



**STANDARD OPERATING  
PROCEDURES FOR  
FINANCIAL DEPARTMENT**

**FOR**

**HOCKEY INDIA / HOCKEY INDIA LEAGUE**

# HOCKEY INDIA / HOCKEY INDIA LEAGUE

## 1. OBJECTIVE

The aim of this SOP is to lay down necessary directives for the smooth and efficient administrative functioning, handling/ operating HI/HIL Funds, functioning of F&A Department and to ensure that Statutory compliances are made in the following areas :

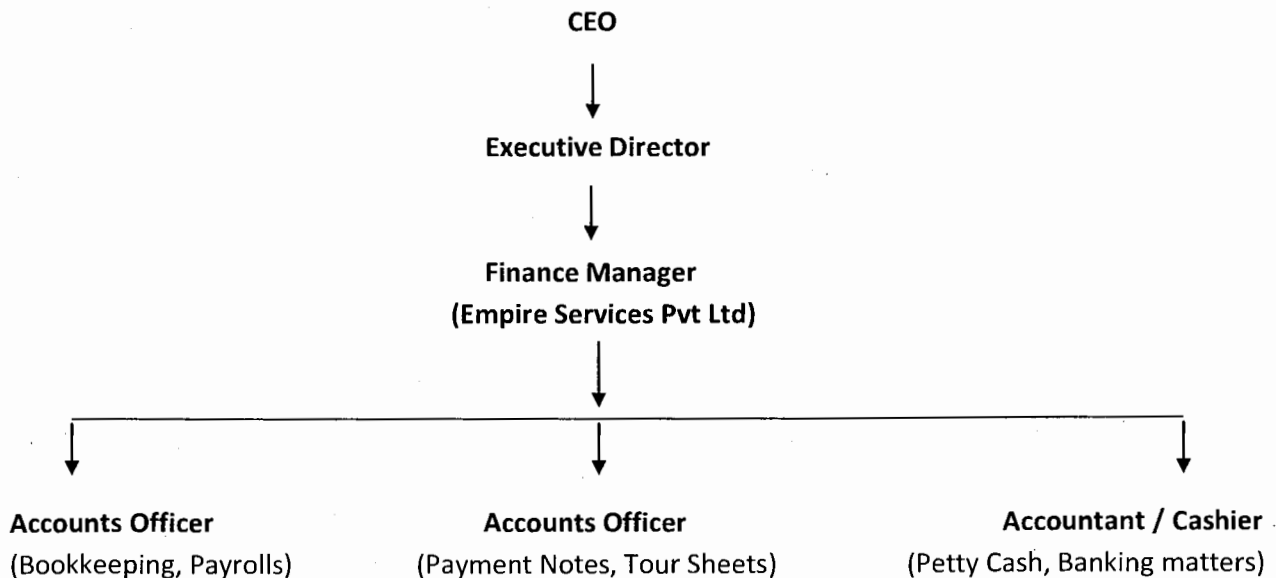
- a) Delegation of Authorities and Financial Powers
- b) General accounting and book keeping procedures
- c) Review of Statutory Compliances
- d) Procurement Policies
- e) Maintenance of Cash and Bank Balances
- f) Disbursement of Salaries / Payroll
- g) Fixed assets purchases and its accounting

## 2. DELEGATION OF AUTHORITIES AND FINANCE MANAGER

With a view to improve the overall efficiency of funds management and to avoid delays in according sanctions for expenditure, the procedure has been outlined below.

The structure of F&A Department would be as follows :

### FINANCE & ACCOUNTS DEPARTMENT



- Job Responsibilities are attached at Annexure 1

### **3. KEY CONTROLS WITHIN F&A DEPARTMENT**

#### **3.1 Receipt of Bills**

The following procedures shall be followed at the time of receipt of bills.

- a) Entry shall be made giving details of the bills received such as date of receipt of invoice, name of vendor, date of invoice, description in the invoice, amount etc in the Manual Register maintained by Accounts officer.
- b) A unique serial number code on the top of the bill would be mentioned which would be same as the serial number on which the bill was entered in the manual register.
- c) The bill would then be approved by the Executive Director for further processing.
- d) It should be ensured that the entry of the bills in the register will be made on the same day of receipt of bills from vendor and hand over the details to the senior accounts officer.

#### **3.2 Entry of Bill in the Books of Accounts**

- a) After review of bill by the Executive Director, the bill would be checked by Finance Manager with the Purchase Order/Agreement/Approval of the bill. He would ensure that necessary supporting documents are attached with the bill.
- b) The Finance Manager would check the TDS implication and Service Tax implications on the bill and provide for the same in the books of accounts accordingly.
- c) In case of purchase of any material or sports goods, relevant entry would be made in the stock register for the quantity and value and serial number given in the stock register would be mentioned in the Purchase Invoice before the purchase bill is entered in the books of accounts.
- d) After the purchase bills is approved by the Finance manager, entry would be made in the books of accounts.
- e) It would be ensured that the entry of the bills will be made within 24 hours of receipt of bills from the accounts officer.
- f) Also it would be ensured that the Serial numbers are correct for posting the entry in books of accounts.

### **3.3 Preparation of Approval note for payment**

- a) After the above steps, approval note for release of payment of the bill shall be prepared by the Accounts Officer along with the relevant supporting documents such as Original Invoice, Journal Voucher passed by the Sr. Accounts officer, agreement (wherever applicable).
- b) After preparing the approval note, Accounts officer would ensure that the approval note is signed by the relevant authorities. Once this is signed by relevant signatories, the payment note would be approved by Finance Manager.
- c) On approval of payment note by Finance Manager, the note along with supporting document should be sent to CEO for approval along with all the supporting documentation.

### **3.4 Issue of Cheques**

- a) On receipt of approval of CEO, the Finance Manager would prepare the cheque on the basis of approval note signed by the relevant authorities.
- b) After the cheque is prepared, the same would be sent for President / Secretary General and Treasurer (mandatory) approval / signature along with the payment note and supporting documentation. Unless otherwise mentioned, the cheques should will be processed on the following dates :

For regular Payment	10th and 25th of the each month
For Salary and TDS	5th of the next month
For Service Tax	3rd of the next month.

- c) Once the cheques are signed, payment entry would be made in the books of accounts by Accounts Officer on the same day.

### **3.5 Dispatch of Cheques**

- a) The cheques should be dispatched on the same day through courier unless they are hand delivered.
- b) A control register would be maintained by Accountant for all the courier sent giving details of courier number, cheque no, name of party, amount and follow up should be done by Accounts Officer twice a week with the courier company on the delivery of the cheque so that the control register can be updated accordingly.

**It shall be ensured by Finance Manager that the above procedure and controls have been followed within 48 hours of receipt of invoice.**

### **3.6 Cash payments**

- a) Cash payments would be avoided as far as possible. Only petty bills or imprest accounts can be paid in cash for the following petty expenses:
  - i. Expenditure for refreshments during official meetings.
  - ii. Staff Conveyance.
  - iii. Office Maintenance of petty nature
  - iv. Printing & Stationary of petty nature
  - v. Any Other Petty Expense.
- b) No cash payments above Rs 20,000 should be made against a single bill.
- c) Cash payments would be released only after approval of Executive Director on receipt of the bill for payment.
- d) It is also ensured that the complete approval note along with the bill is prepared by the Accounts officer before handing over it to the Executive Director.

### **3.7 Payroll**

- a) The Accounts officer will prepare monthly salary sheet by the 2<sup>nd</sup> of every month on the basis of attendance and leave records of the employees.
- b) TDS deduction would be checked with the computation of taxable income prepared for each employee and tax deducted so far before the current month.
- c) Any adjustments for any advances or loans taken by the employee would be made before the approval of salary.
- d) In case of new employees, appointment letters would be checked along with other relevant documents such as last employers, relieving certificate, experience certificate. While preparing the TDS calculations, last employers Form 16 should be considered.
- e) The salary sheet would then be checked and approved by the Finance Manager.
- f) In case of any employees leaving the company, the full and final settlement account would be prepared by the Accounts officer and approved by Finance Manager and

Executive Director / CEO. The Finance Manager would check the following documents before making the full and final payment:

Letter of resignation, acceptance of resignation by adjustment, any loans/ staff advance / imprest outstanding, any TDS short deducted on basis of declarations not received, copy of tax savings investments such as payment of LIC premiums, PPF, House rent receipts, home loans certificates for which credit has been taken etc; any office equipment such as laptop, mobile, blackberry handed over etc.

- g) Accounts officer would prepare the final cheques for disbursement and send it for approval to CEO, President / Secretary General and Treasurer (mandatory) for their approval along with the relevant supporting.

### **3.8 Staff Advances and Loans**

- a) Staff advances and loans can only be given to employees of Hockey India/Hockey India League after the approval of General Secretary and CEO as per the company's HR policy.
- b) Finance Manager will ensure the advance is being adjusted on a monthly basis before disbursement of salaries as per terms of sanction.

### **3.9 Fixed Asset Register**

Fixed asset register (FAR) will be maintained in the system. The FAR will contain the following details:

- Asset Code
- Asset account Code
- Class and description of asset
  - Make/Manufacturer
  - Supplier and Model number
  - Date of purchase
- Quantity
- Location and Department using the asset
- Value of asset (gross block, net block)
- Useful life of Asset and depreciation rate
- Unit of Measurement
- Depreciation (accumulated depreciation and depreciation for the year)
- Details of transfer and disposal
- WDV of assets

The Accounts officer will paste the asset code sticker against the asset entry in the FAR and also on the physical asset. Finance manager would conduct physical verification of Fixed assets on a quarterly basis and submit the report to CEO and Hockey India / Hockey India League Finance & Audit Committee.

#### **4. HOCKEY INDIA / HOCKEY INDIA LEAGUE FINANCE AND AUDIT COMMITTEE**

##### **a. Members**

The Hockey India Finance and Audit Committee for Hockey India and Hockey India League will comprise of minimum 3 members from the Hockey India Executive Board with one of them being the Chairman.

##### **b. Responsibilities**

The Committee will be the final responsible authority in Hockey India and Hockey India League for budgeting, final verification and approval of all the purchases and payments and to ensure adoption of all accounting procedures and systems as laid down under law and their maintenance for Hockey India and Hockey India League.

All members are required to and will ensure that all the procedures / systems are strictly followed in terms of the limitations, approval process and that all necessary quotes and paperwork as approved and sanctioned as per Indian accounting practices.

#### **5. HOCKEY INDIA / HOCKEY INDIA LEAGUE PURCHASE AND TENDER COMMITTEE**

##### **a. Members**

The Hockey India Purchase & Tender Committee for Hockey India and Hockey India League will comprise of minimum of 3 members.

##### **b. Responsibilities**

The Committee will be responsible for all the procurement of items by following proper procedures and systems for Hockey India and Hockey India League, they will be answerable to the Hockey India Finance & Audit Committee.

All members are required to and will ensure that all the procedures / systems are strictly followed in terms of the limitations and that all necessary quotes and paperwork as approved and sanctioned as per Indian accounting practices and prevailing laws.

## **6. PURCHASE DEPARTMENT AND MAINTENANCE OF STORE RECORDS**

The following procedures shall be followed before purchasing anything by Hockey India / Hockey India League :

- a) Purchase orders would be issued and signed by the relevant authoritative personnel. A copy of the signed PO should be provided to Finance & Accounts. It is mandatory that 3 price quotations shall be taken before placing any order and a comparative sheet should be prepared by Finance Manager.
- b) The PO would be consulted with Finance Manager before signing to review the statutory compliances, legal terms and conditions etc.
- c) The lowest quotation would generally be approved from the management; unless otherwise approved by CEO. The following persons are authorized for issue of PO's :
  - a. Hockey India Executive Director, Hockey India Joint Director, Hockey India Purchase & Administration officer: Upto Rs. 50,000.
  - b. Member Hockey India Executive Board, Hockey India Executive Director, Hockey India Joint Director, Hockey India Finance Manager, Hockey India Purchase & Administration officer: Rs. 50,000 to Rs. 100,000.
  - c. Hockey India / Hockey India League Treasurer, Member Hockey India Executive Board, Hockey India Executive Director, Hockey India Joint Director, Hockey India Finance Manager, Hockey India Purchase & Administration Officer: Rs. 100,000 to Rs. 200,000
  - d. Chairman Hockey India / Hockey India League Finance & Audit Committee, Hockey India / Hockey India League Treasurer, Member Hockey India Executive Board, Hockey India Executive Director, Hockey India Joint Director, Hockey India Finance Manager, Hockey India Purchase & Administration officer: Rs. 200,000 and above.
- d) The price lists and other documentations should be maintained by the Purchase & Administration Officer.
- e) On receipt of material, the goods should be checked by Purchase & Administration Officer to ensure they meet quality standards.
- f) Entry should be made in the Goods Inward register by Purchase & Administration Officer.
- g) Copy of GRN along with bill should be forwarded to Accounts department.



h) F&A department to review the final invoice against the Purchase Order / Agreement for any differences in quantities, prices and terms and conditions. If any, this should be communicated to Executive Director and CEO immediately.

**ANNEXURE 1**  
**JOB RESPONSIBILITIES OF FINANCE & ACCOUNTS DEPARTMENT**

**A. Responsibilities of Finance Manager (EMPIRE SERVICES PVT. LTD)**

**1. Books of Accounts**

To follow and ensure that the prescribed procedure of internal checks and controls of book keeping and maintenance of accounts records are followed as per SOP.

**2. Statutory Compliances – TDS, Service Tax etc**

- a) To ensure that the compliance of relevant statutory provisions of various Acts i.e. Income Tax, Service Tax, PF, ESIC is made.
- b) To ensure that statutory payments are made on time for TDS, Service tax, etc.
- c) Follow up with the consultants for statutory compliances and provide information for the statutory liabilities.
- d) To deduct the TDS and deposit on the relevant bills received in the accounts as per Income tax Act.
- e) To deduct the TDS and deposit on all the relevant advance payments as per Income tax Act.
- f) To calculate the tax liability of the employees on the salary and proportionately deduct the TDS every month.
- g) To enter all the CENVAT entries in the excel sheet on month to month basis so as to know the total CENVAT amount in our hand.
- h) To enter the payment received from the clients in the excel sheet on month to month basis so as to know the amount of service tax which is payable to the government authority.

**3. Bank Payments**

Before signing the cheque from the competent authority the Manager (F&A) shall ensure the following:

- a) There is adequate balance in the account.
- b) Bank account is updated and reconciled on a daily basis.

- c) All the relevant documents have been completed.
- d) Post dated cheques shall be avoided and can only be issued after obtaining written approval of the competent authority.

#### **4. Compliance of Audit Queries**

To provide clarifications/ input to internal/ statutory auditors and proper coordination to them.

#### **5. Cash payments and Journal Vouchers**

- a) To do timely checking and approval of Purchase, Cash & Journal vouchers & prepare the list as to the deficiencies found during this checking and to get these rectified.
- b) Approval of cash payment as per the approved limit.

#### **6. Financial Statements**

To prepare the financial statements on a quarterly basis.

#### **7. Tours and Travel Statements**

- a) To prepare the details of tours, expenses and receipt of the respective tours.
- b) To take handover from the coach heading the tour after completion of each tour.

#### **8. SAI Reconciliation**

To co-ordinate with the concerned person for reconciliation of SAI accounts and ensure books of accounts are updated as per the reconciliation and any differences are pointed out to CEO and ED.

### **B. Responsibilities of Accounts Officer**

#### **1. Book keeping**

- a) Ensure books of accounts are updated till date.
- b) Ensure all payment entries made till date
- c) Ensure proper narrations are entered in the books of accounts.

- d) Ensure all debtors and creditor balances are reconciled every month.
- e) Ensure all bank accounts are reconciled till date.

## **2. Payment Notes**

- a) Preparation of payment notes on basis of supporting documentation such as Agreement, Purchase order, Approvals etc.
- b) Ensure payment note is signed by relevant authorities
- c) Entry of payment notes after obtaining copy of signed cheque from the authorised signatory.

## **3. Maintenance of Fixed Assets Register**

- a) FA Register should be updated every time a new FA is purchased and the same asset should be tagged with a unique code number.
- b) Physical verification of fixed assets should be carried out on a quarterly basis by Sr Accounts officer and the report should be submitted to CEO and Chairman, Finance & Audit Committee.

## **4. Stores Register and Stock Records**

- a) Carry out physical verification of inventory and reconciliation with the books of accounts quarterly.
- b) Report on physical verification should be submitted to CEO / Executive Director.

## **C. Responsibilities of Accountant / Cashier**

### **1. Banking Matters**

- a) To withdraw the cash from the bank.
- b) Preparation of cheques as per signed payment notes.
- c) Timely feeding of J.V. & cash vouchers in the Tally system.
- d) To maintain the updated records relating to the fund position and reporting to the Finance Manager
- e) Maintenance of petty cash balances

f) To prepare the petty cash book and enter all petty cash payments / receipts.

g) Get petty cash book register signed by the Executive Director or CEO.

**2. Other matters**

a) Complete on a daily basis the letters / documents received and sent by courier and follow up with courier company on delivery of cheques.

b) Assist the accounts team in any field work.