0 STATEMENT OF ACCOUNTS

- 7.1 The Treasurer of a Centre and the Unit Coordinator of a Unit are required to prepare a quarterly statement of Receipts and Payments for the preceding quarter, and shall forward the same to the National Treasurer for the record of the Central Council. The statement shall follow the format shown in Appendix 13 H.
- 7.2 The Treasurer is required to prepare the Balance Sheet, Income and Expenditure Account and the Receipts and Payments Account at the end of each financial year in the form prescribed in Appendices D – G (collectively referred to as the Treasurer's Annual Report). In this regard, Units shall be responsible to the parent Centre by submitting their accounts for incorporation in the parent Centre's Annual Reports and Accounts.
- 7.3 The financial year of all Sai Centres and Units end on 30th April of each year as stipulated in the Central Council's Constitution.
- 7.4 The Financial Statements together with the other subsidiary accounts must be submitted to the auditors of the Centre for audit.

8.0 APPOINTMENT OF INTERNAL AUDITORS

- 8.1 All Centres are required to appoint/elect two Internal Auditors for a one year term to audit the accounts of the Centres at the end of the financial year. It is advisable that those appointed as Internal Auditors have an accounting background and that they shall not be actively involved in the financial dealings of the Centre.
- 8.2 The duties of the auditors are as follows:-
- (a) to conduct a stock check of all the assets of the Centre at the end of each financial year e.g. books, tapes etc.
 - (b) to audit the account books of the Centre and to report any accounting weaknesses in the system and give recommendations to correct these weaknesses.
 - (c) to certify and sign the Statement of Accounts prepared annually.



9.0 FUNCTIONS OF TREASURER

- 9.1 To be responsible for all financial matters of the Centre and to keep the necessary books of accounts.
- 9.2 To keep accounts of all the Centre's financial transactions and be responsible for their correctness and to get the same audited.
- 9.3 To maintain proper custody and safe keeping of all accounting documentation including statements of accounts, accounting records, bank statements, supporting documents and vouchers, cheque books, cheque stubs, official receipts and in such a manner so as to facilitate any examination or audit of the financial statements prepared.
- 9.4 An Asset Register shall be maintained to record all assets purchased. The register shall record the Date, Voucher Number, the Name of the Asset, Value and Particulars (Serial number, make etc).
- 9.5 A Fixed Deposit Register shall be maintained to record all monies placed under Fixed Deposit. It shall contain the following details: Date of Fixed Deposit, Name of Bank, Amount, Rate of Interest, Maturity Period and Terms and Conditions of Deposit.
- 9.6 A Receipt Book Register shall be maintained to record all receipt books in serial number order.
- 9.7 The Treasurer shall keep all unused receipt books and the Register under lock and key and will present them for audit check every year. He shall use only one Receipt book at any one time, in serial number order, and shall keep all used receipt books safely for audit purposes.
- 9.8 To prepare Balance Sheet, Income and Expenditure Account and the Receipts and Payments Account of the Centre at the end of the financial year. The financial year of a Centre covers the period 1st May to 30th April of the following year.
- 9.9 Annually, the Treasurer shall forward to the Central Council and the Registrar of Societies, within sixty (60) days after the Annual General Meeting of the Centre, a copy of the Treasurer's Annual Report consisting of the duly audited Balance Sheet, the Income and Expenditure Account and the Receipts and Payments Account made out as at 30th April of the financial year ended.
- 9.10 The copies of the Balance Sheet, the Income and Expenditure Account and the Receipts and Payments Account shall be signed by the Chairman, Secretary and Treasurer, as well as by the two Internal Auditors. A specimen copy of the Balance Sheet, Income and Expenditure Account and Receipts and Payments Accounts are shown in Appendix 13D, 13E and 13F respectively. The Chairman, Secretary, Treasurer and two Internal Auditors shall also sign and submit a report, a specimen copy of which is shown in Appendix 13G.



10.0 IMPORTANT POINTS TO BE NOTED IN RELATION TO FUNDS

- 10.1 There shall be no public appeal for Funds by Centres and Units.
- 10.2 The Treasurer of the Centre may receive donations from well-wishers who support the activities of the Organisation especially Service and Human Values programmes. Receipts must always be issued (see sample in Appendix 13 C).
- 10.3 The Treasurer of the Centre may receive donations from devotees for all activities such as Baba's Birthday, Shivarathri, Christmas, etc. Receipt must always be issued.
- 10.4 Donation Box of the Centre/Unit shall not be placed conspicuously. The Treasurer and one other office-bearer are to jointly open the box and record the contents on a periodic basis either monthly or quarterly at least.

