

Book Review

Manual of Financial Management and Legal Regulations

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Since last one decade, the development organizations have assumed great significance than ever before due to a lot of expectations from various quarters. In the last few years with natural calamities striking the Indian sub-continent in some form or the other on one hand and the naked face of poverty and injustice showing their ugly face on the other, the NGOs' work has been in the centre stage. Together with these roles come the whole question of accountability which includes financial accountability and legal compliance.

Many of the organizations suffer silently due to lack of adequate information in this area. Realisation is slowly dawning that in spite of being able to perform well in their programme activities, if they lack proper financial management in their organization it not only hampers the programme but also causes a setback to the organisation in the eyes of the Govt., resource sharing agency and the community at large.

The Manual of Financial Management and Legal Regulations sponsored by EZE and ICCO and published by FMSF, is as much as a tribute to its much aspired subject relating to the development sector. It brings out the accounting and legal requirements in simple terms that are mandatory to be followed by any development organisation irrespective of their size. It has been released by FMSF.

The book is divided into three parts, Accounts & Audit, Law & Statutes, Budgeting, Implementation & Reporting for easy reference of the respective topic.

In fact, the chapter under part Accounts & Audit provides adequate details and information on basic features of accounting, book -keeping system & preparation of financial statements. This is part of the day-to-day work of the accountants. The book provides not only the answers but states also the procedure for any practical problem related to their routine work.

For many of the development organizations today, the words "FCRA" and "Ministry of Home Affairs" (MHA) are sufficient to give sleepless nights to their Chief Functionaries and the Accountants. This book has aimed at providing

solace to them by providing adequate details about FCRA which can be of immense use to them. Further this will also help in promoting transparency in their dealings with the MHA by removing the unwanted and unfounded doubts and fears from the minds of these development organisations.

The book has quite a lot of detailed information on legal and tax requirements under Income Tax Act and on staff welfare schemes such as Provident Fund and Gratuity Act.

Part three of this book deals with the "Budgeting, Implementation & Reporting" - an area on which most of the organizations spend hours on lengthy meetings and discussions. This book aims at providing information on how to plan a project, prepare a budget as to cost and finance plan, distinguishing between a capital costs, programme costs and office costs.

The book also contains very useful information on the specific reporting requirements of EZE and ICCO.

In short this book will serve as a reference guide for all the development organizations in improving their accounting and reporting parameters and compliance to legal requirements.

(The book can be procured at FMSF office, A-17, Neeti Bagh, New Delhi - 110 049.)