

CHAPTER 1

INTRODUCTION

Finance is the foundational layer on which businesses are setup and run. Access to finances can enable a firm to expand and grow. Similarly, lack of funding can lead to restrained operations and in extreme cases cause a financial collapse of the business altogether. Irrespective of the nature of business, finance is a critical resource which needs to be managed efficiently for a smooth and successful running of companies and markets. Financial management is the process by which a firm creates and implements a financial system which enables it to achieve its goals and drive shareholder value via optimum resource utilisation and deployment in various asset classes.

1.1 What is Financial Management

Financial management is a management function which encompasses the planning, sourcing, deploying and controlling of the financial resources of a firm. In many companies, financial management is nested inside the accounts and finance function and vice versa, due to which it is often confused with accounting. Financial management concerns itself with raising long term and short-term capital, investing or deploying it efficiently, asset – liability management, strategic financial planning, performance management etc. Funds are an important resource for conducting any business activity whether it is day to day operations, expansion projects, inorganic growth etc. Finance is tightly woven in all business decisions and plays a crucial role in the prioritisation of conflicting business goals. Situations of tight financial control warrant different strategies to survive and grow, whereas situations of abundant finance spur several new projects and programs within the company. Intact strategic planning is incomplete without incorporating a strategic financial management plan. Financial management can be seen operating at different levels in an organisation as depicted in the figure below. Levels of Financial Management Operational Level

CHAPTER-2 RESEARCH DESIGN

2.1 NEED OF THE STUDY:

- To know the Financial Management impact on social entrepreneurship
- To analyse the growth of the

2.2 OBJECTIVES OF THE STUDY:

- The first objectives are to understand the role of financial management in social enterprises
- To analyse how financial planning helps in achieving social and financial goals
- To study the methods used by the organisation to manage funds effectively
- To identify challenges in financial management faced by social enterprises

2.3 RESEARCH METHODOLOGY

- Sampling: the Sample is collected from the CCI financial team through the questionnaire.
- Data Collection: In this study, data is collected from Primary as well as secondary data.
- Data Analysis and Interpretation: The statistical tools use to analyse the data are: Pie chart & Bar graph.

CHAPTER 3

ORGANISATIONAL OVERVIEW

CENTER FOR COMMUNITY INITIATIVE (CCI)



Centre for Community Initiative is a non-governmental, non-political, and not for profit organisation started in 2002 by like-minded individuals aiming to create a better society through community initiatives and participation. In 2007, CCI was restricted by the Secretary, a father of a blind child, to form a parent's group that meets regularly to share problems, encourage one another, and work towards a more accepting society.

CCI is devoted to Persons with Disabilities (PwD) advocating for facilitating, and empowering parents, siblings, and PwD's through practical support.

It promotes positive and supportive environments for PwD's, encourages an inclusive society, and advocates for their rights and dignity.

With a vision of building a healthy and just society with equal opportunities for all, CCI has expanded its focus to include Livelihood and Sustainability development, Advocacy & Community Empowerment, and Disability Inclusive Disaster Management. CCI is committed to building a responsive



society where the community can explore their potential, grow in self-esteem, and enjoy full participation

With the vision of building a healthy and a just society with equal opportunities for all, CCI has expanded its focus area and work towards the upliftment of the marginalised communities through different livelihood and sustainable development programmes. It also shares, listens, commits and work towards building a responsive society in which the community can explore their potential and grow in self-esteem to enjoy full participation in the community.

Vision: To create a healthy and just society with equal opportunities for all.

Mission: To build and strengthen society for health care, education and socio-economic development through community initiatives and participation.

Beliefs: We believe that each individual, communities, institutions and government contribute in their own way to making the world a better place.



3.1 CCI Legal compliance & Registration

The Centre for Community Initiative (CCI) is a Non-Governmental Organization committed to promoting a healthy and just society with equal opportunities for all by supporting healthcare, education, and socio-economic development through community participation. As a reputable organization, CCI values transparency, accountability, and public trust, and therefore ensures compliance with key legal requirements and registration procedures necessary for its effective and lawful operation shown from the following:

- Registration no.6 of 2022 under the Manipur Societies Registration Act, 1989
- NGO Darpan Unique ID: MN/2009/0000568

- Regn. No. 24/CCP/2010 under the Directorate of Social Welfare Govt of Manipur
- Regn. No. 76 of 2010 under Rights for Persons with Disabilities Act, 2016
- Regn. No. MCEN19522254387 with National Trust under Ministry of Social Justice & Empowerment, Govt of India
- 80G Registration No. AAAAC7916LE20215
- 12A Regn No. AAAAC7916LE20214
- FCRA Regn No. 194160092
- PAN Card No. AAAAC7916L
- CSR Regn No. CSR00002695
- GuideStar Number (GSN): 1263

This provides an in-depth examination of the legal framework governing CCI's operations, outlining the registration process, compliance requirements, and regulatory obligations specific to the organization's activities. Ensuring the organization operates within the bounds of the law and upholds the highest standards of governance and accountability.

3.3 CCI's Thematic Areas

1.Education

This thematic area focuses on inclusive and accessible education for individuals with disabilities through special schools, early intervention programs, and home-based care. It also emphasizes community-based and inclusive education models, along with vocational rehabilitation, ensuring that learners of all abilities are supported at every stage of development.

2.Health

Health services aim to provide holistic care through therapy, counselling, and health education. The programs include organizing health camps, facilitating access to medicines and health insurance, and offering referrals. The goal is to ensure that individuals, especially those with disabilities, receive comprehensive and continuous healthcare support.

3.Advocacy & Community Empowerment

This area works towards upholding the rights of individuals with disabilities through legal aid, awareness of entitlements, and support for obtaining UDID cards. It promotes accessibility, parent empowerment, and the organization of

persons with disabilities (OPDs) to strengthen community voices and ensure full participation in societal processes.

4.Livelihood/Sustainable Development

This sector is committed to promoting economic self-reliance through land-based farming, livestock rearing, and skill development initiatives. It also supports microfinance, rejuvenation of natural springs, and building community assets, fostering long-term sustainability and improved quality of life for marginalized communities.

5. Disaster Management

This thematic area emphasizes community preparedness and effective response to disasters. It focuses on building resilience through initiatives like DiDRR (Disability-inclusive Disaster Risk Reduction), ensuring that disaster response plans are inclusive and cater to the specific needs of vulnerable groups within the community.

3.4 CCI's Awards & Recognition:

- i.** *Amazing Indian Awards 2024 - Times Now, New Delhi* – Kiren Rijju announced initiatives to discuss the contributions of exceptional Indians in Parliament at the Times Now Amazing Indians Awards 2024.
- ii.** Certificate of Appreciation in recognition of contribution towards the welfare of Persons with Disabilities on the 76th Republic Day celebration on the 26th of January 2023
- iii.** Certificate of Appreciation towards extraordinary service and dedication for the welfare of Persons with Disabilities on the 76th Indian Independence Day 2022
- iv** Special Recognition Award - Under the category of Humanity on the occasion of the 69th Republic Day of India 2018
- v.** Americares India certificate of merit in recognition of outstanding contribution in the field of Disability sept 9, 2015, Mumbai
- vi.** District Administration - In recognition of its excellent performance in the Republic Day celebration 2013

3.3.1 Credential Certificate:

- i.** Give – Gold Certified
- ii.** GuideStar – Silver Certified

CHAPTER 4

FINANCIAL MANAGEMENT OF CCI

4.1 The Financial Planning

Financial planning is both a strategic and operational process linked to the achievement of objectives. It involves building both longer-term funding strategies and shorter-term budgets and forecasts. It lies at the heart of effective financial management.

The CCI - also recognizes the critical importance of sound financial planning in achieving its mission and sustaining its programs. The organization implements robust financial management practices to ensure transparency, accountability, and efficient use of resources. Annual budgeting, periodic financial reviews, and strategic allocation of funds are integral to its planning process.

CCI also prioritizes diversifying its funding sources—balancing internal contributions, individual donors, and external grants—to reduce dependency and enhance financial stability.

Mission

CCI's mission is to empower vulnerable and marginalized communities through inclusive development programs, ensuring access to education, healthcare, livelihood, and advocacy, with a special emphasis on the rights and dignity of persons with disabilities.

Objectives

- **Promote Inclusion:** Facilitate the social inclusion of persons with disabilities in education, employment, and community life.
- **Improve Access to Services:** Enhance access to quality education, healthcare, and rehabilitation for underserved populations.
- **Strengthen Livelihoods:** Support economic empowerment through skill development, micro-enterprise initiatives, and income-generating programs.
- **Raise Awareness:** Conduct awareness campaigns on disability rights, gender equality, and social justice.

- **Advocate for Policy Change:** Engage with local and national stakeholders to influence inclusive policies and ensure implementation of disability rights legislation.

4.2 Financial Management Structure

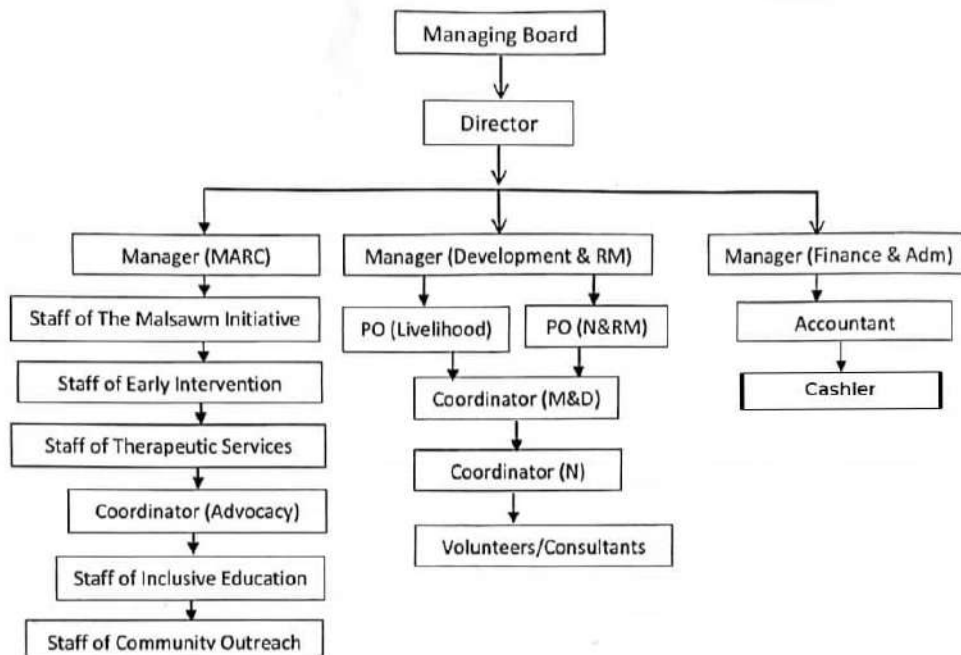
The CCI has a well-defined financial management structure that ensures transparency, accountability, and effective resource utilization. The finance team, led by a Finance Manager, operates under the guidance of the Executive Director and is responsible for budgeting, accounting, financial reporting, and compliance.

The Centre for Community Initiative (CCI) financial policy also ensures transparent and accountable management of its resources, aligning with its mission to empower marginalized communities, especially persons with disabilities.

CCI's financial management practices prioritize budgeting, financial reporting, and internal controls to optimize resource utilization. With income sources including donations and grants from organizations like Wipro Foundation and National Foundation of India, CCI allocates funds to support programs such as inclusive education, healthcare, and sustainable development. The organization maintains transparency in financial dealings, evident from its annual financial reports detailing income and expenses.

For instance, in 2022-23, CCI reported an income of ₹18,696,903 and expenses of ₹20,051,929, with ₹195,955 spent on administration and ₹19,855,973 on programs. By adhering to sound financial practices, CCI aims to ensure sustainability and maximize impact in its community development initiatives

4.3 CCI's Financial Management Team and their Roles



(Figure: CCI's Organogram)

The financial management structure at CCI is led by the Manager (Finance & Administration), who is responsible for overseeing the organization's financial operations, administrative systems, and

compliance with financial policies. Supporting this role are the Accountant and the Cashier, who handle day-to-day financial activities.

- The accountant manages financial records, prepares financial statements, and monitors expenses and income in alignment with the approved budget.
- The Cashier handles routine financial transactions, including cash disbursement, receipts, and maintaining petty cash, ensuring all expenditures are documented accurately.

This structured hierarchy ensures transparency, accuracy, and accountability in all financial matters, supporting CCI's commitment to responsible and efficient resource utilization.

4.4 Signatories to Cheque Books/Roles of the Financial Management Team:

The Director, Manager (Finance) or one of the Managing Board member and Manager (MARC) in case of TMI will be signatory to CCI's cheques. Money can be released by the signatures of any two signatories.

The Director and/or Manager (Finance) will ensure proper handling of petty cash fund through surprise checks from time to time.

4.4.1 Accounting policies and procedures

All payment is made either by cheque or bank transfer or cash.

Payment by Cheque

(1) Payment for Purchases

Payment against purchases exceeding Rs 10,000/- shall be made by cheque or bank transfer (if possible).

(2) Payment for Services Rendered

a) Payments for Staff Salaries

i. Payment: Staff salaries are to be paid through bank.

ii. Staff payroll: Staff payroll (salary sheet) is prepared by the accountant as the basis of payment. The staff payroll contains information on the employees' basic salary for the month, allowances if any, deductions and net salary payable. The

staff payroll is checked by the Manager (Finance) and approved for payment by the Director.

iii. Advance Pay: CCI's employees may take advance payment of up to 1 month (after completion of 3 months' probation), if urgently required. The advance must be returned/reimbursed before the end of that particular fiscal year.

iv. Advance Travel Expenses: CCI employees shall be given cash advances for expenses covered on official trips. Request for cash advances is prepared by the concern personnel, recommended by Manager (Finance) and approved by the Director. All cash advances for travel are to be liquidated within three working days following the completion of the trip.

b. Payment for Contractual Services

Payment for contractual services is done through cheque or cash disbursements.

4.4.2 Procedures for funds disbursements

(a) Procedures for Fund Disbursements/ Authorisation Matrix

- All requests for payments are to be made using the appropriate forms attached with Note sheet
- Requests for payments are prepared by Project Officer /In charge and submitted fund request

to Manager (Program)/Manager (Finance) to the Manager (Finance) for checking, to the

Director for approval and reforward the request to Manager (Finance) who will pass-on for

fund released the Cashier/Accountant.

PO/in charge > Manager (Prog) > Manager (Fin) > Director/DDO ↓

Cashier/Accountant < PO/in charge < Manager (Fin)

(b) Procedure for fund settlement:

Project Officer/in charge have to settle their respective fund expenses along with essential

documents/bill/ receipts to Cashier /Accountant for cross checking Manager (Programme) and

Manager (Finance), and to the Director for approval.

PO/in charge > Cashier/Accountant > Manager (Prog) ↓

Director/DDO < Manager (Fin)

4.5 Financial Planning & Budgeting

- **What is a Budget?**

“A budget describes an amount of money that an organisation plans to raise and spend for a set purpose over a given period of time.”

A budget has several different functions and is important at every stage of a project:

CCI uses budgets to plan and allocate resources efficiently for its various programs and operational needs. By setting clear financial goals and limits, the budget helps CCI prioritize activities, control spending, and ensure that funds are used in line with its mission and donor expectations.

It also serves as a tool for monitoring financial performance and making informed decisions throughout the year.

- **Budgeting Techniques**

There are two main ways that the CCI uses in building a budget they are – incremental and zero-base budgeting (ZBB)

Table 4.5.1 Shows a Budget worksheet Format showing as used in CCI’s Financial Budgeting. The extract describes the CCI’s Annual Budget Worksheet for the year **2022-2023**

NOTES: In the CCI’s budget worksheet format of the year 2023-2024 & 2024-2025, specific financial figures have not been included in accordance with the organization’s finance privacy policy. This measure is taken to ensure the confidentiality and security of sensitive financial information, while still providing a clear structure and layout for reference and planning purposes.

Table 4.5.1 Budget Worksheet Format

CENTRE FOR COMMUNITY INITIATIVE: BUDGET FOR 2023-2024							
INCOME				EXPENDITURE			
HEAD OF ACCOUNTS	PARTICULAR	AMOUNT	TOTAL	HEAD OF ACCOUNT	PARTICULAR	AMOUNT	TOTAL
GAD	Donation			GAD	Staff Salary		
	Fundraising				Staff Welfare including Employee's Saving		
	Networking				Consultancy (Professional Charges)		
	Contribution from members				Printing, Stationery, Postage & courier		
	Give Fundraising				Repair & Maintenance		
	Misc Sources				Travelling & Conveyance		
	Grant				Utility Bills		
	Bank Interest				Audit		
	Vehicle				Miscellaneous		
					Networking		
					Assets, Properties & Establishment		
					Documentation & Media		
					Fundraising		
					Postage & Courier		
			Vehicle Maintenance				
		Sub-Total(A)			Sub-Total(A)		
MARC							
The Malsawm Initiative				The Malsawm Initiative	Program Personal		
	Grant				Printing & Stationeries		
	Registration Fees				Utility		
	Donation Box Individual Donors				Medicare		
	Child Support				Welfare Expenses (Staff, Students, Parents)		
	Parents Contributions				Honorarium to Volunteers		
	Miscellaneous				Training & Capacity Building		
	Donation from GiveIndia				Miscellaneous		
	Services Charges				TLM & Therapy equipment		
	Bank Interest				Assets & Properties		
					Special Days & Events		
					Open Basic Education (NIOS)		
					Home Base care		
			Sub-Total(B)			Sub-Total(B)	

Early Intervention	Grant from The National Trust			Early Intervention	Program Personnel		
	From other source				Teaching Learning Materials		
					Program Cost		
					Admin Cost including rents		
	Sub Total (C)			Sub Total (C)			
Therapeutic Services	Service charges			Therapeutic Services	Program Personnel		
	Others				Maintenance & new equipment's		
					Utility Bills		
	Sub Total (D)			Sub Total (D)			
Advocacy	Legal Aid Clinic			Advocacy	Program Personnel		
	Support from Partners				Training & Capacity Building		
	Contribution from CCI				Legal Aid Clinic		
	Miscellaneous				Strengthening of DPOs		
					Awareness & Sensitisation		
					Special Days & Events		
	Sub Total(E)			Sub Total(E)			
Inclusive Education Project				Inclusive Education Project	Program Personnel		
	Grant from Wipro Foundation				Home School Program		
	Bank Interest				Inclusive School Program		
				Admin Cost			
	Sub Total (F)			Sub Total (F)			
Livelihood/Sustainable Development	Grant from NABARD			Livelihood/Sustainable Development	Program Personnel & Consultant		
	Livelihood				Springshed		
					TDF Behiang Cluster		
					Overhead & Admin Cost		
	Sub Total (G)			Sub Total (G)			
DiDRR	Disaster Response			DiDRR	Disaster Response		
	Other Source				Overhead Cost		
	Sub-Total(H)				Sub-Total(H)		
	Grant Total			Grant Total			

Table 4.5.2 Shows a Budget worksheet showing as used in

The extract describes the CCI’s Annual Budget Worksheet for the year **2023-2024**

Table 4.5.2 Budget Worksheet Format

CENTRE FOR COMMUNITY INITIATIVE: BUDGET FOR 2022-2023							
INCOME				EXPENDITURE			
HEAD OF ACCOUNTS	PARTICULAR	AMOUNT	TOTAL	HEAD OF ACCOUNT	PARTICULAR	AMOUNT	TOTAL
GAD	Donation			GAD	Staff Salary		
	Fundraising				Staff Welfare		
	Networking				Consultancy (Professional Charges)		
	Contribution from members				Printing, Stationery, Postage & courier		
	GiveIndia Fundraising				Repair & Maintenance		
	Misc Sources				Travelling & Conveyance		
					Utility Bills		
					Audit		
					Miscellaneous		
					Networking		
			Assets, Properties & Establishment				
			Documentation & Media				
MARC							
The Malsawm Initiative				The Malsawm Initiative	Staff Salary		
					Printing & Stationeries		
	Registration Fees				Utility		
	Donation Box				Medicare		
	Individual Donors				Welfare Expenses (Staff, Students, Parents)		
	Child Support				Honorarium to Volunteers		
	Parents Contributions				Training & Capacity Building		
	Miscellaneous				Miscellaneous		
	Donation from GiveIndia				TLM & Therapy equipment		
	Services Charges				Assets & Properties		
			Special Days & Events				
Early Intervention	Grant from The National Trust			Early Intervention	Program Personnel		
	From other source				Teaching Learning Materials		
					Admin Cost		
Therapeutic Services	Service charges			Therapeutic Services	Program Personnel		
	Others				Maintenance & new equipment's		

					Utility Bills		
Advocacy	MSLSA			Advocacy	Training & Capacity Building		
	Contribution from CCI				Legal Aid Clinic		
	Miscellaneous				Awareness & Sensitisation		
Inclusive Education Project				Inclusive Education Project	Program Personnel		
	Grant from Wipro Foundation				Home School Program		
					Inclusive School Program		
					Admin Cost		
Livelihood/Sustainable Development	Grant from NABARD			Livelihood/Sustainable Development	Program Personnel & Consultant		
	Grant from other source				Springshed		
					TDF Behiang Cluster		
					Women Empowerment on livelihood		
					Overhead & Admin Cost		
DiDRR	From various sources			DiDRR	Humanitarian Relief		
					Covid Response		
					Overhead Cost		
	Grant Total				Grant Total		

4.6 Book-keeping & Recordings

The recording system of approved by financial transactions allows to monitor bank balances, status of funds receipts and expenditures, and a comparative statement of budget vs. actual expenditure on a regular basis.

CCI maintains systematic bookkeeping and financial recordings to ensure transparency and accountability in all its operations. All financial transactions, including receipts, payments, and expenditures, are accurately recorded using standard accounting practices. This helps CCI track fund utilization, prepare timely reports, and comply with donor and regulatory requirements, supporting informed decision-making and effective financial management.

4.5.1 Receipt & Vouchers Files

Receipt is more than a shopping list – it's a proof of purchase. it's the seller confirming they receive your payment for the items you bought.

A receipt is a written acknowledgment issued by a seller upon purchasing goods or services. It serves as documented proof for a financial transaction, verifying that payment has been received in exchange for the specified items or services rendered

In the CCI organization, receipts are an essential tool used to systematically record, track, and identify every financial transaction that takes place. To ensure proper documentation and transparency, the organization uses three main types of receipts, each serving a distinct purpose:

i) Donation Receipt

This type of receipt is specifically used to record any financial support received through donations or grants. Whenever an individual, group, or institution donates materials, funds or provides financial aid to CCI, the transaction is documented using a donation receipt. This serves as an official acknowledgment of the donor's contribution and helps the organization maintain a clear record of all incoming support.

Figure 4.5 Shows a Donation Receipt Format showing as used in CCI's Financial Recording

Figure 4.5 Donation Receipt

ORIGINAL
CENTRE FOR COMMUNITY INITIATIVE
 Administrative Office: Nehru Marg, Central Lamka, Lamka, Churachandpur 795 128, Manipur, INDIA
 Registered Office: Malsawm Ability Resource Centre (MARC), Pearsonmun, Churachandpur 795 006, Manipur, INDIA

centre for COMMUNITY INITIATIVE
 inform • inspire • initiate

Book No. **062** **DONATION RECEIPT** Date

Receipt No. **1541**

Received with thanks from
 of
 a sum of Rupees
 by cash/cheques/DD/bank transfer/..... dated
 on account of

for Centre for Community Initiative

₹

Regn no. 6 of 2002 under the Societies Registration Act, 1989; Regn no.76 of 2010 under Persons with Disabilities Act, 1995; Regn no.194160092 under FCRA with Ministry of Home Affairs, Government of India; Regn no. OC-1141/12A/CIT/JRT/2011-12 u/s 12A and No. OC-579/80G/CIT/JRT/2011-12 u/s 80G of Income Tax Act; PAN AAAAC7916L; LIN: 1-3515-9725-7 under Ministry of Labour & Employment, Govt of India; Darpan (NTTI Aayog, Government of India) ID : MN/2009/0000568; GuideStar Number (GSN): 1263; BRIDGE Number (Unique Global ID):2813784613

ii) Actual Payment Receipt

This receipt is used by the organization when dealing with private individuals who are hired for specific task(s), or when transactions are made with shops or vendors who do not issue their own receipts. In such cases, CCI generates its own payment receipt to document the exchange of money. This ensures that all such transactions are properly accounted for, even in cases where the other party cannot provide formal documentation.

Figure 4.6 Shows an Actual Payment Receipt Format showing as used in CCI's Financial Recording(s)

CENTRE FOR COMMUNITY INITIATIVE
Malsawm Ability Resource Centre (MARC),
Pearsonmun, Lamka, Churachandpur 795006, Manipur, INDIA

ACTUAL PAYMENT RECEIPT

Sl. No. **3346**

Received with thanks _____ a sum of
Rs. _____ (Rupees _____) only
on account of _____

₹ _____

Date: _____ (_____) (_____)
A/C Head: _____ Payee's Signature Payer's Signature

www.communityinitiative.in | Email: info@communityinitiative.in

iii) Ordinary Receipt

The ordinary receipt is used on a regular basis by the organization for day-to-day financial transactions. This includes any routine activities or operations that involve payments, purchases or service fees. It acts as a general-purpose receipt, ensuring that even regular and recurring transactions are recorded in an organized manner.

CENTRE FOR COMMUNITY INITIATIVE
Malsawm Ability Resource Centre (MARC),
Pearsonmun, Churachandpur - 795 006, Manipur, INDIA

Book No. **107** Sl. No. **5301** Date _____

Received with thanks from _____
of _____ a sum of
Rupees _____
in cash/draft/cheque/bank transfer on account of _____

₹ _____

Receiver _____

Regn no. 6 of 2002 under the Societies Registration Act, 1985; Regn no.76 of 2010 under Persons with Disabilities Act, 1995; Regn no.194160092 under FCRA with Ministry of Home Affairs, Government of India; Regn no. OC-1141/12A/CTT/JRT/2011-12 w/s 12A and No. OC-579/80G/CTT/JRT/2011-12 w/s 80G of Income Tax Act; PAN AAAC7916L; LTN: I-3515-9725-7 under Ministry of Labour & Employment, Govt of India; Darpan (NITI Aayog, Government of India) ID - MH/2009/0006568; GuideStar Number (G5N): 1263; BRIDGE Number (Unique Global ID):2813784613

By using these three types of receipts—donation, actual payment, and ordinary—CCI ensures that all financial activities, whether large or small, formal or informal, are well-documented and traceable. This practice strengthens financial accountability and helps maintain accurate records for reporting, auditing, and internal management purposes.

Vouchers are essential financial documents used by CCI to record and authorize all financial transactions. Each voucher includes details such as the date, amount, purpose, and the supporting receipts or bills, ensuring that every expense is properly documented and approved. CCI uses vouchers to maintain financial transparency, prevent unauthorized spending, and create a clear audit trail.

By systematically preparing and filing vouchers for every payment made, CCI ensures accountability in the use of funds and aligns financial activities with its organizational objectives and donor requirements. and financial reporting.

Figure 4.7 Shows a Payment Vouchers Format showing as used in CCI's Financial Recording(s)



centre for
**COMMUNITY
INITIATIVE**
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WIPRO (2022-2023)
Nehru Marg, Central Lamka, Ccpur
Manipur - 795128, India
State Name : Manipur, Code : 14
E-Mail : pauzagin@communityinitiative.in

Payment Voucher

No. : 4

Dated : 31-May-23

Through : State Bank of India (40543309524)

Particulars	Amount
Account :	
500 E/3(3) Special Educator/ Inclusive Education	34,240.00
On Account of :	
For the month of Apr & May 23	
Parnei Vaiphei Special Educator	
Bank Transaction Details:	
500 E/3(3) Special Educator/ Inclusive Education	
Cheque Ref No.: CTX2223840 31-May-23 34,240.00	
Amount (in words) :	
INR Thirty Four Thousand Two Hundred Forty Only	
	₹ 34,240.00

Receiver's Signature :

Hoihishian
Prepared by
Accountant
Centre for Community Initiative

[Signature]
Checked by
Manager (Finance)
Centre for Community Initiative

Authorised Signatory

[Signature]
Verified by
Director
Centre for Community Initiative

(Figure: CCI's Payment Voucher Format)

4.4.4 Cash Book

A cashbook is a primary book of entry that is prepared after a voucher for a particular transaction. The cash book records all transactions in which cash /bank receipts are involved

A **Cash Book** is a financial record used to track all cash and bank transactions on a daily basis.

CCI maintains a cash book to record every cash receipt and payment in chronological order, ensuring accurate and up-to-date tracking of its cash flow. This practice helps the organization monitor available funds, prevent discrepancies, and maintain financial discipline. The cash book also serves as a reliable reference for audits and financial reporting, supporting CCI's commitment to transparency and accountability.

Table 4.4.4 Shows a Cash Book showing as used in CCI's Financial Recording
The extract describes the CCI's Cash Book for the year 2022-2023

Table 4.4.4 Cash Book:

DISBURSEMENTS 245

Month & Date	PARTICULARS	Voucher No.	Ledger Folio	Cash		Bank		Total Amount	
				Rs.	P.	Rs.	P.	Rs.	P.
15/09/22	500E/11(2) Staff welfare Refreshment		8	450					
19/09/22	Bank withdrawal Chq no. 07880		108				20,000		
19/09/23	500E/11(2) Staff welfare Refreshment		8	250					
19/09/23	500E/11(2) Utility Battery + garbage bag		47	170					
20/09/23	500E/11(14) D10RR Vehicle hiring charge		69	3,500					
21/09/23	500E/11(2) Staff welfare Staff refreshment for relief distribution		8	1,550					
21/09/23	500E/11(14) D10RR Delhi transport + Bala pool + phone charge		64	4,300					
	T/P			10,270				20,000	
	L/B			11,451		36,235		47,686	19
	G/T			21,671		36,235		57,906	19

4.4.6 Ledger

A ledger format has two sides i.e. Debit and Credit and columns of Date, Particulars, Journal Folio, and Amount on each side. A ledger is also known as the principal book of accounts, and its primary purpose is to transfer the transactions from journals into their respective accounts. Ledger is also known as the book of final entry as it helps in the preparation of accounting statements like the Trial Balance.

A general ledger is used by Companies that use the double-entry bookkeeping method, which means that each financial transaction affects at least two ledger accounts. Each entry has a dual effect, one which debit and the other credits.

The CCI organisation maintains a ledger as a crucial part of its financial recording system. All financial transactions, whether income or expenditures, are carefully documented to ensure transparency and accountability. These transactions are first record. From there, they are categorized and entered into main sections: the receipt ledger and the payment ledger.

Table 4.4.6 & 4.4.7 Shows Receipt & Payment Ledgers respectively showing as used in CCI's Financial Book keeping, being used after the maintaining of Cash Book, the extract depicts the CCI's Ledgers for the Account of Child Support for the year 2023-2024

Table 4.4.6 Receipt Ledger

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LEDGER A/C. OF 500R/2(5) CHILD SUPPORT (23-24)

Month and Date	PARTICULARS	Folio No.	Debit		Credit		Cr. or Dr.	Balance	
			Rs.	P.	Rs.	P.		Rs.	P.
01.04.23	Naisy phalthiankiri 60/2951	31			6000	00			
01.04.23	NamZamal 60/2953	31			2000	00			
01.04.23	Golding malsam 60/2955	31			4000	00			
01.04.23	Nemlunmawi 60/2956	31			3000	00			
01.04.23	Esther Lalchhankhimi	31			2000	00			
01.04.23	Damlal Paul 60/2959	32			2000	00			
01.04.23	Hengouang 60/2960	32			6000	00			
03.04.23	Nianggoimawi 60/2962	32			4000	00			
04.04.23	Rhumbuan E1	33			2000	00			
06.04.23	Ching Khan E1	33			400	00			
10.04.23	Elizabeth Donthimboi	34			6000	00			
10.04.23	Caleb Thuyrimawon a	34			4000	00			
10.04.23	Chintrauching 60/2971	34			2000	00			
10.04.23	Johan Lalchhankhimi	34			2000	00			
11.04.23	Beulah Niangramkim	34			2000	00			
12.04.23	Thuanmuanlian Nantak	35			2000	00			
13.04.23	Boboi E1	35			400	00			
13.04.23	Et Thang E1	35			400	00			
17.04.23	Chingpiakdie 60/2977	35			8000	00			
18.04.23	Boboi E1	36			800	00			
20.04.23	Esther Lalchhankhimi	36			4000	00			
21.04.23	Thonglian Siam 60/2983	37			6000	00			
23.04.23	Elezer Sangzalen	37			2000	00			
25.04.23	Nemlunmawi 60/2986	37			2000	00			
25.04.23	Thang Johnsen 60/2988	37			1500	00			
26.04.23	Lianchrisit 60/2990	38			2000	00			
29.04.23	Alfred Liangongin	38			4000	00			
27.04.23	K. Suarhase E1	38			400	00			
27.04.23	Thang Johnsen 60/2992	38			5000	00			
30.04.23	Rhumbuan E1	38			2000	00			
01.05.23	NamZamal 60/2994	39			2000	00			
01.05.23	Damlal Paul 60/2995	39			2000	00			
01.05.23	Tyson Hengouang 60/2996	39			3000	00			

Table 4.4.7 Payment Ledger

LEDGER A/C. OF									
Month and Date	PARTICULARS	Folio No.	Debit		Credit		Cr. or Dr.	Balance	
			Rs.	P.	Rs.	P.		Rs.	P.
29/09	Refreshment	49	205	00					
03/10/23	"	50	320	00					
05/10/23	"	50	375	00					
08/10/23	"	51	100	00					
09/10	"	52	1180	00					
10/10	"	52	1430	00					
11/10	"	52	170	00					
14/10	"	53	180	00					
13/10	"	53	860	00					
16/10	"	53	360	00					
17/10	"	54	1350	00					
18/10	"	54	275	00					
19/10	"	55	450	00					
20/10	"	55	240	00					
21/10	"	55	290	00					
22/10	"	55	800	00					
23/10	Codolene, kappu karslep.	56	1000	00					
24/10	Refreshment	56	350	00					
25/10	"	56	130	00					
26/10	"	56	170	00					
27/10	"	57	480	00					
28/10	"	57	890	00					
31/10	"	57	800	00					
03/11	"	58	240	00					
06/11	"	58	800	00					
08/11	"	58	210	00					
07/11	Staff Dinner	59	8700	00					
10/11	Refreshment	59	280	00					
07/11	"	59	660	00					
14/11	"	60	1430	00					
16/11	"	60	200	00					
17/11	"	60	360	00					

4.5 CCI's Financial Reports

Financial reporting is a crucial process for companies and investors, as it provides key information that shows financial performance over time. Government and private regulatory institutions also monitor financial reporting to ensure fair trade, compensation and financial activities.

CCI's financial reporting system:

- a.** Monthly financial reports are prepared and reviewed by the Finance Manager and Accountant. These reports are then presented during the Monthly Review & Planning meetings with the Management Team to support informed decision-making.
- b.** financial reports for donors are prepared and submitted according to the specific terms and schedules outlined in the agreement between CCI and each donor.
- c.** At the end of every fiscal year, CCI prepares an Annual Balance Sheet and a Statement of Income and Expenditures to summarize its overall financial position and performance.

The **CCI** finance report provides a comprehensive overview of the organization's financial activities, including income, expenditures, and fund allocations. It serves as a key tool for transparency, accountability, and informed decision-making. By regularly preparing and reviewing these reports, CCI ensures that financial resources are effectively managed and aligned with its mission and objectives, allowing the organization to plan strategically, monitor progress, and demonstrate responsible use of funds to stakeholders.

4.5.1 Income & Expenditures

The Income & Expenditure Account is a key financial statement used by CCI to summarize its financial performance over a specific period. It records all incomes received and expenditures incurred, helping the organization assess its financial health and operational efficiency.

CCI uses this account to track how funds are utilized in relation to its programs and activities, ensuring transparency and accountability. This statement also aids in financial planning and reporting to stakeholders, including donors and regulatory bodies.

Table 4.5.1 Shows an Income & Expenditures showing as used in CCI's Financial Recording. The extract describes the CCI's Income & Expenditures for the year 2022-2023

Table 4.5.1 Income & Expenditures

General Administration Department(GAD)

Pearsonmun, Churachandpur
Manipur - 795128, India
E-Mail : info@Communityinitiative.in

Income & Expenditure A/c

1-Apr-24 to 28-Apr-25

Particulars		1-Apr-24 to 28-Apr-25	Particulars		1-Apr-24 to 28-Apr-25
Direct Expenses (Expenses (Direct))		649.00	Direct Incomes (Income (Direct))		1,373.00
500 E/1(18) Bank Charges	649.00		500 R/(18) Bank Interest	1,373.00	
Indirect Expenses (Expenses (Indirect))		65,96,855.00	Indirect Incomes (Income (Indirect))		69,67,243.00
500 E/1(10) Springshed -II	1,14,150.00		500 R/1(12) Training & Capacity Building	1,49,000.00	
500 E/1(12) Training & Capacity Building	2,08,739.00		500 R/1(13) Inclusive Edu Prog	1,53,730.00	
500 E/1(14) DiDRR	1,11,800.00		500 R/1(15) Give India Foundation	48,013.50	
500 E/1(16) Grant	17,04,162.00		500 R/1(16) Grant	1,54,900.00	
500 E/1(17) Establishment	1,72,815.00		500 R/1(17) Establishment	2,45,000.00	
500 E/1(1) Staff Salary	14,79,706.00		500R/1(1) Membership Fee	3,200.00	
500 E/1(20) Advocacy Programme	63,520.00		500 R/1(21) Livelihood	57,000.00	
500 E/1(21) Sustainable Development	2,000.00		500 R/1(23) Vehicle	2,27,938.00	
500 E/1(22) EPF Subscription	4,01,331.00		500 R/1(2) Donation	49,62,637.38	
500 E/1(23) Audit	1,00,300.00		500 R/1(3) Fundraising	5,70,004.00	
500E/1(24) Meeting & Conference	1,46,190.00		500 R/(14) DiDRR	23,702.00	
500 E/1(25) Assets & Properties	1,27,840.00		500 R/1(4) Networking	1,58,999.00	
500E/1(26) Documentation & Media	9,500.00		500 R/1(7) Contribution	7,120.00	
500 E/1(28) Miscellaneous	37,007.00		500 R/1(8) Miscellaneous	2,06,000.00	
500 E/1(29) Fundraising	2,25,100.00				
500 E/1(2) Staff Welfare	1,14,941.00				
500 E/1(30) Employee's Savings	91,546.00				
500 E/1(32) Vehicle Maintenance	3,65,209.00				
500 E/1(33) Honorarium (Directr&Co-Ordinator)	7,88,587.00				
500 E/1(3) Consultancy Fees	1,10,880.00				
500 E/1(4) Printing & Stationery	62,152.00				
500 E/1(5) Repair & Maintenance	28,263.00				
500 E/1(6) Travelling & Conveyance	99,290.00				
500 E/1(7) Postage & Courier	9,667.00				
500 E/1(8) Utility Bills (Office Rent, Water Etc)	22,160.00				
Nett Profit		3,71,112.88			
Total		69,68,616.88	Total		69,68,616.00

4.5.2 Receipt & Payment Account

Receipt and Payment refers to a summary of all cash and bank transactions made by an organization during a particular period. It includes all money received (receipts) and all money spent (payments), whether for capital or revenue purposes.

This account is prepared on a cash basis, meaning only actual cash transactions are recorded, not credit transactions. It helps in understanding the cash position of the organization.

CCI uses this account to monitor its cash flow, ensuring that all financial inflows and outflows are properly tracked. This helps the organization maintain financial discipline, make informed spending decisions, and provide a clear financial picture to stakeholders and auditors.

Table 4.5.2 Shows an Income & Expenditures showing as used in CCI's Financial Recording. The extract describes the CCI's Receipt & Payment for the year 2024-2025

Table 4.5.3 Receipt & Payment A/c

General Administration Department(GAD)

Pearsonmun, Churachandpur

Manipur - 795128, India

E-Mail : info@Communityinitiative.in

Receipts and Payments

1-Apr-24 to 31-Mar-25

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Receipts	1-Apr-24 to 31-Mar-25	Payments	1-Apr-24 to 31-Mar-25
Opening Balance	1,06,996.97	Current Liabilities	5,88,847.00
Bank Accounts	1,04,764.97	500/1(19) Loan & Advances (L)	5,88,847.00
Cash-in-Hand	2,232.00	Current Assets	9,41,319.00
Current Liabilities	7,96,523.00	500 E/1(19) Loan & Advances (A)	9,41,319.00
500/1(19) Loan & Advances (L)	7,96,523.00	Direct Expenses (Expenses (Direct))	649.00
Current Assets	3,75,130.00	500E/1(18) Bank Charges	649.00
500 E/1(19) Loan & Advances (A)	3,75,130.00	Indirect Expenses (Expenses (Indirect))	65,19,905.00
Direct Incomes (Income (Direct))	1,373.00	500 E/1(10) Springshed -II	1,14,150.00
500 R/1(18) Bank Interest	1,373.00	500 E/1(12) Training & Capacity Building	1,97,639.00
Indirect Incomes (Income (Indirect))	69,28,075.88	500 E/1(14) DiDRR	1,11,800.00
500 R/1(12) Training & Capacity Building	1,49,000.00	500 E/1(16) Grant	17,04,162.00
500 R/1(13) Inclusive Edu Prog	1,53,730.00	500 E/1(17) Establishment	1,65,445.00
500 R/1(15) Give India Foundation	47,083.50	500 E/1(1) Staff Salary	14,79,706.00
500 R/1(16) Grant	1,54,900.00	500 E/1(20) Advocacy Programme	63,520.00
500 R/1(17) Establishment	2,45,000.00	500 E/1(21) Sustainable Development	2,000.00
500R/1(1) Membership Fee	3,200.00	500 E/1(22) EPF Subscription	4,01,331.00
500 R/1(21) Livelihood	57,000.00	500 E/1(23) Audit	1,00,300.00
500 R/1(23) Vehicle	2,05,688.00	500E/1(24) Meeting & Conference	1,46,190.00
500 R/1(2) Donation	49,48,649.38	500 E/1(25) Assets & Properties	1,27,840.00
500 R/1(3) Fundraising	5,70,004.00	500E/1(26) Documentation & Media	4,500.00
500 R/1(4) DiDRR	23,702.00	500 E/1(28) Miscellaneous	36,507.00
500 R/1(4) Networking	1,58,999.00	500 E/1(29) Fundraising	2,25,100.00
500 R/1(7) Contribution	7,120.00	500 E/1(2) Staff Welfare	1,14,141.00
500 R/1(8) Miscellaneous	2,04,000.00	500 E/1(30) Employee's Savings	91,546.00
		500 E/1(32) Vehicle Maintenance	3,56,009.00
		500 E/1(33) Honorarium (Director&Co-Ordinator)	7,88,587.00
		500 E/1(3) Consultancy Fees	1,10,880.00
		500 E/1(4) Printing & Stationery	20,402.00
		500 E/1(5) Repair & Maintenance	28,263.00
		500 E/1(6) Travelling & Conveyance	99,290.00
		500 E/1(7) Postage & Courier	9,087.00
		500 E/1(8) Utility Bills (Office Rent, Water Etc)	21,510.00
		Closing Balance	1,57,378.85
		Bank Accounts	1,49,011.85
		Cash-in-Hand	8,367.00
Total	82,08,098.85	Total	82,08,098.85

Here, **Table 4.5.4** shows a document presenting the CCI's financial budget report, prepared in accordance with its standard budgeting format, which is regularly updated and maintained to support strategic financial management.

The extract shows Financial Budget preparation of CCI for the year 2025-2026

NOTES: In the CCI's budget preparation format for the year 2025-2026, specific financial figures have not been included in accordance with the organization's finance privacy policy. This measure is taken to ensure the confidentiality and security of sensitive financial information, while still providing a clear structure and layout for reference and planning purposes.

Table 4.5.4 Budget vs Actual A/c Preparation for 2025-2026

CENTRE FOR COMMUNITY INITIATIVE : BUDGET PREPARATION FOR 2025-2026

INCOME				EXPENDITURE			
HEAD OF ACCOUNTS	PARTICULAR	BUDGETED AMT	ACTUAL AMT	HEAD OF ACCOUNTS	PARTICULAR	BUDGETED AMT	ACTUAL AMT
GAD	Donation			GAD	Staff Salary		
	Fundraising				Staff Welfare including Employee's Saving		
	Networking				Consultancy (Professional Charges)		
	Contribution from members				Printing, Stationery, Postage & courier		
	Give Fundraising				Repair & Maintenance		
	Misc sources				Travelling & Conveyance		
	Grant				Utility Bills		
	Establishment				Audit		
	Training and Capacity Building				Miscellaneous		
	Bank Interest				Networking		
					Assets, Properties & Establishment		
					Documentation & Media		
					Fundraising		
			Postage & Courier				
			Advocacy Program				
	Sub Total (A)	-	-		Sub Total (A)	-	-
MARC				MARC			
The Malsawm Initiative	Grant			The Malsawm Initiative	Program Personnel		
	Registration Fees				Printing & Stationeries		
	Donation Box				Utility		
	Individual Donors				Medicare		
	Child Support				Welfare Expenses (Staff, Students, Parents)		
	Parents Contributions				Honorarium to Volunteers		
	Miscellaneous				Training & Capacity Building		
	Donation from Give				Miscellaneous		
	Service charges				TLM & Therapy equipment		
	Bank Interest				Assets & Properties		
					Special Days & Events		
			Open Basic Education (NIOS)				
			Home Base care				
	Sub Total (B)	-	-		Sub Total (B)	-	-
Early Intervention	Grant from The National Trust			Early Intervention	Program Personnel		
	From other source				Teaching Learning Materials		
					Program Cost		
				Admin Cost including rents			
	Sub Total (C)	-	-		Sub Total (C)	-	-
Therapeutic Services	Service charges			Therapeutic Services	Program Personnel		
	Others				Maintenance & new equipments		
					Utility Bills		
	Sub Total (D)				Sub Total (D)	-	
Advocacy	Legal Aid Clinic			Advocacy	Program Personnel		
	Support from Partners				Training & Capacity Building		
	Contribution from CCI				Legal Aid Clinic		
	Miscellaneous				Strengthening of DPOs		
					Awareness & Sensitisation		
				Special Days & Events			
	Sub Total (E)				Sub Total (E)	-	
Inclusive Education Project	Grant from Wipro Foundation			Inclusive Education Project	Program Personnel		
	Bank Interest				Home School Program		
					Inclusive School Program		
				Admin Cost			
	Sub Total (F)	-	-		Sub Total (F)	-	-
Livelihood/Sustainable Development	Grant from NABARD/TDF			Livelihood/Sustainable Development	Program Personnel & Consultant		
	Livelihood				Springshed		
					TDF Behiang Cluster		
					Overhead & Admin Cost		
	Sub Total (G)				Sub Total (G)	-	
DIDRR	Disaster Response			DIDRR	Disaster Response		
	Other Source				Overhead Cost		
	Sub Total (H)				Sub Total (H)	-	-
Grant Total (A+B+C+D+E+F+G+H+I)		-	-	Grant Total		-	-

4.5.5 CCI's Management Information System (MIS) for Livelihood Report:

In the context of livelihood programs, the CCI use a Management Information System (MIS) to systematically track, monitor, and evaluate the progress of livelihood-related activities. This includes maintaining detailed data on beneficiaries, training provided, income generation, and resource allocation. Financial reports related to livelihood initiatives are also prepared through the MIS, ensuring transparency and accountability. These reports help the organization manage budgets, assess fund utilization, and report accurately to donors on the financial performance of livelihood projects. This integrated approach strengthens decision-making and supports the sustainability of livelihood interventions.

The MIS (Management Information System) financial report by CCI includes both finance and program report specifically related to livelihood activities. It covers program fund utilization as per the requirements of funders, ensuring that spending aligns with donor expectations. Additionally, internal reports are also included, helping CCI monitor and manage its livelihood programs more effectively and transparently.

Here, **Table 4.5.5** shows a document presenting the CCI's financial MIS Report.

Table 4.5.5 MIS(Livelihood) Report for the quarter ending December, 2024

Annexure XIII (b) - MIS on financial progress of TDP implementation for the quarter ending December 2024

State: Manipur
 District: Churachandpur
 Block: Churachandpur
 Project Implementing Agency: Centre for Community Initi
 Client ID (UCIC):
 Project ID:
 Date of Sanction: 24 December 2024
 No. of Families sanctioned: 200
 Total area sanctioned (ac): 200

(Rs. in lakh)

Sr.No.	Project Component	Phase I		Phase II		Cumulative		Balance	
		Sanction	Achievement	Sanction	Achievement	Sanction (Released by NABARD)	Achievement (Utilized by PIA)	Sanction (Year 1 to be sanction amount - Amount release i.e., Left to be released)	Achievement (Year 1 to be Sanction amount-Amount utilized i.e., Left to be utilized)
1	Horticulture Plantation & Maintenance								
a)	Avocado saplings					-	-	-	-
b)	Mango saplings					-	-	-	-
c)	Banana saplings					-	-	-	-
d)	Singthupi (Dysoxylum Gobara)			-		-	-	-	-
e)	Soy bean/NRC					-	-	-	-
f)	Fertilizers and manures					-	-	-	-
g)	Barbed wire fencing					-	-	-	-
h)	Agriculture Implements - Farm Tools & Implements					-	-	-	-
i)	Transportation			-		-	-	-	-
j)	Labour components					-	-	-	-
	Subtotal-Horticulture (1)	-	-	-	-	-	-	-	-
2	Soil conservation								
a)	Mulching Sheet					-	-	-	-
	Subtotal-Soil conservation (2)	-	-	-	-	-	-	-	-
3	Water resources development								
a)	Small Rainwater Harvesting- 01 No./acre (12x18 feet)					-	-	-	-
b)	Drip irrigation 4 feet @ Rs. 3 per feet = Rs. 1200					-	-	-	-
c)	Polypipe 15 Kg per Acre @ Rs. 110 per kg					-	-	-	-
	Subtotal-Water Resources development (3)	-	-	-	-	-	-	-	-
4	Other Livelihood Interventions								
a)	Backyard livestock farming					-	-	-	-
	Sub total - Livelihood activities (4)	-	-	-	-	-	-	-	-
5	Health								
a)	Health Camp (Legal Awareness and Disability Assessment Camp)					-	-	-	-
	Sub total-health (5)	-	-	-	-	-	-	-	-
6	Women empowerment								
a)	Training on Pickle Making					-	-	-	-
b)	Improved chulhas/Cooking stoves					-	-	-	-
	Sub total - women empowerment (6)	-	-	-	-	-	-	-	-
7	Training and capacity building								
a)	Farmer Training cum demonstration on input management					-	-	-	-
b)	Training on Horticulture Plantation & organic cultivation					-	-	-	-
c)	Training on Post harvest planning					-	-	-	-
d)	Backyard Livestock Training					-	-	-	-
e)	Exposure visit					-	-	-	-
	Sub total - training and capacity building (7)	-	-	-	-	-	-	-	-
8	Processing & marketing (8)								
9	Total - A (1+2+3+4+5+6+7+8)	-	-	-	-	-	-	-	-
10	Project management cost								
11	Total C(9+10)	-	-	-	-	-	-	-	-
12	Contingencies								
13	Total grant assistance (11+12)	-	-	-	-	-	-	-	-
14	Loans								
15	Total TDF assistance (13+14)	-	-	-	-	-	-	-	-
16	Grant received								
17	Loan amount received								
18	Balance lying in the bank A/c.								
19	Contribution if any by								
a)	Govt.								
b)	NGO								
c)	CSR								
d)	Beneficiaries								

4.5.6 Auditing

After implementing its financial management practices, CCI conducts regular auditing to ensure accuracy, accountability, and transparency in financial operations. The organization carries out annual audits by an independent auditor appointed by the Managing Committee, and half-yearly audits by an auditor selected by the Management Team.

These audits help assess the effectiveness of financial procedures, verify records, and ensure compliance with legal and donor requirements. Additionally, CCI may appoint an internal auditor to strengthen internal controls and improve accounting systems, supporting its commitment to responsible financial governance.

a) Annual Audit by Independent Auditor:

CCI's Books of Accounts are audited annually by an independent auditor appointed by the Managing Committee. This ensures transparency, accuracy, and compliance with financial standards and donor requirements.

b. Half-Yearly and Internal Audits:

CCI also conducts half-yearly audits through an auditor appointed by the Management Team. Additionally, an internal auditor may be hired to improve and streamline accounting systems and procedures.

4.6 Financial Sustainability of CCI

Financial sustainability is a crucial aspect of CCI's overall mission, ensuring that its programs and services continue to benefit communities in the long term. Recognizing the importance of stable and diverse funding, CCI actively implements strategies to build financial resilience. This includes strengthening internal systems, exploring varied income sources, and aligning programs with sustainable development goals. By focusing on financial sustainability, CCI not only secures the future of its initiatives but also reinforces its ability to support marginalized groups consistently and effectively.

CCI, an NGO committed to long-term financial sustainability, integrates its mission-driven activities with strategies that promote lasting community impact. As part of its sustainability efforts, CCI actively engages in **Advocacy & Community Empowerment**, supporting individuals with disabilities through legal aid, awareness of government entitlements, and facilitating access to UDID cards. By promoting accessibility, empowering parents, and strengthening organizations of persons with disabilities (OPDs), CCI ensures inclusive participation and rights-based development. Additionally, under its **Livelihood/Sustainable Development** program, CCI enhances economic self-reliance by supporting land-based farming, livestock rearing, skill-building, microfinance, and natural resource rejuvenation. These interconnected initiatives not only build community resilience but also contribute significantly to CCI's broader goal of financial and social sustainability.

Some of the Sustainable Ways NGOs can achieve its financial stability are given as follows:

1. **Diversify Funding Sources,**

The CCI should **diversify its funding sources** by seeking a balanced mix of internal donors, individual contributions, external grants, and income-generating activities. This approach will help CCI reduce dependency on any single source, ensuring more stable and resilient financial support for its programs and long-term sustainability.

2. **Strengthen Income-Generating Activities,**

CCI can **strengthen its income-generating activities** by expanding existing livelihood programs—such as farming, livestock rearing, and skill

training—into social enterprises. This would not only empower communities economically but also create a steady revenue stream to support CCI’s core programs and enhance financial sustainability.

3. Build Strategic Partnerships,

CCI should **build strategic partnerships** by collaborating with corporates through CSR initiatives, government agencies, and philanthropic foundations. These alliances can provide long-term funding and programmatic support, strengthening CCI’s capacity to achieve its mission and sustain its operations effectively.

4. Enhance Financial Planning and Forecasting,

CCI can **enhance its financial planning and forecasting** by developing multi-year budgeting plans and regularly reviewing financial projections. This will help the organization anticipate funding gaps, allocate resources efficiently, and ensure long-term financial stability for its programs and operations.

5. Invest in Capacity Building,

CCI should **invest in capacity building** by training its staff in fundraising, proposal writing, and financial management, thereby increasing operational efficiency and boosting the organization’s overall funding success.

6. Improve Transparency and Reporting

CCI can **improve transparency and reporting** by maintaining clear, timely, and donor-friendly financial reports, which will help build trust with stakeholders and encourage continued and repeat funding from donors.

7. Mobilize Community Contributions

CCI actively mobilizes community contributions by encouraging local participation through small donations, volunteering, and in-kind support. This approach not only strengthens community ownership but also enhances the sustainability of its programs. By involving the beneficiaries and local stakeholders directly, CCI ensures that its initiatives are rooted in the needs and capacities of the community it serves.

8. Leverage Technology for Efficiency

CCI leverages technology by utilizing financial management systems and MIS tools to ensure real-time tracking, effective cost control, and compliance with donor requirements. This enhances operational efficiency and transparency across its programs.

9. Create a Financial Reserve Fund

CCI aims to strengthen its financial stability by allocating surplus funds, when available, into a reserve fund. This financial buffer helps the organization manage funding gaps or unforeseen emergencies, ensuring continuity of its programs.

10. Regular Monitoring and Evaluation

CCI conducts regular monitoring and evaluation to assess the effectiveness of its financial strategies. This ongoing review allows the organization to make necessary adjustments, ensuring that its financial practices remain aligned with its mission and long-term sustainability goals.

In essence, financial sustainability is the foundation for resilience, growth, and effectiveness, allowing NGOs to achieve their mission and serve their communities more effectively.

CHAPTER 5

LITERATURE REVIEW

- **Raymond (2010)**, in his book *Financial Management for Nonprofit Organizations: Policies and Practices*, provides a comprehensive framework for understanding how sound financial systems support nonprofit effectiveness. His study is based on practical case examples, internal control models, and financial policy analysis across various types of nonprofit organizations. He emphasizes that financial management is not merely about accounting but involves strategic planning, budgeting, internal controls, risk management, and performance monitoring. By integrating real-world scenarios, Raymond illustrates how weak financial practices can lead to donor mistrust, inefficiencies, and program failures, whereas strong systems promote sustainability and mission alignment.
- **Bryson (2018)**, in his book *Strategic Planning for Public and Nonprofit Organizations*, emphasizes budgeting as a critical link between strategic planning and operational execution in NGOs. His study is based on extensive action research, drawing from real-world consulting experiences, case studies, and organizational planning projects across various public and nonprofit sectors. Bryson developed and refined the “Strategy Change Cycle,” a strategic planning model that integrates budgeting as a key step to align resources with mission-driven goals.
- **Lewis (2001)**, in his book *The Management of Non-Governmental Development Organizations*, explores the importance of financial management by examining how NGOs interact with donors and the impact of donor requirements on organizational practices. His study is grounded in qualitative research, including case studies of development NGOs in both the Global North and South, interviews with practitioners, and reviews of donor policies and NGO financial reports. Lewis highlights how donor-imposed financial guidelines—such as strict budgeting, reporting formats, and audit requirements—shape the internal financial systems of NGOs
- **Frumkin (2002)**, in his book *On Being Nonprofit: A Conceptual and Policy Primer*, examines the challenges of financial sustainability in the nonprofit sector by analysing the structural and financial characteristics that differentiate nonprofits from public and private entities. His study combines theoretical analysis with data from U.S.-based nonprofit organizations, using financial records, policy reviews, and sector-wide trends to understand how

funding sources impact organizational behaviour and long-term viability. Frumkin argues that reliance on external, often unstable, funding sources—such as grants and donations—makes nonprofits financially vulnerable. He emphasizes the need for strategies like reserve funds, income diversification, and earned revenue models to enhance resilience.

- **Goddard and Assad (2006)**, in their study *Accounting and Navigating Legitimacy in Tanzanian NGOs*, investigate the role of technology and accounting systems in enhancing financial management within NGOs. Their research is based on ethnographic fieldwork, including in-depth interviews, participant observation, and analysis of financial documents from several Tanzanian NGOs. They examine how the adoption of Management Information Systems (MIS) and financial software helps NGOs meet donor expectations for transparency and accountability while also navigating local legitimacy. The study highlights how technology facilitates real-time financial tracking, simplifies reporting processes, and strengthens internal controls.
- **Ebrahim (2003)**, in his study *Accountability in Practice: Mechanisms for NGOs*, explores the importance of internal controls and capacity building by analysing how NGOs implement accountability mechanisms in their financial and programmatic operations. His research is based on comparative case studies of NGOs in South Asia, using interviews, document analysis, and organizational observations to understand how internal systems function in practice. Ebrahim focuses on the role of audits, internal checks, and staff training in promoting financial integrity and preventing mismanagement. He finds that NGOs with strong internal control systems and ongoing capacity development are better equipped to manage donor funds responsibly and sustain program impact.

CHAPTER 6

DATA ANALYSIS & INTERPRETATION

It is based on the data collected on “the financial management and budgeting practices of the CCI organization”, several key patterns and insights have emerged. These findings provide a clearer understanding of how the institution plans, allocates, and monitors its financial resources to support its operations and services.

The analysis highlights both strengths and gaps in budgeting strategies, funding sources, and expenditure management, which reflect the overall financial health and sustainability of the organization. This chapter presents the data interpretation, findings, conclusion and recommendations of the study.

7.1 Interpretation of Data

SECTION A

Section A of the questionnaire consists of the Organisation funding Sources and their percentage for the period of 3 years consecutively

Table 1: Funding Sources

Year 2022-2023	
Sources	Percentage
External Donors	12.46%
Internal Donors	49.32%
Fundraising	5.30%
Donations(individuals)	15.30%
Others	17.62%

Fig 1: Funding Sources, year 2022-2023

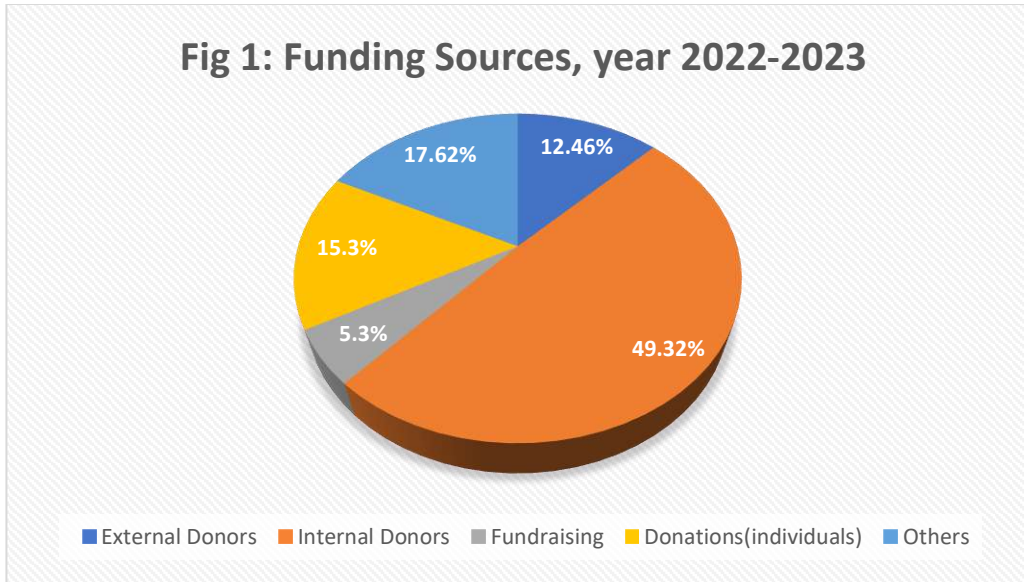
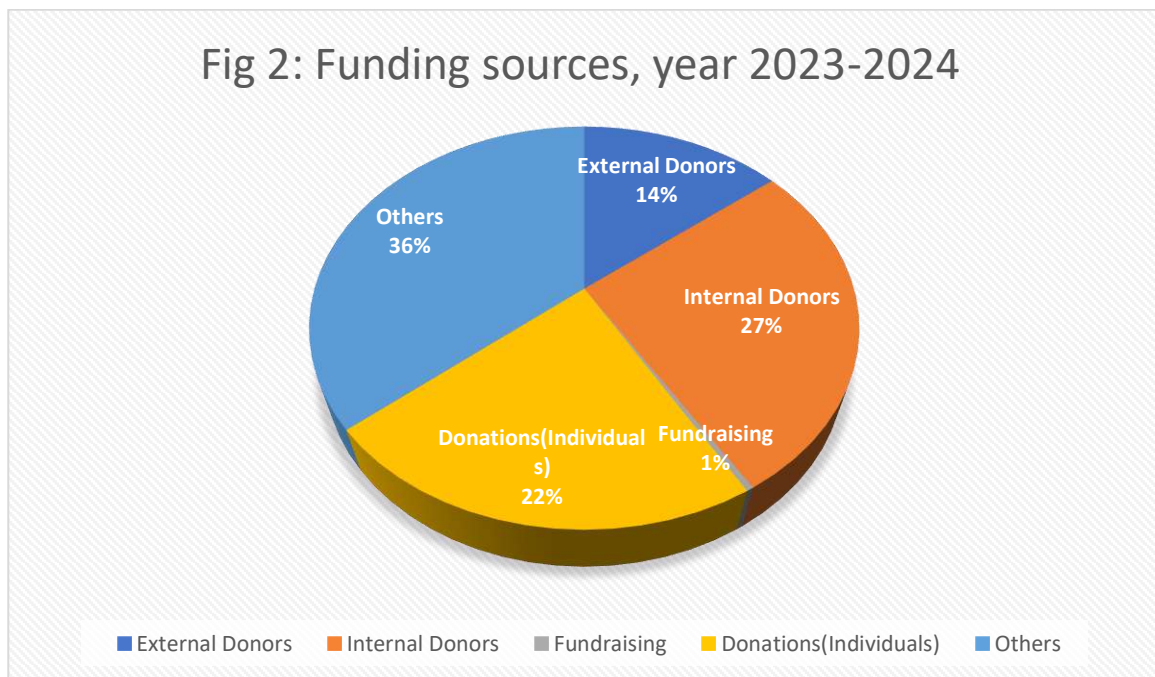


Table 2: Funding Sources for the year 2023-2024

Year 2023-2024	
Sources	Percentage
External Donors	14.28%
Internal Donors	27.02%
Fundraising	0.36%
Donations (individuals)	22.34%
Others	36%

Fig 2: Funding sources, year 2023-2024

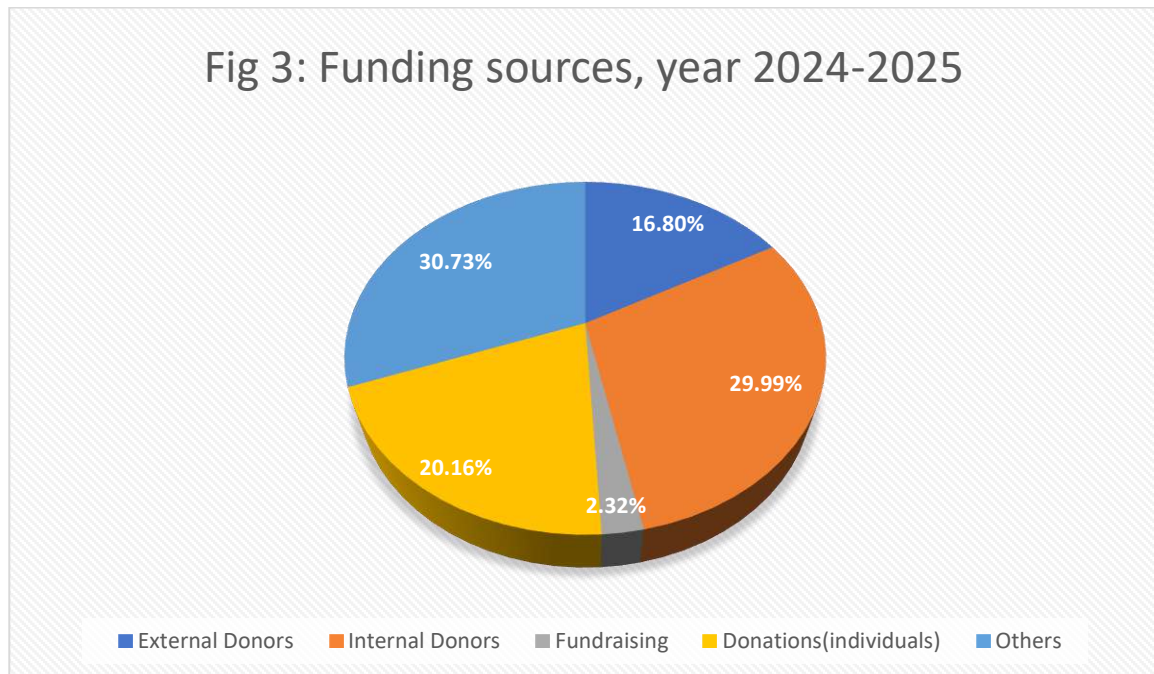


Interpretation: The Table & figures shows the comparison of funding sources between 2022–2023 and 2023–2024 shows a clear shift in donor trends. In 2022–2023, internal donors were the dominant source at 49.32%, while "Others" and individual donations contributed 17.62% and 15.30% respectively.

By 2023–2024, reliance on internal donors dropped significantly to 27.02%, while the "Others" category rose sharply to 36%, and individual donations also increased to 22.34%. Fundraising contributions decreased drastically from 5.30% to just 0.36%. This indicates a trend toward more diversified and less predictable funding, with increasing dependence on alternative or unspecified sources.

Table 3: Funding Sources for the year 2024-2025

Year 2024-2025	
Sources	Percentage
External Donors	16.80%
Internal Donors	29.99%
Fundraising	2.32%
Donations(individuals)	20.16%
Others	30.73%



Interpretation: The table and the figure show the data for the year 2024–2025 shows that the largest portion of the NGO's funding came from the "Others" category (30.73%), followed closely by internal donors (29.99%) and individual donations (20.16%). External donors contributed 16.80%, while fundraising made

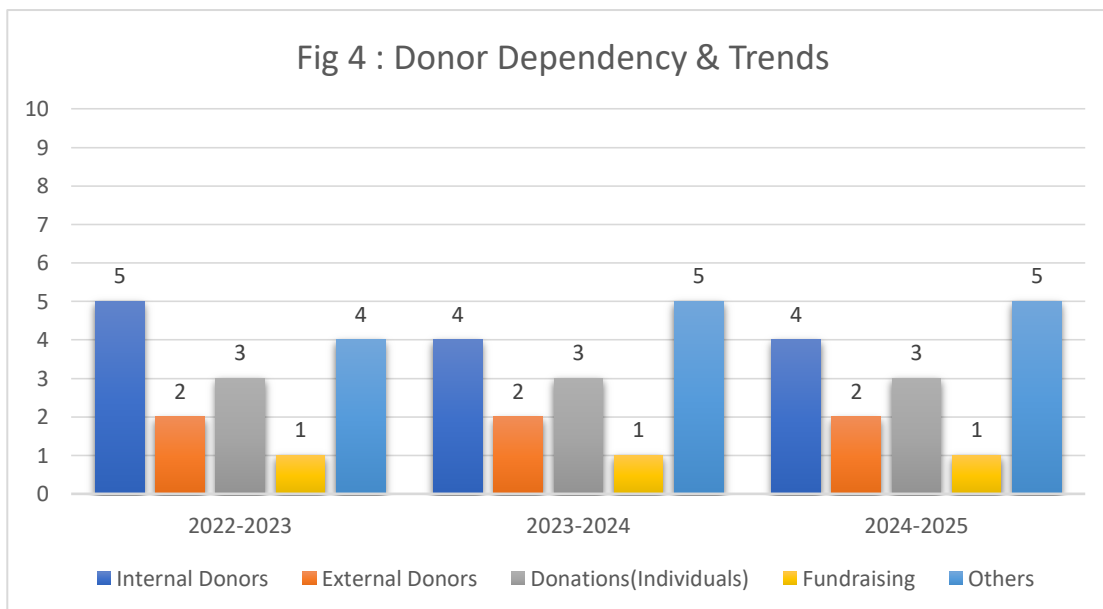
up the smallest share at just 2.32%. This indicates a diversified funding structure with reduced reliance on any single source, highlighting the growing importance of non-traditional or miscellaneous funding channels captured under "Others."

SECTION - B

Section B of the questionnaire consists of the Donor Dependency & Trends

Table 4: Donor Dependency & Trends

Sources	Years	Percentage (%)		
		2022-2023	2023-2024	2024-2025
External Donors			36%	
Internal Donors		49.32%		
Fundraising				
Donations(individuals)				
Others				30.73%



Interpretation: The Table and the Figure shows the changing trends in donor dependency for the CCI organization across three years. In 2022–2023, internal donors were the major source of funding at 49.32%, while external donors gained prominence in 2023–2024 with 36%. By 2024–2025, the "Others" category increased significantly to 30.73%, indicating a diversification of funding sources. The bar chart shows that while internal donors remained a consistent and strong contributor across all years, reliance on external donors and individual donations

fluctuated, suggesting shifting donor engagement patterns and a gradual move toward a more balanced and diverse funding structure.

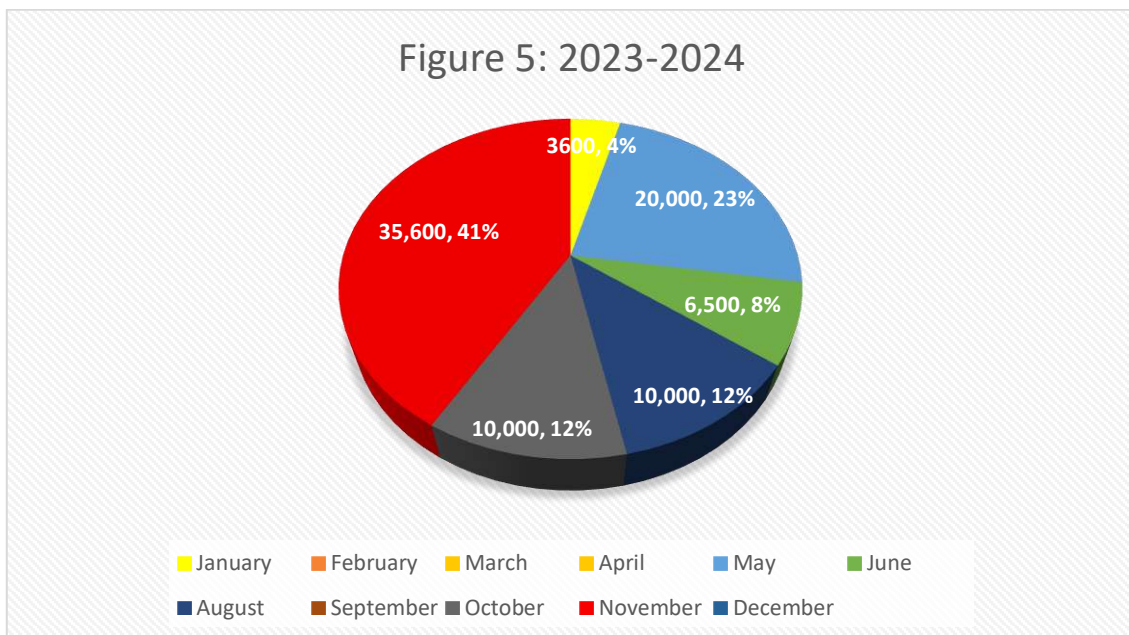
SECTION - C

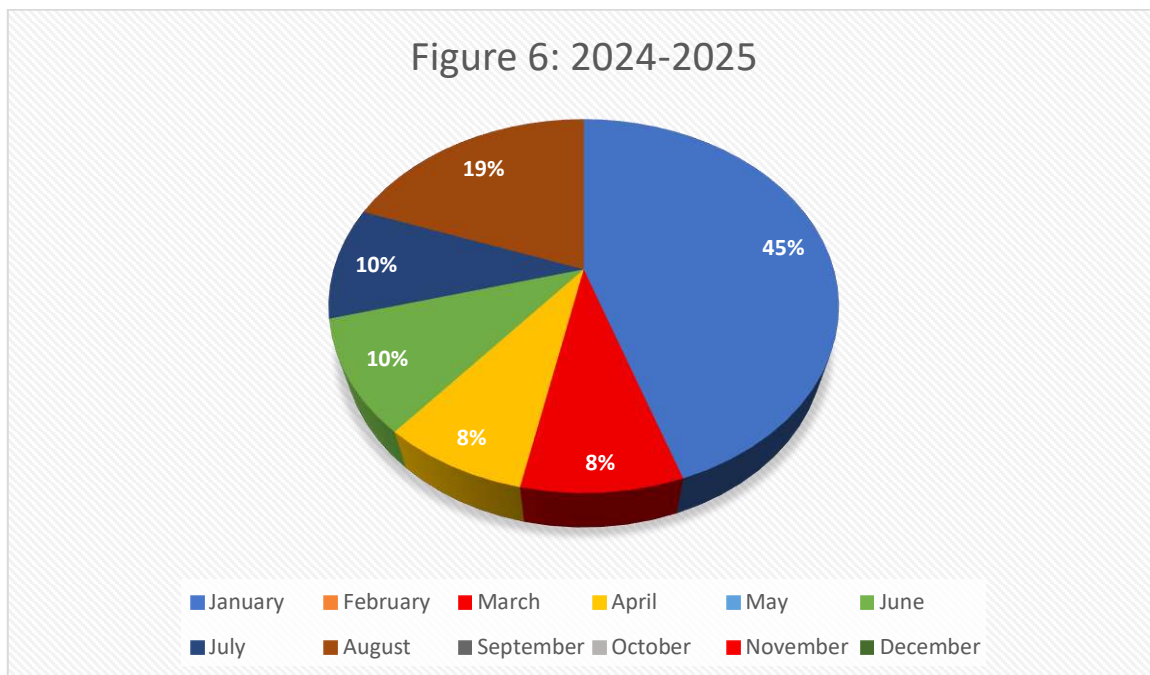
Section C of the questionnaire consists of Fundraising Frequency & Challenges

Table 5: Fundraising Activities

Since the organisation – CCI often conduct their Fundraising activities – Monthly, a table of comparison for two years.

Months	Amount Raised			
	2023-2024	Percentage	2024-2025	Percentage
January	3,600	2.7	2,30,004	37.5
February				
March			43,852.35	7.14
April			40,000	6.5
May	20,000	14.8		
June	6,500	4.8	50,000	8.15
July	49,836.28	36.8	50,000	8.14
August	10,000	7.38	1,00,000	16.3
September				
October	10,000	7.38		
November	35,600	26.27		
December			1,00,000	16.3

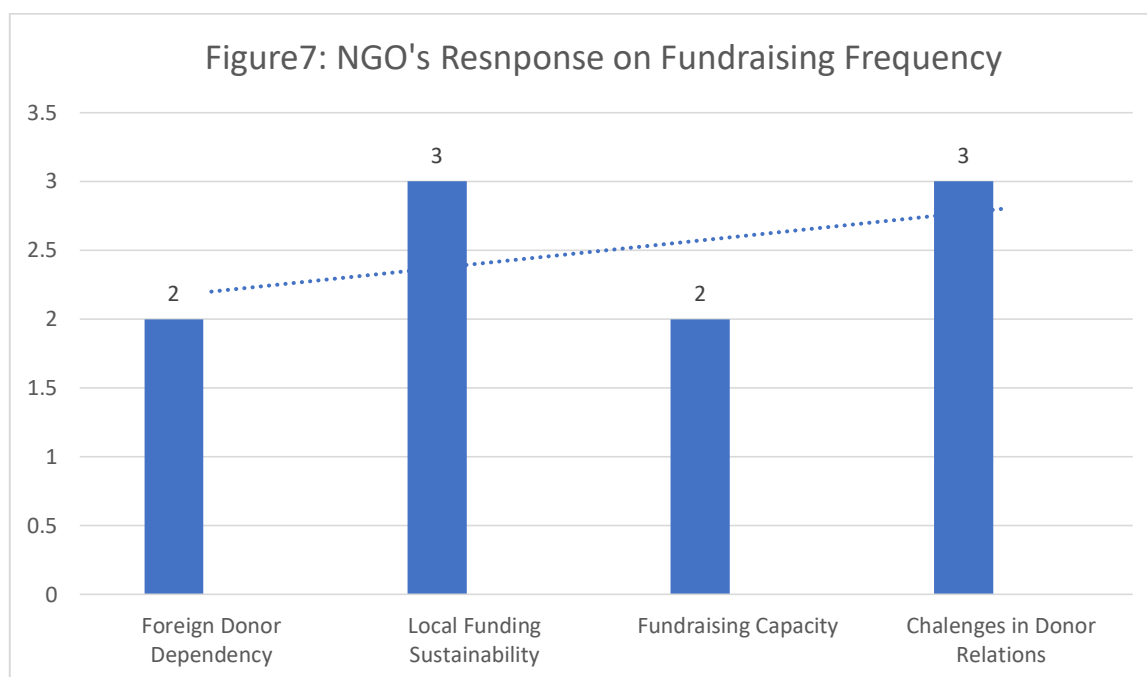




Interpretation: The Table and the Figures show that the comparison of fundraising activities between 2023–2024 and 2024–2025 shows a significant shift in monthly fundraising performance. In 2023–2024, the highest fundraising occurred in July (36.8%) and November (26.27%), with relatively lower activity across other months. In contrast, 2024–2025 saw a major peak in January (37.5%) and December (16.3%), indicating a change in donor engagement patterns and possibly improved planning or campaigns early and late in the fiscal year. This suggests that the organization has diversified or re-strategized its fundraising efforts to capitalize on different periods of donor responsiveness.

Table 6: Fundraising Frequency

Criteria	Response
We are heavily dependent on foreign donors	Disagree
Local funding is more sustainable for our NGO	Neutral
We have adequate capacity for fundraising	Disagree
We face challenges in maintaining donor relationship	Neutral



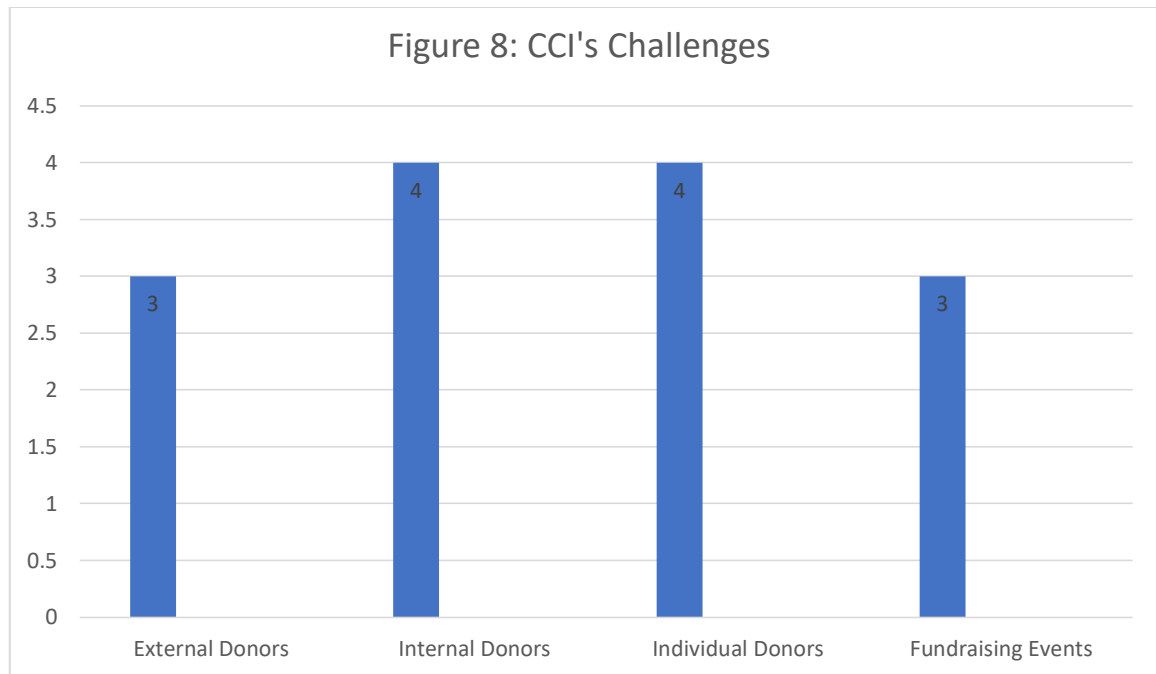
Interpretation: The table and the figure show that the NGO disagrees with being heavily dependent on foreign donors, indicating low reliance on them, while it holds a neutral view on both local funding sustainability and challenges in donor relationships. The NGO also rates its fundraising capacity as low, suggesting a need for improvement in this area. Overall, the responses reflect moderate confidence in funding sources and donor engagement, with internal fundraising identified as a key area for development.

SECTION - D

Section D of the questionnaire consists of the Challenges face by the CCI's Organisation

Table 7: Challenges

Source	Response
External donors/funders	Neutral
Internal donors/funders	Stable
Donations from individuals	Stable
Fundraising events	Neutral



Interpretation: Table and figure indicate that the NGO perceives internal donors and individual donations as stable funding sources, while external donors and fundraising events are viewed more neutrally, suggesting moderate stability. This reflects that the organization has greater confidence in its internal and individual support systems, whereas external and event-based funding may be less predictable or consistent.

7.1 FINDINGS OF THE STUDY

The findings of the study are listed below:

- In 2022–2023, CCI received the majority of its funding (49.32%) from internal donors, indicating a strong reliance on internal support and limited external fundings sources, the organisation should focus on expanding and strengthening external donor relations and fundraising efforts to achieve greater financial diversification and long-term sustainability.
- In 2023–2024, most funding (36%) came from "Other" sources, while internal donor support declined, showing a shift in funding patterns. The organisation should analyse these emerging funding sources and strengthen its fundraising strategies to ensure more stable and diversified financial support.
- In 2024–2025, funding was more balanced, led by "Others" (30.73%) and internal donors (29.99%), with moderate growth in external and individual donations. CCI should continue strengthening this balanced funding approach by further engaging external donors and individuals to enhance financial stability and sustainability.
- Over three years, internal donors remained consistent, while external support declined in 2023–2024 and reliance on "Others" grew in 2024–2025. The organisation, CCI should maintain strong internal donor relationships while strategically building on the growing "Other" sources to ensure balanced and diversified funding.
- Fundraising peaked in July and November of 2023–2024, while in 2024–2025, January led with 45%, and August and December saw notable increases, showing more balanced fundraising throughout the year. CCI can build on these patterns by planning targeted fundraising campaigns around high-performing months to maintain momentum and ensure steady inflow throughout the year.
- Internal donors and individuals are seen as more reliable but challenging, while external donors and fundraising are viewed as less reliable. CCI should invest in strengthening relationships with reliable sources while also improving strategies to make external donor engagement and fundraising more dependable and effective.

7.2 SUGGESTIONS

1. Besides the basic practices use by the CCI organisation, they can enhance their current book-keeping practices, adopting cloud-based accounting software, implementing fund-based accounting, and digitization of receipts for better accuracy and transparency.
2. Forecasting cash flow and building an operating reserve to manage funding gaps
3. Whether, an organisation is big or small, it needs ethical awareness of the environment, so training the staffs regularly on financial systems, policies, and fraud prevention is crucial.
4. It is recommended to strengthen external donor engagement and improve fundraising efforts to reduce over-dependence on internal donors.
5. To invest in strategies that expand external donor networks and enhance fundraising capabilities—such as targeted outreach campaigns, partnerships with international funders, and professionalizing fundraising events."
6. To sustain its balanced funding trend, CCI should continue diversifying its donor base, strengthen fundraising strategies, and increase focus on external and individual donor support, ensuring long-term financial stability through consistent donor engagement
7. The organization should prioritize developing a documented risk management policy or framework to identify, assess, and respond to potential risks, ensuring operational stability and preparedness for future uncertainties.
 - Setup a Risk Management Committee, form a dedicated team or assign responsibility to a group to oversee risk planning, review updates, and recommend preventive actions
 - Integrating risk management into strategic planning by training staff on risk awareness and establishing a simple risk register to proactively track and manage potential threats to programs, funding, and operations.
 - Reserving emergency funds for emergency purpose only, risk cannot be avoided but it can be at least managed at the minimal rate that whatever incident may occur, a sound risk management can be very helpful in the future.
 - Integrate risk into project planning, include risk identification and mitigation steps in all project proposals and budgets.

7.1 CONCLUSION:

Effective financial management and budgeting are essential for CCI's long-term sustainability and accountability. While internal donors remain a dependable funding source, ongoing challenges in fundraising emphasize the need to strengthen strategies through well-structured campaigns, active community involvement, and strategic partnerships.

However, the lack of a formal risk management framework and the reactive approach to risk assessment leave the organization exposed to potential threats. To move forward effectively, CCI must establish a clear risk management policy, conduct regular risk assessments, and train staff to proactively identify, mitigate risk, while fostering a culture of innovation that supports adaptability and continuous improvement. Additionally, building strong awareness of ethical financial practices across the organization will help maintain transparency, accountability, and trust—ensuring CCI operates with integrity and resilience in a dynamic environment.

This study can be concluded by saying that, if these measures are properly implemented and consistently followed, CCI can build strong financial resilience, ensure program continuity, and sustain its impact over the long term. Conversely, neglecting these critical areas could undermine the organization's stability and may ultimately threaten its ability to survive and fulfil its mission in the long run.

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 - LinkedIn: <https://www.linkedin.com/in/cci2022/>
 - YouTube: <https://www.youtube.com/@CentreforCommunityInitiative>