

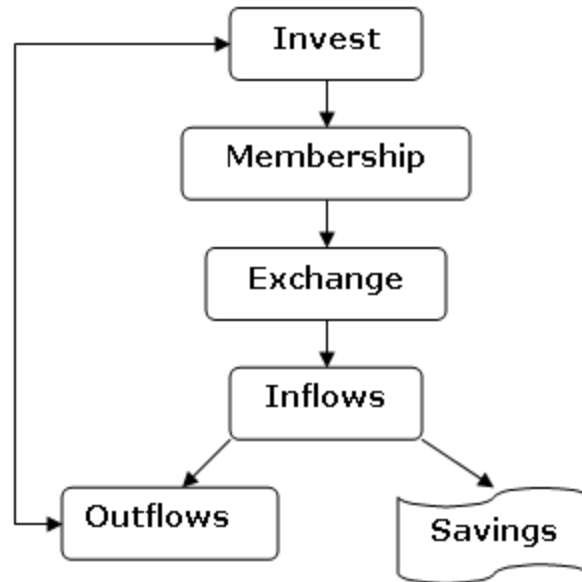
Standard Operating Procedures

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A. Profile

1. AIESEC is one of the world's largest youth driven organization founded in 1948 with the purpose of delivering "peace and fulfillment of human kind's potential". AIESEC is a not for profit, non-political and youth driven organization
2. In India AIESEC is registered as an NGO under the societies Act of 1860 and is registered under section 12A of the Income Tax Act.
3. The finance portfolio came into existence in the late eighties and since then it has evolved and will continue to evolve in the years to come. This portfolio is also known as the "backbone" of the organization as it's the most valuable resource that can help drive performance and growth of the organization.
4. Finance is the life blood of an organization it flows in mostly from scale of providing valuable services to meet the organizational goal. It flows out for meeting various types of expenditure. The activating element in any venture which may be on industrial or commercial undertaking is the finance.
5. Organizational finance has been defined as those activities which have to do with the provision and management of funds for the satisfactory conduct of an entity. Organizational finance is defined as that business activity which is concerned with the acquisition and conservation of capital funds in meeting the financial needs and overall objectives of the organization.
6. The difference between AIESEC's bottom line compared to any organization is that our bottom line is not money, but is the @AIESEC Experience which is the end all deliverable, although we do receive the value of our product before it is delivered, to mainly service the product (product being the intern who gives the company the experience) for the duration of the internship. And for future internships to come.
7. The following diagram explains the role of a Vice President Finance(VP-F) in short



B. Definitions and Abbreviations

1. **Budget-** A budget is a description of a financial plan. It is a list of estimates of revenues to and expenditures by an organization for a stated period of time. Normally a budget describes a period in the future not the past.
 - a. **Operating Budget-** Detailed projection of all estimated income and expenses based on forecasted sales revenue during a given period (usually one year). It generally consists of several sub-budgets, most important one being the sales budget which is prepared first. Since an operating budget is a short term budget, capital outlays are excluded because they are long-term costs.
 - b. **Budget outlay-** Sum of total expenses
 - c. **Turn Over-** Sum of total money earned(in simple terms, money earned over money spent)
2. **Liabilities-** Liabilities refers to the sum of all outstanding debts in which an organization owes to its debtors. At any given point of time a Local Committees assets must always be higher than the liabilities, only then the LC is said to be financially stable. In our case (AIESEC) the liabilities are
 - a. TN Raise Fee until the realization
 - b. EP Raise Fee
 - c. Loans and advances (if any)
3. **Assets-** Assets can be described as anything that holds value. Assets can be all types of things from office to fixed deposits etc. Assets are built through Income. In our case (AIESEC) our assets are- Assets are of 2 types, fixed assets and current. Fixed assets include

- a. Fixed deposit
- b. Furniture and fittings
- c. Infrastructure (computers)
- d. Other deposits

Current assets include-

- a. Bank Balance
- b. Cash in Hand
- c. Receivables and Payables

4. **Income**- The amount of money that a company gets after clearing all expenses/Liabilities is called Income. In our case (AIESEC) we clear reconciliation (MC Service Fee) and administrative expenses, the simple formula is-

a. $\text{Income} = \text{Savings} + \text{Assets(Fixed deposits)}$

5. **Inflow**- Is the amount of money that comes into the organization that includes liabilities and income. The modes of Inflow in AIESEC are of two types. Exchange Inflow and Sponsorship Inflow. Exchange inflow includes income and liability, the liability being reconciliation fee, the rest being Income.

a. $\text{Inflow} = \text{Income} + \text{Liability}$

6. **Outflow**- The amount of money that is spent for the smooth running/sustenance of an organization is termed as expenses. Internal and external liabilities also come under outflows. The formula is-

a. $\text{Outflow} = \text{Expenditure/liabilities} + \text{Assets(apart from fixed deposits)}$

7. **Cash Flow**- Cash flow is essentially the movement of money into and out of the organization; it's the cycle of cash inflows and cash outflows that determine the organizations solvency. The formula for cash Flows is-

a. $\text{Inflows} - \text{Outflows} = \text{Cash Flow}$

- b.** If inflows are more than the outflows then the cash flow is positive as a surplus is earned. If inflows are less than the outflows then the cash flow is termed negative. Cash flows are calculated over a period of time such as monthly, quarterly or yearly.

8. **Reconciliation**- Reconciliation or Recon in short is a fee that an LC pays which is a part of its inflow from an EP (Exchange Participant) or TN (Traineeship Nominee) to the National Association for the services that they provide such as myaiesec.net, LC goal setting and servicing.

9. **Debt**- Debt is amount of money or something of value that is borrowed from a person/organization referred to as a debtor. Usually a debt that is borrowed will carry

some type of penalty along with the payback such as an interest, or service. In our case we charge a mandate fine for delay in payment and do not charge interest.

10. **Principal**- Principal is used to describe the amount of money that is borrowed without including any interest or additional fees. Ex- the initial amount given for the initiation of operations for a new local committee.
11. **Depreciation**- is a term used in accounting, economics and finance to spread the cost of an asset over the span of several years.
In common speech, depreciation is the reduction in the cost of an asset used for business purposes during certain amount of time due to usage, passage of time, wear and tear, technological outdateding or obsolescence, depletion, inadequacy, rot, rust, decay or other such factors. In AIESEC fixed assets such as computers, furniture, fittings, and other electronic items are the ones that have depreciating value.
12. **Appreciation**- In accounting, appreciation of an asset is an increase in its value. In this sense it is the reverse of depreciation, which measures the fall in value of assets over their normal life-time. Generally, the term is reserved for property or, more specifically, land and buildings. In AIESEC, Fixed deposits are a clear example of an appreciation, since they earn interest over the initial amount.
13. **Fixed Deposit**- A fixed-income debt security, usually issued by banks. A Fixed Deposit is like loaning the bank your money. In return, they pay you interest. A fixed deposit comes under assets of a local committee.
14. **Audit**- In financial accounting an audit is an independent assessment of the fairness by which a Local Committee's financial statements are presented by the Vice President Finance. An external audit is performed by qualified individuals known as auditors or accountants who then issue an auditor's report on the results of the audit a copy which is sent to the Member Committee.
 - a. An internal audit is conducted by the LC-VP-F along with the MC-VPF at the national office twice in a financial year. The Local committee can only proceed to file its papers for the external audit once the MC-VPF certifies the authenticity of the documents provided for all the transactions at the internal audit.
15. **Mandate Fine**- A mandate fine of a certain amount is charged if Tally, recon or external audit documents are not sent on time to the national association. A mandate fine stands at 20000/-
16. **Investment**- In finance, the expense made on an item of value or with an expectation of favorable future returns. In general terms, investment means the use of money in the hope of making more money in the near or far future.
17. **ROI**- Return on Investment is the profit or surplus you make over the initial amount invested on a person, product or item.

Books- Storage of hard and soft copies of all financial transactions of an organization is book keeping.

18. **Profit/surplus-**The positive gain from an investment or operation after subtracting for all expenses.

19. **Net Profit/Loss-** Often referred to as the bottom line, net profit/loss is calculated by subtracting a company's total expenses from total revenue, thus showing what the company has earned (or lost) in a given period of time (usually one year). Also called net income or net earnings.

20. **Gross Profit/Loss-** Total profit/loss calculated after deducting operating costs from operating expenses.

21. **Corpus-** An amount of money that is set aside that can be used in case of accidents/theft/damages or be used to generate more income on the future.

22. **Loss/deficit-** A condition in which a company's expenses exceed its revenues. Opposite of profit. A reduction in the value of an investment.

23. **Break Even-** A calculation where the approximate income value is enough to meet the expenses, above which a profit is recorded, below which a loss, such a point is called the breakeven point.

24. **Voucher-** A document that authorizes as well as contains all the details of a transaction is called a voucher.

- a. Payment Voucher
- b. Receipt Voucher

25. **Invoice-** A bill issued by one who has provided services or products (Client/AIESEC) that describes the total cost of the product or the services provided

26. **Debit-** An expense that results in increase in assets or decrease in liabilities

27. **Credit-**

- a. Income
- b. A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some later date

28. **FTF-** Finance Task Force, chaired by the VP-F and one of the members is the LCP by default, the third member being the VP-ER. The members of the Finance Task Force are also the signatories of the local committees' bank accounts. The role of this team is to plan, assess and authorize financial decisions of the LC.

29. **Group-** A main financial transaction descriptive head with a total of the sub heads under it.
30. **Ledger-** A sub financial transaction descriptive head under a group that has an independent amount.
31. **SCOA-** Standard Charter of Accounts is a list of all the accounting groups and ledgers used in AIESEC.
32. **Remittance-** The sending of money through wire, cheque or cash. In short- **Payment**
24. **FCRA-** Foreign Currency Regulation Act. This certification is required from the government for allowing foreign remittances made to our bank account. We can apply for FCRA in the future, as of now we do not have it and therefore we cannot accept funds from foreign countries/banks/currencies
33. **PAN-** (Personal Account Number). The number on the PAN card is a unique ID that is used by the government to track the annual income of an organization. By this means they keep a check to track if the entity is paying taxes on time which is a set percentage of the total income. In AIESEC's case since we do not pay tax, we have to maintain a ratio wherein AIESEC spends 80% of its total incomes and saves only 20%. If AIESEC breaches the ratio, by saving more than the set percentage, the organization is liable to show cause for the savings to the government. If there is no relevant reason for the high savings percentage, the section 12-A registration will be revoked and AIESEC will have to start paying taxes.
25. **TDS-** (Tax Deducted at Source) any income payable to AIESEC shall be liable for deduction of tax at source by the Organization responsible for making payment. TDS is deducted at prescribed rate as per the Finance Act of that year. The deducted amount (tax) is retrieved by acquiring a "**16A Certificate**" from the organizations who have made TDS payments. These certificates have to be submitted to the national office while filing for tax returns post the half yearly and annual audit.
26. **Net Banking-** being able to execute transactions over the internet
- TPT-** (Third Party Transfer). An online transaction facility where in funds can be transferred to any bank in India where the third party being the bank receiving the transaction,
 - RTGS-** (Real time gross settlement), minimum amount 1 lakh done through net banking
 - NEFT-** (National Electronic Funds Transfer), no limit on the amount of transfer.
 - IFSC-** Indian Financial System Code. This is a eleven digit alphanumeric code and unique to each branch of bank. First four tells about name of bank and remaining seven tells about branch number. This code is given on the cheque book. It also required transferring the money by NEFT or RTGS if you don't know the address of branch.

- e. **Enet-** Is a net banking privilege that is given to corporate companies for the following purposes-
 - i. Any number of signatories can jointly authorize transactions
 - ii. Print your own cheques
 - iii. Gain control over bank accounts of various branches/multiple bank accounts
 - iv. Enet runs through 3 users where the software is installed in the computers used by them. The users have a unique password and ID.
 - 1. Inputter- The one who enters the amounts and is given a unique password to do so. Inputter is ideally LCP
 - 2. Verifier- The one who verifies the transaction. Verifier is ideally the 3rd signatory part from the LCP and VP-F
 - 3. Authorizer- The one who authorizes (sends/Receives) the transaction. Authorizer is ideally the VP-F
 - b. **Bank Overdraft-** A certain amount released by the bank if a cheque is issued and insufficient funds are present in the account. The amount released by the bank to clear the cheque is called an overdraft.
27. **Tally-** Is a software that helps keep track of all transactions/books of an organization with regards to sales/incomes, purchase/expenses at multiple locations and displays a comprehensive state of the organization with regards to profit/loss, assets/liabilities etc.
- a. **Profit and Loss sheet-** Displays the detailed list of incomes and expenses based on the duration of assessment and displays an end result of net/gross profit/loss
 - i. Direct income- A detailed break up of all incomes
 - ii. Direct Expenses- A detailed break up of all expenses
 - b. **Balance Sheet-** A quantitative summary of a company's financial condition at a specific point in time, including assets, liabilities and net worth. The main part of a balance sheet shows all the productive assets a company owns, this includes the following-
 - c. **Fixed Assets-** A long-term, tangible asset held for business use and not expected to be converted to cash in the current or upcoming fiscal year, such as computers, electronic items, and furniture.
 - d. **Current Assets-** A balance sheet item which equals the sum of cash and cash equivalents, accounts receivable, bank balance, cash in hand and other assets that could be converted to cash in less than one year.
 - e. **Deposits-**
 - i. **Fixed deposit-** A fixed amount saved in the bank over which an interest is earned based on the period set for fixture post which the amount gets added to your bank account and the interest over the amount from then on is terminated.
 - ii. **Caution Deposit-** An amount paid in advance which will be returned after assessing the damages caused in the case of a venue or usage of an item, out of which the cost for damages is deducted and the balance is returned. In case of no damages the entire amount is returned without any deductions.

- iii. **Property Deposit-** Similar to caution deposit, where an initial amount is paid before possession of property and is returned at the end of the duration of the contract after assessing damages.
- f. **Current Liabilities-** Immediate payments that have to be made to people/companies who have provided services. It can also be return of initial amount given in case service promised by AIESEC are not delivered, ex- TN/DT/OGX raise fee.
- g. **Minimum ER Income-** When total exchange expenses are subtracted from total exchange income, the deficit or the extra amount required in facilitating LC initiated traineeship is called Minimum ER income.

C- Planning Procedures and Standards

1. Budget-

- a) The template provided by the national office shall be used to make the annual budget for the Local Committee.
- b) A local committee cannot modify the heads mentioned in the budget without the permission of the MCVP-F
- c) Names of companies, events, projects and products can be added.
- d) The duration of the budget shall be from January 1st- December 31st in an ideal state.
- e) The duration of the budget cannot be less than 12 months.
- f) Only a full budget with detailed incomes and expenses which is pre-approved by the National office shall be presented at the Annual General Meeting for Ratification.
- g) A budget must have the following-
 - i. Detailed Incomes and Expenses with a month wise break up under the following heads-
 - 1. TN/DT/OGX
 - 2. Events
 - 3. Administration
 - ii. Overview of-
 - 1. Investment areas
 - a. Membership
 - b. Trainees
 - c. Administration
 - d. Savings
 - e. Corpus
 - 2. Total ER Income
 - a. Events
 - b. Products
 - c. Projects
 - d. Minimum ER Income, based on Extra investment required to support the exchange departments
 - 3. Net Profit/Loss (Total Income-Total Expenses)
 - 4. Cash Flows

A break up of the heads is as follows-

Expenses

Office- (A)	Equipment	Exchange Expenses
Rent	Computer	Trainee Reception(T)
Phone	Printer	Trainee Integration(T)
Internet	Scanner	Department Meetings(A)
Stationary and Supplies	Fax Machine	Exchange Competitions(M)
Postage and Courier	Phone	Events(T)
Furniture and fittings	Skype Phone/cameras	Department Souvenirs(A)
Printer cartridges and toner	Projector	Travel & Conveyance(A)
Maintenance	Modem/Router	Printing(A)
Business Cards	National Conferences	Stationary(A)
Legal Expenses	Trophies and Medals(M)	Internet(A)
Office Assistant	Local Conferences	Postage and Courier(A)
Auditor/Accountant Fee	LCP Travel Subsidy(M)	Phone(A)
Electricity	LCP Delegation Fee Subsidy(M)	Trainee Flat Items(T)
Water	GB Subsidy(M)	EP Preparation(T)
Website	EB Subsidy(M)	EP re- Integration(T)

Events	Income
Venue	TN/DT/OGX Raises
Printing & Publications	TN/DT/OGX Inflow
Transport & Conveyance	TN/DT/OGX Income
Onsite Logistics	TN/DT/OGX Realization
Projector	TN/DT/OGX Inflow
Lights	TN/DT/OGX Income
Sound systems	TN/DT/OGX Saving&Corpus (S+C)
Stalls	Sponsorship
Media Coverage	Events
Stationary and Supplies	Projects
Souvenirs	Exchange Projects
Promotion Material	Other Income
Food and Beverages	Miscellaneous Income
	Financial Income

The above heads mentioned are the basic minimums that HAVE to be present in all budgets made.

- h) The Local Committee must plan for the minimum expense/investment standards driven down by the National office which states that, the total exchange **Income**(Amount after paying recon) of a local committee must be divided into 5 main broad areas which are vital in driving growth and sustaining the organization. The heads and the percentage investments are called the (Focus-5) in short, they are-
- Membership-30%
 - Trainees- 30%

- iii. Administration- 20%
- iv. Savings- 10%
- v. Corpus- 10%

The reason behind this segregation is to ensure that maximum amount of our investments shall be made on our core strengths which are membership and trainees and the next priority towards the operations that support the growth of our core products. Membership, Trainees and Administration add up to 80%, while savings and corpus add to 20%. Based on our NGO and Tax registration an NGO (AIESEC) can save only 20% of its total income and the remaining 80% shall be directed towards expenses or investments that help drive growth of the organization. Keeping this in mind the above percentages were set.

- i) Ideally 70% of Sponsorship revenue shall be spent on the project specifically it has been raised for and the remaining 30% can be directed to any head under the focus-5. Quality of the project and its future return on investment hold a slightly higher value than just making profit, although that shall not be neglected.
- j) A budget that records a loss or breaks even cannot be presented at an Annual general Meeting or be implemented.
- k) A budget cannot include salaries to members.
- l) Stipends for trainee for LC run projects can be budgeted for and shall be included under project expenses
- m) Three types of budgets shall be made-
 - i. **Goals**- Based on the goals of the LC- This budget shall be drafted based on the exchange targets set by the exchangers in the beginning of the year, although 2 things that shall be kept in mind are that the targets shall be reduced by 25% out of the actual set target and also that the division of exchanges between TN,DT and OGX should not go below than 9:1:1 where in if 9 DT exchanges are done a minimum of 1 TN and 1 OGX have to happen as the revenue from TN and OGX is used to support DT, therefore if the ratio falls below 9:1:1, you might end up making a loss annually. Therefore ensure that the division is always above 9:1:1
 - ii. **922**- In a 922 Budget, reduce the total exchange target by 35% and allocate targets in the ratio of 9:2:2 to DT:TN:OGX respectively
 - iii. **911**- In a 911 Budget, reduce the total exchange target by 50% and allocate targets in the ratio of 9:1:1 to DT:TN;OGX respectively
- n) Note that in all budgets the investment/expense percentages will remain the same as mentioned by the national association, irrespective of the types of budgets.
- o) An operating budget(based on actuals shall be maintained) on a constant basis
- p) All three budgets have to be approved by the FTF and the Executive body before being presented for ratification at the Annual General Meeting.
- q) A budget should not be disclosed to ANY external entity or person.
- r) A budget can be disclosed to the local committee
- s) A budget must be drafted keeping in mind a detailed plan of action that includes
 - i. Membership
 - ii. Market segmentation

- iii. Global exchange trends
- iv. Past Performance
- v. Overall Capacity
- t) A budget cannot include any monetary benefits for the membership or any other individual.
- u) A budget cannot include subsidies given in cash, although the expense shall be paid for by the local committee directly.

D- Governance

- 1. Financial Policy
 - a) General Policies
 - b) Budgeting Policies
 - c) Audit Policies
 - d) Banking Policies
 - e) Use of Asset Policies
 - f) Exchange Policies
 - g) Project Policies
 - h) Reimbursement Policies
 - i) Subsidy Policies

a) General Policies

i. The Finance Task Force

- 1. The finance task force shall be the team overlooking the finances of the local committee.
- 2. The Finance Task Force should consist of three members from the Executive Board of the local committee.
- 3. The Local Committee President should be a part of the Finance Task Force.
- 4. The Finance Task Force shall be chaired by the Vice President Finance.
- 5. Any expense budgeted or not needs to be brought up and passed by the Vice President Finance.
- 6. Any changes in the Financial Policy should be first passed by the Finance Task Force before being implemented.

- ii. All cheques, drafts and bills etc. should be made in the name of "**AIESEC**
_____".
- iii. All invoices of the Local Committee shall be payable within a duration of 15 days of the date of submission of Invoice.
- iv. **The PAN**
 - 1. The PAN No. for AIESEC India is **AABTA3359F**.
 - 2. For all tax related purposes AIESEC _____ shall use the PAN of AIESEC India as a whole.
 - 3. The PAN No. AABTA3359F has been updated into the Local Committee's bank account (HDFC). This can only be changed after written authorization has been received from the Member Committee.
 - 4. No rewards & recognition should be given in cash.
 - 5. No member is personally liable for undertakings of the Local Committee
 - 6. All members going for a conference must pay their delegate fee on the date mentioned by the Vice President Finance, failing which a fine of Rs. 100 shall be levied each day or the fine levied to the Local Committee for the delegates late payment
 - 7. The Vice President Finance (Finance Controller) is responsible for the finances within the Local Committee; though shall be aided by the Finance Task Force.
 - 8. 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.

b) Budgeting Policies

- i. 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.
- ii. 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.
- iii. Any changes to the budget must be first passed by the Finance Task Force and then presented to the Executive body and then the General Body.
- iv. Any changes over Rs. 20,000 must be first passed by the Finance Task Force and then ratified by the General Body.

- v. An actuals vs. budgeted report of the budget must be passed around to the General Body at the Annual General Meeting.
- vi. The LC reserve and long term investments must be kept in mind while making the budget.
- vii. The Finance Task force must review the budget at the end of every month.
- viii. The budget and other financial documents are open to all the full members of the Local Committee.

c) Audit Policies

- i. The accounts of the Local Committee will be maintained in "tally 9.ERP".
- ii. The accounts will be maintained according to the standard charter of accounts as prescribed by the Member Committee.
- iii. The tally report for the preceding month has to be synchronized to the Member Committee (Vice President Finance) by the 7th. Failing which a mandate fine of 20000/- is applicable
- iv. There shall be an **internal audit** conducted every quarter 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. Failing which a mandate fine of 20000/- is applicable
- v. The Local Committee shall engage the services of a Chartered Accountant presented by the national office in _____ who shall audit the accounts and present them to the national office.
- vi. The name of the firm hired to the accounts of AIESEC _____ is _____

d) Banking Policies

- i. The Local Committee shall operate out of HDFC Bank only.
- ii. There must be three signatories to the Bank Account.
- iii. All the signatories to the account must be on the Executive Board of the Local Committee. They must be The Local Committee President, Vice President Finance and another member of the Executive Board who is on the Finance Task Force of the Local Committee.
- iv. The official signatories of the Local Committee's Bank Account in HDFC no: 0xxxx xxxx xxxx xx, namely AIESEC _____ are;
 - LCP- Name
 - VP-F- Name

- VP-ER- Name

- v. The Bank Account shall be operated by the Vice President Finance and the Finance Task Force in the absence of the Vice President Finance.
- vi. No Postdated cheque shall be accepted.
- vii. Outstation charges on cheque, drafts shall be borne by the issuer. The tax on these cheque shall also be borne by the issuer.
- viii. In the event of a cheque bouncing, the cost incurred by the Local Committee shall be added to the amount payable by the issuer of the cheque. All services being provided to the issuer shall be put in abeyance till the time the new cheque is credited into the account.

e) Use of Asset Policies

- i. No loan shall be given to any member regardless of the post under any circumstances.
- ii. The Local Committee shall at no time provide funds for on behalf of a member (For example delegate fees) without having first received the complete sum from the member.
- iii. 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.
- iv. The Local Committee property and equipment may not be used for personal usage or for personal benefit by any member.
- v. Any member will be individually and directly responsible for any damage or loss to the Local Committee's property. Any loss would be borne directly by the member. 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 team. The member will be exempted from the liability if the FTF considers the reasons valid enough after reviewing his/ her case.
- vi. Local Committee property and equipment may not be used for personal purposes or benefit of any member.
- vii. A member must return all Local Committee assets to the office or the Local Committee President before resignation.

f).Exchange Policies

- i. The administration fees for the different exchange programs are as follows;

Program	Raise	MC Recon	Realization	MC Recon	Security Deposit	Total
Incoming Exchange						
Corporate Sector						
Development Sector						
Educational Sector						
Outgoing Exchange						
Management/Technical						
Development/Education						
Short Term						

1. No form shall be put on available status until the administrative fees have been duly paid by the organization or student nominee.
- ii. All raise fee of the organizations is liable to be returned only if AIESEC _____ cannot meet with the requirements which had asked for while signing the traineeship job questionnaire.
- iii. The money for all Students that are matched for the Outgoing Exchange
- iv. Program should be received by the Vice President Finance in physical form within 13 days. If this does not happen then the reimbursements for VP responsible are cancelled For every five forms that are put up on matched status without the money coming in, the first match is broken.
- v. All money from all companies whose trainees are realized should be received
- vi. in physical form by the Vice President Finance within 14 days. If the money doesn't come in by the 14th day then all dealings (such as matching any of their forms, raising with the company etc.) are put into abeyance till the money comes in.
- vii. Reminders are to be sent to external organizations who are debtors of the Local Committee. Account managers and their team leaders are responsible for this. A copy of these reminders must be sent to the Vice president Finance.

g).Project Policies

- i. The budgets of any project must be presented before the Finance Task Force for ratification of the project team.

- ii. The budget for any project must be made by the Project responsible (Organizing Committee President, Project Finance controller) and the Vice President Finance of the Local Committee.
- iii. Expenses of no project shall be undertaken until the budget for it is made and is passed by the Finance Task Force.
- iv. 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 GBM
- v. Any infrastructure taken for the project shall be returned in the same condition to the Local Committee Office after the completion of the project.

h).Reimbursement Policies

- i. Reimbursements shall be made only if the nature of work is official.
- ii. No reimbursements shall be provided for which services are available at the AIESEC _____ Office; these include;
 - 1. Printouts (B&W)/Color
 - 2. Scanning
 - 3. Internet usage
 - 4. Phone Calls (Local, National, International)
 - 5. Reimbursements for local/ International Faxes will only be made if the expense has been approved by the respective VP's/ project managers.
- iii. Bills/receipts should be submitted in the GBM within 15 days from the date of transaction /incurring the expense. The VP s of the respective departments/project finance controllers will be responsible for the same. The reimbursements will be done in the next GBM.
- iv. Reimbursements will be made after General Body Meetings by the Vice President Finance. In case of GBM not being conducted reimbursements will take place at_____
- v. Reimbursements shall only be given on the bills submitted along with the duly filled claim sheets.
- vi. 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.
- vii. Bills/ Invoices should be made in the name of **AIESEC** _____.

- viii. Any reimbursement over the amount Rs. 200 will have to receive prior approval of the Vice President Finance.
- ix. Any unbudgeted expense must be first passed by the Vice President Finance before they are reimbursed.
- x. No member shall be reimbursed after the member has resigned.
- xi. The Vice President Finance should be informed of the reimbursements in a pre-decided manner. No other reimbursements shall be entertained.
- xii. Travel reimbursement
 - 1. Travel reimbursements shall be provided only if the requisite bills are provided.
 - 2. Local travel reimbursements shall be provided based on the distance covered multiplied by minimum cost of travel per kilometer based on bus/cab/auto/train (has to be decided by the local committee)
 - 3. Outstation travel reimbursements shall only be provided for after a formal request has been made to the Vice President Finance which is in turn put forth the Finance Task Force.
 - 4. Outstation travel shall be sanctioned by the FTF on a document with the original signature of at least two members of the FTF authorizing the trip. The letter shall be attached to the subsequent voucher created for the visit.
- xiii. Reception Reimbursement
 - 5. Members shall be reimbursed for the travel to the airport and for the subsequent airport parking charges for the pickup.
 - 6. The total amount for any pick up shall not exceed Rs. _____ (Ideally shall be the cost of fuel surcharge calculated at 14/- kilometer),

i).Subsidy Policy

- i. A subsidy is a reward for having worked/working for the Local committee and not an incentive to work.
- ii. Only the Local Committee President is allowed to disperse subsidies to any member with regards to all member development opportunities.

- iii. Subsidies shall not exceed the budgeted amount.
- iv. Subsidies shall only be given if the financial standing of the Local Committee is healthy.

2. A brief overview of the financial policy-

- a. A financial policy must be presented post the presentation of the budget at the Local Committees Annual General Meeting.
- b. The policy must include basic minimums such as-
 - i. Bank Details- shall include bank Name, address, account number, PAN number
 - ii. Authorized Signatories- The bank shall be operated by a minimum of 3 signatories out of which the LCP and VP-F by default and the third member shall ideally be the VP-ER.
 - iii. Authorization Channels- Shall is well defined in terms of the different levels of leadership authorizing up to certain slabs. The governing bodies shall include-
 - 1. VP-F- Can authorize up to 10000/-
 - 2. Finance Task Force can authorize up to 30000/-
 - 3. Executive Body- Above 30000/-
 - 4. MC- 50000 and above (Non governing body)
 - iv. Timelines-
 - 1. Review meeting dates- At the end of every month/quarter
 - 2. Reimbursement dates- Weekly
 - 3. Internal audit dates- September and March
 - 4. Company and EP payment and receipt durations- 15 days from date of signage of contract/delivery of the traineeship/Intern
 - 5. Payment clearance- All fixed payments such as office expenses, monthly vendors shall be paid within the first 10 days of the month
 - v. Internal Audit- An internal audit is mainly a review of all transactions for a set duration. Members comprising of the internal audit, being the FTF and the Member committee Vice president finance. Document required for the internal audit are.
 - 1. Receipt and payments bills and vouchers
 - 2. Bank Statements
 - 3. Updated Tally
 - 4. Fixed Deposit Receipts
 - 5. Contracts
 - 6. MOU's

The above documents mentioned will be verified one by one with the entries of tally and the bank statements will also be checked for authenticity by the other members of the FTF and the executive body, a final result of which is presented to the General body.

In case of any discrepancies, the VP-F/FTF will be given a duration of 10 days to re-present the documents for the transactions.

- vi. Non-compliance of conducting the internal audit on time will lead to an imposition of a mandate fine by the MC.
 - vii. Reimbursement and general policies- Shall be strictly adhered to and shall be non-biased. Policies of reimbursement can be mended to an extent keeping in mind the geographical, layout and economy of the city in which the local committee is present, although the minimum standards shall not be mended.
2. Standard Charter of Accounts- A local committee is not authorized to add/edit/delete any of the main groups, groups/sub group or ledgers in tally. Only the ledgers that say- "Example" under the notes column can be edited, apart from that prior permission needs to be taken from the Member committee for any other changes.
 3. Coding sequence to be followed- Example

S-GROUP

S1-

S1-A,B,C....Z,AA,AB,AC
S1-A1,A2,A3

S2→SUB GROUP

S2-A,B,C....Z,AA,AB,AC,AD--→ SUB SUB GROUP
S2-A1,A2,A3--→ LEDGER

	Main Group
	Group/ledger
	Sub Group/ledger
	Ledger

		Particular	Notes
CODES	I	ASSETS	
A		Fixed Assets	
A1		Furniture & Fittings	All furniture related items should come under this group
A2		Computers & Printers	All desktops/laptops, printers, scanners, camera's should come under this group
A3		Any Other Appliances	All appliances, for the office/trainee house (fridge, washing machine, LCD, vacuum cleaner etc.) should come under this group
A3-A		Fridge	Example
A3-B		Toaster	Example
B		Investments	
B1		Fixed Deposits	Fixed Deposits made by the LC specifically for Reserve Purposes
B1-A		Andhra Bank FD	Example
B1-B		Canara Bank FD	Example
B1-C		ICICI FD	Example
B1-D		AXIS FD	Example
B1-E		HDFC FD	Preferred
B2		Investment Name	Any investment made other than in a fixed deposit
B2-A		Investment in Post Office	If the LC would like to invest in post office funds which yield lesser rate of interest than banks
B2-B		Investment in Bonds	Do not venture into this

C	Current Assets	
C1	Cash	LC Amount in physical form in hand
C2	HDFC-account number	Your trust savings account which you use on a daily basis
C3	Short term investments	Fixed Deposits made by the LC other than for Reserve purposes
C3-A	Short Term Deposits	Example
C4	Accounts Receivable	
C4-A	Accounts Receivable (Corporate)	Amount receivable from a corporate client for which a service that has been provided
C4-A1	Google	Example
C4-A2	Oracle	Example
C4-A3	Wipro	Example
C4-A4	American Express	Example
C4-B	Accounts Receivable (Development)	Amount receivable from a development client for which a service has been provided
C4-B1	Cry	Example
C4-B2	Old AGE INDIA	Example
C4-C	EP-Name	Amount receivable from a student going on an exchange
C4-C1	Mohit	Example
C4-C2	Kumar	Example
C4-D	Accounts Receivable Local Committee-Name	Amount receivable from other local chapters in the network
C4-D1	Baroda	Example
C4-D2	Mumbai	Example
C4-E	Accounts Receivable (Trainees)	Amount receivable from a trainee
C4-E1	John	Example
C4-E2	Jack	Example
C4-E3	Meera	Example
C4-F	Accounts Receivable (Members)	Amount receivable from a member of the local chapter
C4-F1	Ajay	Example
C4-F2	Vijay	Example
C4-F3	Vinay	Example
C4-G	Other-Receivables	Amount receivable from anyone else apart from the ledgers mentioned above
C4-G1	X	Example
C4-G2	Y	Example
C5	Deposits	
C5-A	Trainee House Deposits	Amount paid to Owners of trainee houses as security
C5-A1	Manveer Grewal	Example
C5-B	Prepaid Expenses	Expenses paid in advance (completely utilized or for the part not utilized)
C5-B1	Telephone Bill	Amount paid in Advance for a particular service
C5-B2	Insurance	Amount paid in Advance for a particular service
C5-B3	Salary	Amount paid in Advance for a particular service
C5-B4	Any Other Expenses	Amount paid in Advance for a particular service

C6		Loans & Advances (Assets)	Loans/Advances given by the Local Chapter
C6-A		Any Advances specify	Any other loans or advances
C7		T.D.S	Tax Cut by organisations when payments to AIESEC are made
C7-A		Break Up Party Wise	Ex-
C8		Memorabilia Stock	Memorabilia items like Tshirts etc. for sale
C8-A		Event Wise	
C8-A1		CAPS	Example
C8-B1		T SHIRTS	Example
	I	LIABILITIES	Example
D		Capital Account	
D1		Retained Earnings	Don't use this
D2		Current Earnings	Don't use this
D3		LC Reserve-Name	A Reserve or a fund created for a specific purpose
D3-A		SAVINGS & CORPUS	Savings
D3-B		Reserves & Surplus	Savings
E		Loans (Liabilities)	
E1		Loans Received	Loans taken from MC, LC's, AIESEC Development Fund etc
E1-A		MC	Loan taken from the MC
E1-B		LC	Loan taken from another LC
E1-C		MEMBERS	Loan taken from members
E1-D		ANY OTHER SPECIFY	
E2		Bank Overdraft	An overdraft (Amount received to clear cheques) from the bank(Do not use this ledger)
E2-A		HDFC Overdraft A/c	An overdraft (Amount received to clear cheques) from the bank (use this ledger)
F		Current Liabilities	
F1		TN-Name-RD	Refundable Fee(if trainee not provided) paid by corporate clients before a raise
F1-A		Google - TNMT RD	Example
F1-B		Micro Soft - TNMT RD	Example
F2		TN-Name-RD	Example
F2-A		Google - TN TT	Example
F2-B		Micro Soft - TN TT	Example
F3		MC Dues	MC Reconciliation/loans paid delayed in payment
F4		Name	Amount payable-may be grouped as in the case of Accounts Receivables(Current Assets)
F4-A		Trainee-Deposit	Amount taken from trainees at their arrival as a security deposit
F4-B		trainee Name – Alex	Example
	I	INCOME	
G		Exchange Income	
G1		TN MT FEE	Amount received on the raise or match of a TN-Management form
G1-A		Google – TNMT	Example
G1-B		Micro Soft – TNMT	Example
G2		TN TT FEE	Amount received on the raise or match of a TN-Technical form
G2-A		Google - TN TT	Example
G2-B		Micro Soft - TN TT	Example

G3	TN DT FEE	Amount received on the raise or match of a TN-Development form
G3-A	CRY- TNDT	Example
G4	TN ET FEE	Amount received on the raise or match of a TN-Education form
G4-A	SRINIDHI SCOOL	Example
G5	Misc Exchange Income	EP Raise /TN raising fee written off under certain circumstances
	OGX Income	
H	LONG TERM	
H1	EP-MT Fee	Amount received on the raise/match of an EP-Management form going through Common Induction
H1-A	ALEX	Example
H2	EP-TT Fee	Amount received on the raise/match of an EP-Technical form going through Common Induction
H2-A	ALEX	Example
H3	EP-DT Fee	Amount received on the raise/match of an EP-Development form going through Common Induction
H3-A	ALEX	Example
H4	EP-ET Fee	Amount received on the raise/match of an EP-Education form going through Common Induction
H4-A	ALEX	Example
H4-B	Ramesh	Example
H5	OGX Miscellaneous Exchange Income	EP Caution Deposit of a member going on exchange written off under certain circumstances
I	OGX Income Short Term	
I1	EP-MT Fee	Amount received on the raise/match of an EP-Management form going through Common Induction
I1-A	ALEX	Example
I2	EP-TT Fee	Amount received on the raise/match of an EP-Technical form going through Common Induction
I2-A	Munez	Example
I2-B	Santiago	Example
I3	EP-DT Fee	Amount received on the raise/match of an EP-Development form going through Common Induction
I4	EP-ET Fee	Amount received on the raise/match of an EP-Education form going through Common Induction
I5	OGX Miscellaneous Exchange Income	EP Caution Deposit of a member going on exchange written off under certain circumstances
J	National Exchange Partnership Income	
J1	NEP Realization Fee	Amount received from the MC for NEP Realizations
J1-A	Wipro	Example
J2	NCEP Realization Fee	Amount Received from the MC for NCEP Realizations
J2-A	DHL	Example
K	Sponsorship Income	
K1	Sponsorship – BOA	Cash Sponsorship received from BOA/BOA Companies
K1-A	GODREJ	Example
K2	Sponsorship – Corporate	Cash Sponsorship received from corporates - non BOA
K2-A	IFOSYS	Example
K3	Sponsorship- Alumni	Cash Sponsorship received from Alumni

K3-A	Alex	Example
K4	Sponsorship – Publications	Cash Sponsorship received through advertisements in brochures, annual reports and other publications
K5	Exchange Project Sponsorship	Sponsorship Received for projects/Events
K5-A	Genesis	Example
K5-B	Conference Sponsorship	
K5-B1	National conference	Example
K5-C	Recruitment Sponsorship	Sponsorship received for recruitments
K5-D	Event Sponsorship	Sponsorship received for a small event
K6	Sponsorship – Others	Cash Sponsorships received from other sources
L	Financial Income	
I1	Interest on HDFC-account number	Bank interest on the account/s used by the Local Chapter which is credited to the Local Chapter account
I2	Interest on FD-fixed deposit number	Interest on Fixed Deposits held by the Local Chapter credited annually or quarterly
I3	Interest on Investment-name	Interest in any other investment held by the Local Chapter
M	Miscellaneous Income	
M1	Trainee Flat Rent Received	Amount received from trainees for trainee accommodation
M1-A	Flat A	Example
M2	Memorabilia Sales	Income received for the sale of memorabilia stock
M2-A	CAPS	Example
M2-B	T-SHIRTS	Example
M3	Other Income	Any income which does not fall in any of the above categories
X	Expansion Income	Amount received from Expansion LC
X1	Expansion ICX Income	Amount received from TN and DT from Expansion LC
X2	Expansion OGX Income	Amount received from OGX from Expansion LC
X3	Expansion Sponsorship income	Amount received as Sponsorship from Expansion LC
	I V	
	EXPENSES	
N	Expansion Expenses	
N1	Expansion travel	Amount spent to travel to Expansion LC
N2	Expansion Co-coordinators allowance	Amount given to Expansion co-coordinator as allowance
N3	Expansion Administration Expenses	Amount spent on Expansion Administration costs being office/stationary etc
N4	Expansion Project Expenses	Amount spent on Expansion Projects being events, exchange projects
W	Incoming Exchange Expenses	
W1	Intern Preparation	All expenses related to the preparation of interns
W2	Intern Reception & Integration	Amount spent on the reception & integration of interns i.e. airport pick ups, survival kits etc.

W3	Intern Learning Activities	All Amount spent on learning events and activities for Interns
W4	Intern Measurement & Evaluation	Amount spent on the measurement & evaluation of interns
W5	Intern Travel & Conveyance	Amount spent on travelling for Interns appointments etc.
W6	Intern Accommodation Expenses	Amount spent in accommodation of interns
W7	Promotion and Marketing	Amount spent on promotional material
W8	Exchange Project Expenses	Amount spent on Exchange projects
W8-A	Genesis	Example
O	Member Exchange Expenses	
O1	EP Preparation	All expenses related to the preparation of members going on an exchange
O2	EP Re integration	Amount spent on re integration activities, conferences, initiatives etc.
O3	EP Learning Activities	All Amount spent on learning events and activities for members going on an exchange
O4	EP Measurement & Evaluation	Amount spent on the measurement & evaluation of members going on an exchange
O5	Promotion and Marketing	Amount spent on marketing appointments and promotion material required
P	NEP Realization Expenses	
P1	NEP Reception & Integration	Amount spent on the reception & integration of interns i.e. airport pick ups, survival kits etc. for NEP traineeships
P2	NEP Learning Activities	All Amount spent on learning events and activities of NEP traineeships
P3	Intern Measurement & Evaluation	Amount spent on the measurement & evaluation of NEP traineeships
P4	NEP Exchange Travel & Conveyance	Amount spent on travelling for NEP realizations excluding air port pickups
P5	Trainee Stipend	Amount paid to trainees as stipend
Q	NCEP Realization Expenses	
Q1	NCEP Reception & Integration	Amount spent on the reception & integration of interns i.e. airport pick ups, survival kits etc. for NCEP traineeships
Q2	NCEP Learning Activities	All Amount spent on learning events and activities of NCEP traineeships
Q3	intern Measurement & Evaluation	Amount spent on the measurement & evaluation of NCEP traineeships
Q4	NCEP Exchange Travel & Conveyance	Amount spent on travelling for NCEP realizations excluding air port pickups
R	Human Resource Expenses	
R1	Orientation & training	Amount spent on activities such as LTS, External Training Sessions etc.
R2	Team Days	Amount spent on planning days for the Executive Board
R3	Rewards & Recognition	Amount spent on LC members/teams for rewards
R4	LCP Subsidy	Amount spent on the LCP for local/national conference including International Congress
R5	EB Subsidy	Amount spent on the EB members for conferences etc.
R6	GB Subsidy	Amount spent on GB members to attend conferences etc.
R7	ILCEP	Incoming and outgoing (specify)

R8	CEED	Incoming and outgoing (specify)
S	Administrative Expenses	
S1	Office Rent	Amount spent on the rent of the LC office/s
S2	Office Electricity	Office electricity bill
S3	Telephone & Fax	Office telephone & fax bill
S4	Postage & Courier	Amount spent on postage & couriers by the Local Chapter
S5	Internet & Email	Amount spent on internet charges by the Local Chapter
S6	Stationery & Office Supplies	Amount spent on stationery & other office supplies
S7	Printing & Publications	Amount spent on Printing & Publications for the Local Chapter
S8	Repairs & Maintenance	Amount spent on Annual Maintenance Contracts & other repairs & maintenance expenses
S9	Legal Charges	Amount spent on gaining legal advice/course of action etc.
S10	Insurance	Amount spent on insurance of assets owned by the LC i.e. laptops etc. (Use ledger C5-B2)
S11	Audit Fee	Amount spent on charges levied by the auditor
S12	Bank Charges	Bank charges levied by the bank in which the LC holds its account/s & fixed deposit/s
S13	Depreciation	Depreciation as based in the societies act charged to fixed assets
S14	IS	For website and communication expenses
S15	Appointment Expenses	Amount spent on appointment costs and materials
T	LC Meetings & Events	
T1	General Body Meetings	Amount spent on the venue & logistics for GBM's/LCM's
T2	Annual General Meeting	Amount spent on the venue & logistics of AGM's
T3	LCP Elections	Amount spent on the venue & logistics of Local Committee Elections
T4	BOA meetings	Amount spent on the venue & logistics of a Board of Advisors Meeting
T5	Executive Body Meeting	Amount spent on the venue & logistics of some other meeting of the Local Chapter
T6	Learning Events	Specify learning events and amounts for the same
T7	Task force Meeting	EMTF/FTF/QMTF
U	Project Expenses	
U1	Project Name	Project name with relevant amounts
U2	Project Name	Project name with relevant amounts
V	Other Expenses	
V1	Fines & Penalties	Fines or penalties paid by the Local Chapter
V2	Memorabilia Expenses	Amount spent on the purchasing and printing of memorabilia
V3	Exchange Development Fund	Contribution to AIESEC India's Exchange Development Fund
V4	International Supply Building Fund	Contribution to AIESEC India's International Supply Building Fund
V5	ADF Contribution	Contribution to the national AIESEC Development Fund
V6	Alumni Expenses	Amount spent on alumni servicing
V7	Other Expenses	Expenses which cannot be categorized into any of the above.
V8	National Conference Expenses	Natcong/JNC/NLDS/NSC/
Y	MC Service Fee	Amount transferred to the MC as reconciliation

3. Legal Compliances-

- a) **Registration-** AIESEC has been registered under societies act of 1860, which states that AIESEC is an Non-Governmental and not for profit organization.
- b) **Section 12A-** AIESEC is registered under section 12A of the income tax act which means that the organizations does not have to pay taxes for any purpose at all.
- c) **FCRA-** This certification is required from the government for allowing foreign remittances made to our bank account. We can apply for FCRA in the future, as of now we do not have it and therefore we cannot accept funds from foreign countries/banks/currencies. In case a foreign transfer needs to be made, a form has to be filled in the bank and the purpose of transfer shall be stated as "Gift".
- d) **80-G certification-** When a company pays AIESEC there are times when they deduct tax of approximately 10% from the total amount and then make the payment. Since they're funding or paying an NGO for services provided the company is levied of paying tax and can pay the entire amount without any tax deductions. As proof of being an NGO, AIESEC needs to register itself under 80-G and shall produce a copy at the time of receiving payment to avail nontaxable amounts.
- e) **16-A certificate-** Since AIESEC does not have 80-G certification and cannot avail nontaxable amounts, the procedure to retrieve the amounts deducted as tax is by obtaining a 16-A certificate from the company and producing it to the national office before the half yearly and annual external audit. The national office then submits these 16-A certificate while filing for tax returns, the amounts are then credited back to AIESEC India's bank account, which is then flowed down to local committees.
- f) **PAN-** (Personal Account Number). The number on the PAN card is a unique ID that is used by the government to track the annual income of an organization. By this means they keep a check to track if the entity is paying taxes on time which is a set percentage of the total income. In AIESEC's case since we do not pay tax, we have to maintain a ratio wherein AIESEC spends 80% of its total incomes and saves only 20%. If AIESEC breaches the ratio, by saving more than the set percentage, the organization is liable to show cause for the savings to the government. If there is no relevant reason for the high savings percentage, the section 12-A registration will be revoked and AIESEC will have to start paying taxes.
AIESEC India shares a common PAN with all its LC's. AABTA3359F is AIESEC's personal account number and shall be uploaded to all Bank accounts in all LC's
- g) AIESEC is not allowed to invest in the trade/Forex market since the earnings of an NGO cannot be put at risk.
- h) **Contracts-** A contract must be signed with each and every client AIESEC provides or receives services from. A contract must be legally compliant and shall ensure overall legal security for the organization. National contracts drafted by the members committee will shall be used at all times. If a contract is used which is

not nationally passed, then AIESEC India will not be responsible for it. The Local committee will have to take full responsibility in such a case of non-compliance.

- i) AIESEC can sue a client in case of breach in contract, but shall take prior permission from the Member Committee.

E- Operations

1. Bank

a. Opening a New bank account- documents required-

- i. AIESEC Registration document
- ii. PAN card copy
- iii. Letter from the National office approving opening of bank account
- iv. Letter from the National office appointing three authorized signatories at the local branch
- v. Local office address proof

b. Signatory Change- A signatory change shall take place only after the old executive body is discharged followed by the ratification of the new executive body. This process requires the following documents-

i. Board resolution

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING HELD ON Date_____ AT THE REGISTERED OFFICE "AIESEC_____
(Office Address)

RESOLVED

That the following people are the new members of the Member Committee of our National office "AIESEC" and also be appointed as the signatories to the Trust Savings Account in HDFC bank, _____ Branch, City_____ - Account No. xxxx xxxx xxxx xx, Account Name- "AIESEC _____

Name, President, AIESEC _____

Name, Vice President Finance, AIESEC _____

Name, Vice President _____ AIESEC _____

RESOLVED further that the said bank be and is hereby authorized to accept, honor and pass all cheques, hundis, bill exchange, promissory notes, indemnities, guarantees, agreement for letter of credit, trust receipt for monies, received and any other commercial documents whatsoever drawn made, accepted endorsed executed jointly by any two authorized signatories and to act upon all instructions given by them relating to the account whether the funds in the account are overdrawn or not, all which shall be binding the organization.

Resolution Passed and Authorized by-

(Old Signatories)

Name-
Vice President Finance
Year

Name-
President
Year

Name-
Vice President
Year

ii. **Signatory Change-**

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING
HELD ON Date_____ AT THE REGISTERED OFFICE "AIESEC"_____ (Office Address)

RESOLVED

That the following people are the new members of the Member Committee of our National office "AIESEC" and also be appointed as the signatories to the Trust Savings Account in HDFC bank, _____ Branch, City_____ – Account No. xxxx xxxx xxxx xx, Account Name- "AIESEC" _____
Name, New President, AIESEC _____
Name, New Vice President Finance, AIESEC _____
Name, New Vice President _____ AIESEC _____

RESOLVED further that the said bank be and is hereby authorized to accept, honor and pass all cheques, hundis, bill exchange, promissory notes, indemnities, guarantees, agreement for letter of credit, trust receipt for monies, received and any other commercial documents whatsoever drawn made, accepted endorsed executed jointly by any two authorized signatories and to act upon all instructions given by them relating to the account whether the funds in the account are overdrawn or not, all which shall be binding the organization.

All the current signatories of this account be deleted and the signatures of the above mentioned members be updated

Resolution Passed and Authorized by-

(New Signatories)

Name-
Vice President Finance
Year

Name-
President
Year

Name-
Vice President
Year

-
1. The above documents need to be drafted on a letter head and have to be duly signed by all the said members and shall be attested with the local committee stamp.
 2. The process of signing these documents must take place at the Annual General Meeting right after the discharge and ratification of the executive bodies.

- iii. **Bank documents-** This requires Photographs and valid identification proof of the signatories of the account. All the signatories have to sign in the space provided by the bank on the document with the respective designation stamps.
 - c. **Fixed Deposit-** Fixed deposits are of 2 types
 - i. Sweep in- A sweep in deposit works in process in which when the bank account is out of balance, the deposit automatically serves as the bank balance at that point of time, until more money is deposited in the account.
 - ii. Fixed- A fixed deposit works in a manner in which
 - d. **Enet-** Enet shall be applied for/authorizer, verifier and inputter shall be changed along with change of signatories of the trust savings account
 - i. The software shall be installed in 3 computers, being the ones used by the inputter, authorizer and the verifier
 - 1. Inputter- LCP
 - 2. Verifier- VP-ER
 - 3. Authorizer- VP-F
 - ii. Document required for the application of Enet are-
 - 1. Form provided by the bank
 - 2. Board Resolution
 - e. **Transactions-** The below mentioned shall be maintained/kept track of-
 - i. Cash/Cheque deposit slip, shall be attached to a voucher describing transaction.
 - ii. Bank Statement for Receipts
 - iii. Fixed deposit slip
 - iv. Do NOT deposit a cheque in a drop box
 - v. Transaction Id for online payments and receipts
 - vi. Amount received in cash shall be deposited in the bank directly without spending it.
 - vii. A copy of the PAN card or registration certificate of AIESEC can be forwarded to a client on request on receipt of a payment from them.
 - viii. Keeping in mind the joint operating mode a cheque must be signed and stamped(Office stamp) on the front and back by any 2 out of the 4 authorized signatories.
 - ix. All cheques for account payee need to be crossed on the top left corner of the cheque. With "ac payee" written between the 2 lines.
 - x. Do NOT sign half-filled cheques-
 - 1. Without a names
 - 2. Without the amount in words and figures
 - 3. Without a date
 - xi. Do NOT accept or receive postdated cheques or demand drafts of any nature
2. Book Keeping- is divided into 3 parts-
- a. Daily-
 - i. Enter all incomes and expenses on @finance.net

- ii. Create receipt/payment voucher for all transactions and staple relevant documents to them, being bills and invoices

(Voucher Template)

Cash Payment/Receipt

Date: _____

No: _____

Paid to _____

_____ (Name of the entity/person)

For _____ (SCOA

Ledger/Group)

(As per bills/supporting documents attached)

Amount (Rupees in words)

Amount:
Received by:

Claimed by:

Passed by:

_____ (VP-F)

(Office Address in Footer)

b. Monthly

- i. Export all accounts to excel from @finance.net
- ii. Import the excel sheet to tally 9.ERP
 1. All entries in tally must have set codes followed by the sequence mentioned in the SCOA
 2. Entries that do not have codes/incorrect codes will not be considered or accepted
 3. Names of EP's, TN/DT clients, sponsors, alumni and vendors shall be mentioned in all transactions related to them
 4. All transactions MUST have cheque numbers for cheque payments and a detailed narration describing the purpose of the transaction

5. An external accountant shall be hired to update tally on the system. A VP-F is not authorized to make any changes on tally
6. A document confirming the presence of the accountant must be signed and stamped by the accountant after updating tally at the end of every month which shall be sent to the national office.
7. A local committee is not authorized to create/alter new Ledgers or groups apart from Names of events, companies and EP's.
8. Do not create new back-ups or companies apart from the one that was synchronized by the national office, as this could result synchronization malfunctions.
- iii. Synchronize the data by selecting the synchronization option. For this to happen internet shall be active in both locations (LC and National office)
- iv. Save a back-up of the tally and an excel sheet of the accounts exported from @finance.net
- c. Continuous-
 - i. 16 A Certificates from companies
 - ii. TN/OGX/DT/ER/Project/Office/Trainee contracts
 - iii. Bank Statements
 - iv. Provide all EP's and TN's receipts/invoices for payments yet to be received/received
 - v. Procure a bill/invoice for all payment transactions
3. Cash Flows and Expense Management-
 - a. Out of total income from month A, the expense in month B shall be planned keeping in mind the focus 5, this ensures positive cash flow across 2 months and cumulative cash flow annually.
 - b. Cash transactions shall be less than 15% of total budget turn over.
 - c. It is advised to keep not more than 3000/- as cash in hand.
 - d. Its advised to reflect the cash flow in the budget
4. Education cycles- Financial education and induction shall take place right after recruitments. Sessions at Local conferences and GBM's are mandatory.

AIESEC FINANCE.net

User manual

INDEX**Overview**

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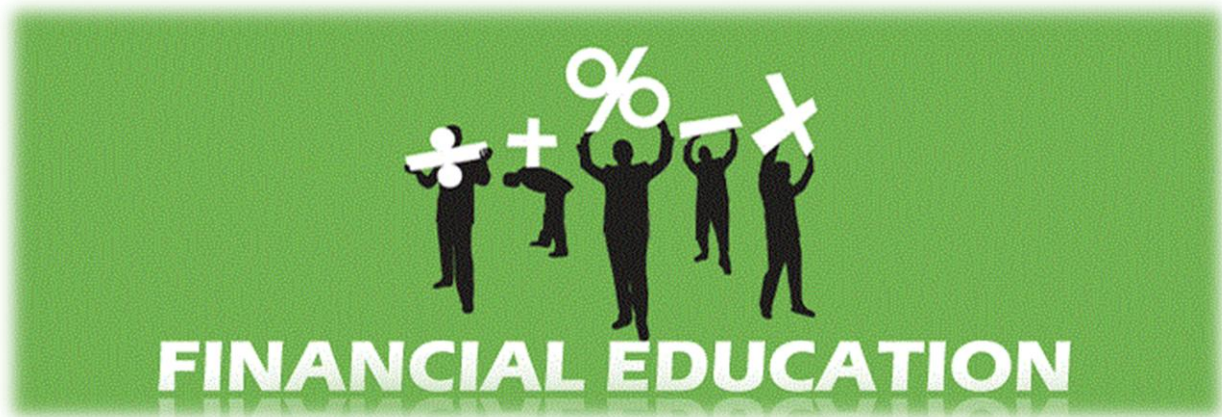
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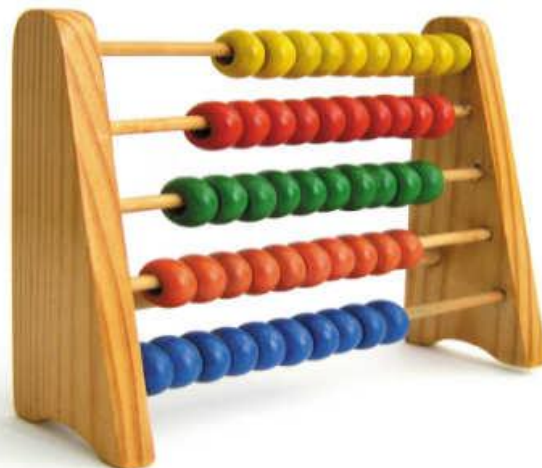
OBJECTIVE

The platform <http://aiesecfinance.net> serves 3 purposes:

1. **Educational:** To educate & train AIESEC INDIA Vice Presidents Finance on internal financial management practices & guidelines of AIESEC India.



2. **Data management:** To store & maintain financial accounts & resources pertaining to the all of financial systems of local committees AIESEC India on a singular platform. To compare, maintain collaboratively each LC's GCP's & learn from the maintenance of accounts



Standard Operating Procedures- AIESEC India

3. **Data analysis:** To analyze the LCs' financial data and provide final accounting sheets (Balance Sheet, Profit & Loss sheet), financial health of the local committee, budgeting & review tools & expense forecasts.



USER INTERFACE & TECHNICAL INFORMATION

The user interface is a minimal & clean interface design as it is a data intensive site & emphasis is focused on content. However, every section is highlighted through mouse over changes & highlighting the specific section tabs. There is a three level navigation system in

place which is ideal for any data intensive site. The technical specifications are mentioned below:

SCRIPTING LANGUAGE & DATABASE



JAVA SCRIPT FRAMEWORKS Plugins:

- > **FPDF** – Invoice Generator pdf convertor plugin
- > **Calculator** – php calculator plugin
- > **Graphs API** – Highcharts.com

Security:

Encryption formats used to secure & protect data;

- > **MD5** – Length: 256
- > **Base64_encode**: Length: Max 256

Compliance:

- > W3C compliant
- > CSS 3 compliant

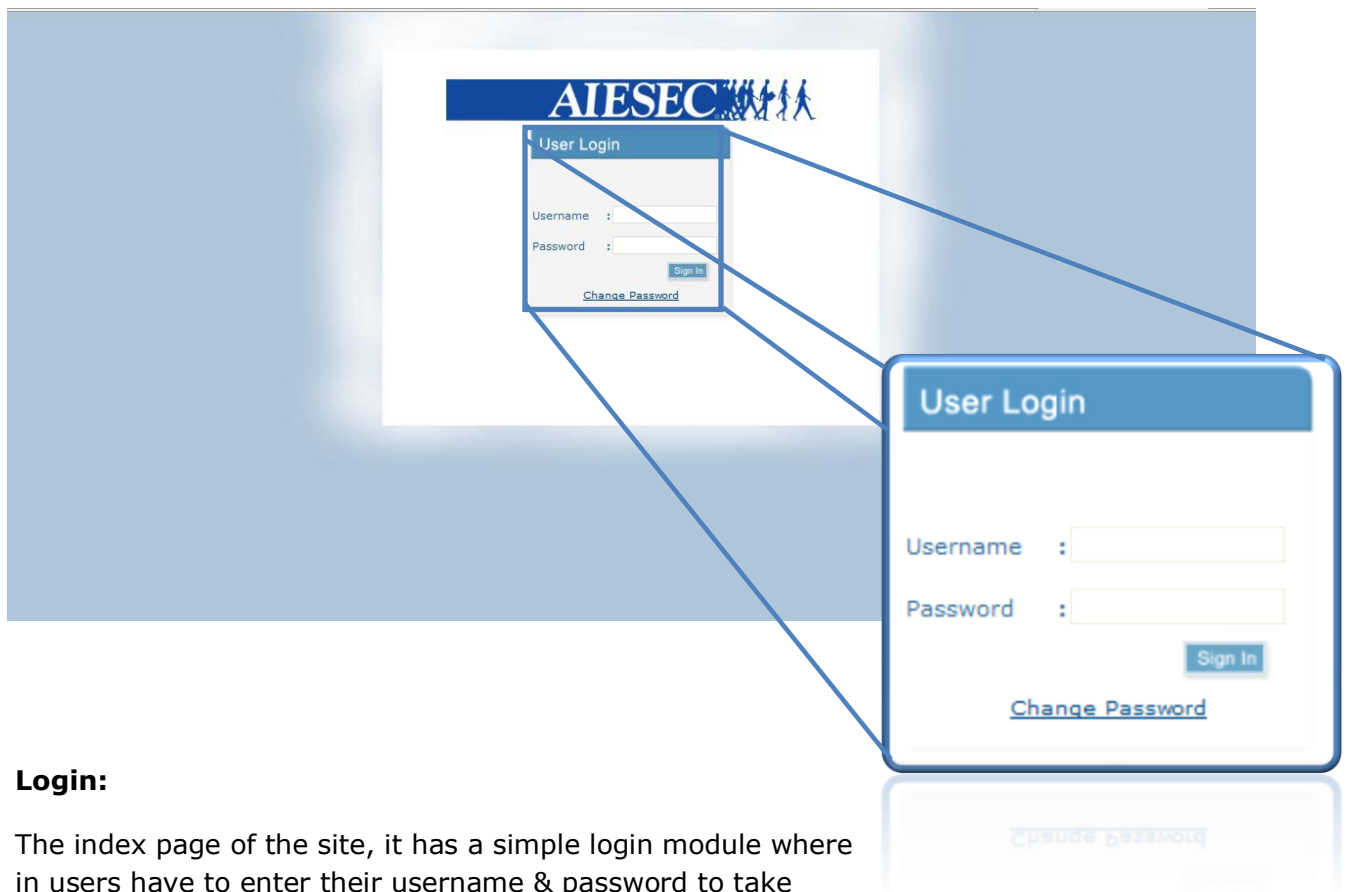
Content:

- > All content & images used in the website are attributed with a Creative Commons 3.0 license -
 - o To copy distribute & transmit the work
 - o To modify & adapt for commercial use

Cross Browser Compatibility:

This portal is tested to be compatible with



SECTIONS**LOGIN & LANDING PAGE:****Login:**

The index page of the site, it has a simple login module where in users have to enter their username & password to take them to the common landing page.

To change the password, users need to click on the "change password" link to send a mail to the administrator (MCVPF) to change the password for the particular user account.

Login Condition:

The same user cannot be logged in from 2 different locations at the same. If that happens, the user logging in from the second location will see a message displayed on this page warning the user that the account has already logged in from another location.

Landing Page:



1. Select your Local Committee

This part of the landing page allows the user to select their own local committee to manage their finances. If the user selects any other local committee, they can browse through the other local committee's accounts but cannot edit/ modify them.

2. Updation Links

The 4 links – 'Income', 'Expense', 'Assets', 'Liabilities' are the one time use forms for updating the system to tally with the users current accounts. Once clicked, the user needs to fill up the current values of the heads shown in the form with the data displayed in their respective tally software.

3. General Header Sections

This is the header, which common throughout the portal. Clicking on '**Home**' will take the user to their respective homepage.

Clicking on '**FAQ's**' has a list of frequently asked questions pertaining the usage & functionality of the site.

'Resources' page will take the user to the resources page of the site. Here, the user can upload/ share resources with the rest of the users of the site (Eg: excel sheets, docs etc.).

The resources page has 2 divisions:

- > Common resources: This part of the page is administered by the administrator only & accessible by all users of the site.
- > My Resources: As the name suggests, this is specific to the user logged in & can administer the resources stored here.

4. User display shows the current user logged into the portal.

ACCOUNTS ENTRY – RECEIPTS & PAYMENTS

The screenshot shows the AIESEC portal interface. At the top, the AIESEC logo is on the left, and the user is logged in as 'ganesh' on the right. Navigation links include Home, FAQ's, Resources, and Logout. Below this, there are tabs for 'Receipts' and 'Payments'. Under 'Receipts', there are links for Balance Sheet, Profit & Loss Sheet, Accounts View, Receivable & payables, Health, Recon Calculator, Budget Analysis, and invoice. Under 'Payments', there are links for Date, Ledger(Head/Group), Amount, Narration, Submit, Delete/Field, and AddField. Three callout boxes provide detailed explanations of the interface elements:


- Box 1 (Left):** This part of the page is to enter accounts – receipts in the receipts tab & payments in the payment tab as can be seen above. Fields to fill up are;
 - > Date of transaction
 - > Head/ Group of transaction (According to SCOA)
 - > Payment by cheque(if yes, enter cheque number)
 - > Amount
 - > Narration
- Box 2 (Middle):** This is where the account entries would be listed once the user begins to enter the transactions.

Edit: This button is to edit any account entries already entered. However, this option would be removed once accounts are updated.

Delete: This is to delete any entry already made. This option will be removed once the accounts are updated.
- Box 3 (Right):** The **update** button is to be used by the user to finalize all the accounts & update it. Once updated, the user loses the ability to edit/ delete their accounts. It can only be done after mailing the administrator to request permission to edit/ delete accounts.

An arrow points from the bottom of the callout boxes to a box at the bottom right that says: **Add: explanation on following page**

ADD NEW HEAD/ FIELD



Logged in as ganesh

Home FAQ's Resources [Logout](#)

Receipts
Payments

Balance Sheet
Profit & Loss Sheet
Accounts View
Receivable & payables
Health
Recon Calculator
Budget Analysis
invoice

Date
Ledger(Head/Group)
Amount generator
Narration
Submit
Delete/Field
AddField

Select head

Select field

☐ check

check no:

amount:

☒ cash

ADD The Field:

Super Head:

Fixed Assets

Heads:

Accounts Re

New Field:

ADD The New Head:

Super Head:

Fixed Assets

New Head:

TransactionId	Date	Ledger	Cash/Check	Amount	Narration	Edit	Delete
240	2010-05-04	B1-ICICI	cash	Rs:8000	adf	Edit	Delete

1

[update](#)

On clicking the 'ADD' button, a new menu appears below the accounts entry module, where the user can add a new head/ field.

HEAD: To add new head, the user needs to choose under which super head the head needs to appear under, choose it from the list provided in the drop down, enter the name of the new head in the box & submit it.

FIELD: To add a new field, the user needs to choose the head under which they need the new head, choose it from the list of the dropdowns, enter the name of the new head in the box & submit.

NOTE: Please consult with your administrator before adding a new HEAD/ FIELD.

ACCOUNTING

COMMON FEATURE: Throughout the accounting & most of the analysis section of the site, the underlying common feature of the site is that it is date dynamic. The user needs to enter a particular period for which he/ she require analysis/ accounting sheets/ data from. Hence every section/ page has a date input mechanism to process data.



The screenshot shows the AIESEC India website interface. At the top, there is a blue header with the AIESEC logo and the tagline 'The international platform for young people to explore and develop their leadership potential'. Below the header, there is a navigation bar with links for 'Home', 'FAQ's', 'Resources', and 'Logout'. The user is logged in as 'ganesh'. The main content area has a yellow background with a 'Receipts' tab selected. Below the tabs, there are links for 'Balance Sheet', 'Profit & Loss Sheet', 'Accounts View', 'Receivable & payables', 'Health', 'Recon Calculator', 'Budget Analysis', and 'invoice generator'. At the bottom, there are input fields for 'From Date:' and 'To Date:', and a 'Submit' button.

BALANCE SHEET

Once date for generation of balance sheet is entered, the system processes the accounts transactions & displays the balance sheet for the accounts entered according to the Standard Charter of Accounts (SCOA) of AIESEC India.

**Note: The balance sheet will remain locked until the updation links on the landing page are filled completely.*

PROFIT & LOSS STATEMENT


Once the 'from date' & 'to date' are entered in their respective fields, the system processes the accounts transaction for the period & displays the profit & loss sheet accordingly.

**Note: The balance sheet will remain locked until the updated links on the landing page are filled completely.*

ACCOUNTS VIEW

Once the dates are entered in the accounts view, the page displays all the account entries for that particular period.

Export option: To export this account entries, the user needs to click on the finalize button to finalize the data for export & click on download to download the accounts in .csv format. This xl sheet can later be used to import the data to a local committee's tally software to update the accounts in Tally without manual entries.


Logged in as ganesh

[Home](#)
[FAQ's](#)
[Resources](#)
[Logout](#)

Receipts

Payments

[Balance Sheet](#)
[Profit & Loss Sheet](#)
[Accounts View](#)
[Receivable & payables](#)
[Health](#)
[Recon Calculator](#)
[Budget Analysis](#)
[invoice](#)

From Date: To Date:

Accounts Id	Date	Ledger	Cash/Check	Receipts	Payments	Narration
70	2010-05-03	S7-computer	cash		800	asdf
240	2010-05-04	B1-ICICI	cash	8000		adf

1


RECIEVABLES & PAYABLES

For every income entry made in the exchange ledger, a percentage of that income is attributed to the MC Dues ledger as recon depending on the recon tier the local committee is under. This is reflected in the Payables section of the page.

Users can also enter any receivables & payables information in this page in a similar entry module as the accounts entry. This data would then be reflected in the balance sheet. Once a payment is received/ paid in the same ledger, the receivable/ payable entry would be reduced/increased/deleted accordingly to keep the accounts updated.

ANALYSIS

This part of the portal provides users with a thorough analysis of a local committee's financial status & performance. It also provides users with through insights & guiding statistics to manage the local committee's finances ideally.


Logged in as ganesh

[Home](#)
[FAQ's](#)
[Resources](#)
[Logout](#)

Receipts

Payments

[Balance Sheet](#)
[Profit & Loss Sheet](#)
[Accounts View](#)
[Receivable & payables](#)
[Health](#)
[Recon Calculator](#)
[Budget Analysis](#)
[invoice generator](#)

From Date: To Date:

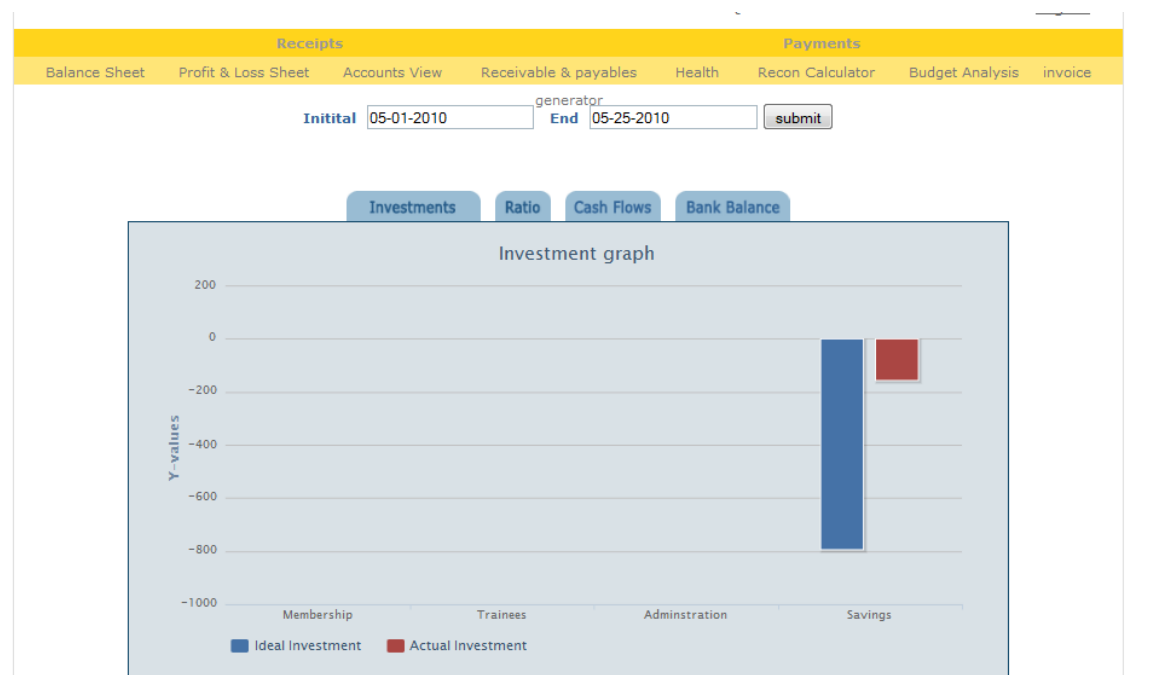
HEALTH

On the health section, there are 4 sub sections displaying different aspects of a local committee's financial performance for a particular period. This section is date dynamic as well & the user would need to enter a from & to date for the system to generate statistics for the particular period.

Investments

The investments section shows a graph comparing the investments made by a local committee on income received in a particular period of time & the ideal investment amounts for the same period. Investments are broken down into four areas;

Investment Area	Ideal percentage of income
Membership	30%
Traineeship	30%
Administration	10%
Savings + Corpus	10% + 10%

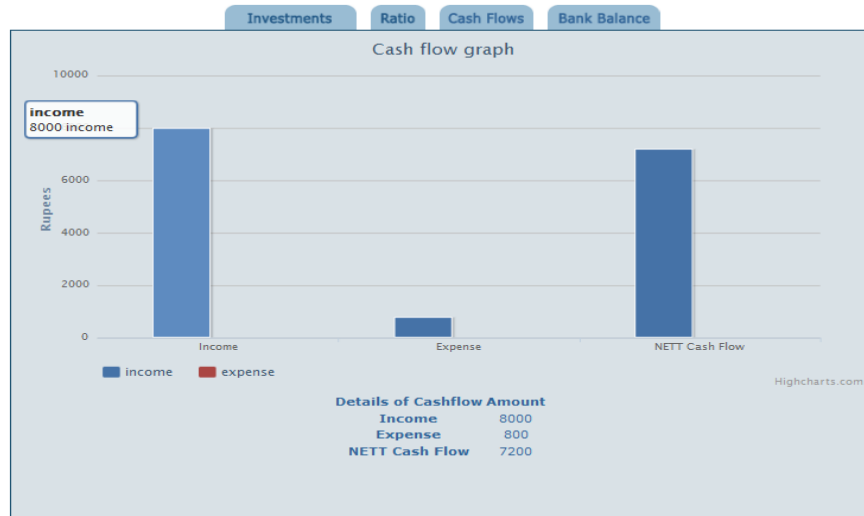


Ratio

The ratio page displays the ratio of assets to liabilities & current assets to liabilities in a textual format.

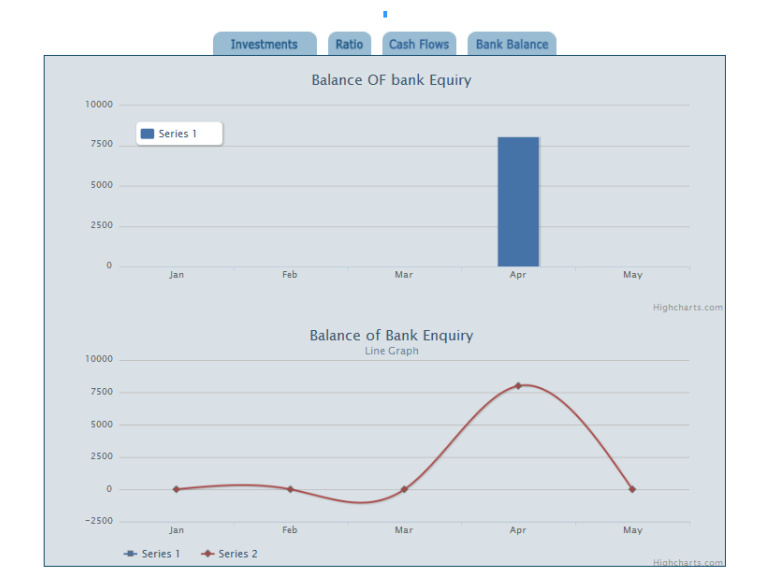
Cash Flow

The sub section displays the cash flows of the local committee in a graph. It displays the Inflows, Outflows & Nett Cash Flow in a bar graph.



Bank Balance

The bank balance page displays the monthly bank balance plotted in a bar & line graph



RECON CALCULATOR

This page collates the total reconciliation amount to be paid to the MC from the MC Payable ledger & displays the data according to date, company & amount to be paid & the total reconciliation amount payable to the MC.

BUDGET ANALYSIS

Receipts					Payments		
Balance Sheet	Profit & Loss Sheet	Accounts View	Receivable & payables	Health	Recon Calculator	Budget Analysis	invoice generator
TN		DT	OGX	Administration	Budget Overview		

The budget analysis sub section comprises of 5 sub sections.

TN, DT, OGX, Administration: In these sections the user would have to enter the budget for the year in the respective fields according to the template prescribed by AIESEC India & save it in the system for further analysis.

Once the budget is entered & saved, one can view the budget by clicking on the view budget link at top.

[View Budget](#)

Month	January	February	March	April	May	June	July	August	September	October	November	December
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Income												
Raises	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Inflow	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Income	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Realization												
Inflow	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Incom	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Inflow												
	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here
Total Income												
	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here	Click Here
Savings+Corpus												
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Expenses												
Trainee Reception(T)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Trainee Integration(T)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Budget overview

As the from & to dates are entered in the budget overview page are entered, it displays 4 tables.

Table 1 displays the budgeted & actual incomes broken down according to exchange departments.

Head	Budgeted	Actual
TN	0	0
DT	0	0
OGX	0	0
Total	0	0

Table 2 displays the difference between the ideal investments & the actual projected investments broken down according to the major investments heads. The ideal investment amount is calculated according to the total incomes projected in the budget.

This table is a budget review tool & can be used to create an ideal expenditure/ investment budget for a local committee

Difference of Ideal Amount & Budgeted Amount of 2010-04-01 and 2010-05-25

HEAD	Symbol	Ideal Amount	ActualBudget
Membership	M	0	0
Trainees	T	0	0
Administration	A	0	0
Savings+corpus	S	0	0
Total			

Table 3 displays the budgeted expenditure, the actual expenditure & the variance between the two for a given period of time.

Difference between Budgeted and Actual info: of 2010-04-01 and 2010-05-25

	Budgeted	Actuals	variance
MemberShip	0	0	0
Trainees	0	0	0
Administration	0	800	-800
Saving + Corpus	0	-800	800

Table 4 is a forecasting real time table which calculates the ideal amount to be spent over a particular period of time by calculating the incomes received by a local committee over the same amount of time in the past.

Eg: The system calculates the ideal expenditure pattern from June 1st to 30th by calculating the incomes from the 1st of May to the 30th of May. This data displayed in the table is based on real time incomes & is independent of any budgeted figures.

Incomes for the period From:2010-04-01 To: 2010-05-25:Rs:0

Expense Forecast based on incomes for given period From:2010-05-25 To: 2010-07-18 :

HEAD	Expenses Forecast
Membership	0
Trainees	0
Administration	0
Savings+corpus	0

INVOICE GENERATOR

This is a measure taken to standardize the invoices across AIESEC India. It is a page with specific form fields which a user has to fill (eg: company name whom the invoice is being generated for, contact name, Amount, amount in words, AIESEC contact, finance responsible, address etc.). Once the form fields are filled, the user has to click on '**generate pdf**' to generate the invoice in pdf format. This can be downloaded on to the users system & printed out to send the invoice to a client.

AIESEC FINANCE- INVOICE GENERATOR

INVOICE GENERATOR

Name	<input type="text"/>
Designation	<input type="text"/>
Address	<input type="text"/>
Description	<input type="text"/>
Amount	<input type="text"/>
Total Due(Write in Words)	<input type="text"/>
Name	<input type="text"/>
Designation	<input type="text"/>
AIESEC in	<input type="text" value="Ahmedabad"/>
Terms: 14 days All cheques/drafts payable to "AIESEC	<input type="text" value="Ahmedabad"/>
If you have any questions concerning this invoice	
Please Call	<input type="text"/>