SKILLS TRAINING AND REHABILITATION SOCIETY (STARS)

Kabul, Afghanistan

POLICIES AND PROCEDURES

(NOVEMBER 2016)

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1. FOREWORD

This manual encompasses issues pertaining to finance, administration and partially programmatic issues. It has been developed on the basis of a comprehensive exercise carried in 2004 for regulating and to bring about efficiency in the current accounting and administrative control procedures. The following can be cited as reasons for this draft:

- ✓ Switch over from current accounting system to Quick Books.
- ✓ Some of present policies and procedures needed revision.

The manual also regulates all financial and administrative activities of the organisation's Head Office in Kabul and all the regional offices inside Afghanistan. All the employees are responsible to familiarize themselves with its contents. This manual in the meantime will serve to regulate the work of personnel of all levels within STARS. Failure to comply with these regulations / procedures will be met with appropriate actions and may possibly create irregularities as well.

As the Managing Director of **(STARS)** approves the manual, all changes should also be approved by the Managing Director himself / herself. The formats are put as appendixes to ease updating. Changes in formats should be done by the Head Office and after approval distributed to all the regional offices.

The manual should be reviewed annually to see if any updates are lagging or if any procedures need to be changed or added accordingly.

The regulation will hopefully make our work easier and more efficient.

Managing Director,
Skills Training And Rehabilitation Society (STARS)
Kabul, Afghanistan.
Dated: November 30th, 2005

2. HISTORY OF ORGANIZATION

Skills Training And Rehabilitation Society (STARS) is an independent, non-governmental, non-political and non-profit charity organization, established in 1997 in order to contribute towards rehabilitation process of Afghanistan. Since its establishment, STARS's strategy has evolved from providing cross-border, short-term emergency relief services to long term development efforts which stress community involvement / empowerment, project sustainability and facilitate the improving the livelihood of the common Afghans, particularly women and children.

STARS in Afghanistan:

The main components of STARS are its Field Offices. These are bodies that implement rehabilitation and development projects in several districts. At present there are two field offices in two provinces mainly in Balkh & Herat. Also it is in the process of widening its range of operation.

All the Field offices are responsible to implement the plan, participate in activities, working in neighboring areas and keeping good relation with local community and authorities.

We can generally say that the 9 years of experience is evaluated positively. The budget and activities are increasingly expanding enabling the NGO in establishing of a firm and solid organization based on community's support. STARS activities ranges from short-term rehabilitation and developmental programs inside Afghanistan. One of the core missions of STARS is to undertake women centered projects in the country in order to empower them up to the limit of earning a respectable life for their families.

3. AUTHORISATION LIMITS

3.1. Delegation of authority

The Managing Director can delegate all or any of his / her powers to any STARS's employee. However such delegation of powers shall be made in writing. Standard ***Letter of Delegation of Power*** is appended in appendix *(see Appendix 1)*. The Managing Director can also uplift all or any of the powers of any organization staff.

In case Regional Heads are not available for more then 1 week, he will nominate a person to act as acting head in his absence and will communicate such nomination to Head Office. In case his absence is for 2 days or less, any approval can be delayed until his arrival.

AUTHORISATION LIMITS

1. Approval of Payments

Managing Director	Unlimited
Regional Head	**USD 20,000**

2. Signing of contracts

   Managing Director is the only authorized person to sign contracts / agreements. However he / she may authorize in writing any personnel to sign a contract / agreement.

3. Donor requirements

   Above authorizations limits are subject to the donor requirements if any.

4. INTRODUCTION TO QUICKBOOKS

4.1. Features of QuickBooks

STARS use QUICKBOOKS for recording all its financial activities. QuickBooks is user-friendly accounting software. The main features of QuickBooks are as follows.

- QuickBooks uses double entry concept.
- It provides solutions to different financial needs of an organization such as critical areas like planning and controlling financial activities i.e. budget preparation and budget variance analysis.
- QuickBooks offers the facility of recording transactions in more than one currency.
- QuickBooks is compatible in a multi user environment.
- QuickBooks allows classification of income and expenses by sector, donor, project, location, branch office, separate properties you own, or any other meaningful breakdown of the organization you do.
- QuickBooks provides advanced back up options. It can create back up automatically.

4.2. Features of QuickBooks employed by STARS as its Accounting System

Some of the salient features of QuickBooks, which are used by STARS in designing its Accounting System, are:

4.2.1 Double Entry Book keeping

Accounting system of STARS is based on Double Entry book keeping concept.

4.2.2 Chart of Accounts

In QuickBooks, a chart of accounts must be designed before transactions can be entered for an organization. You cannot enter transaction unless you have set up a standard chart of accounts.

STARS has developed its own chart of accounts.

4.2.3 Multi currencies

QuickBooks operates in multi currency environment, which enable multi currency reports to be generated. However, one of the currencies used must be selected as reporting currency.

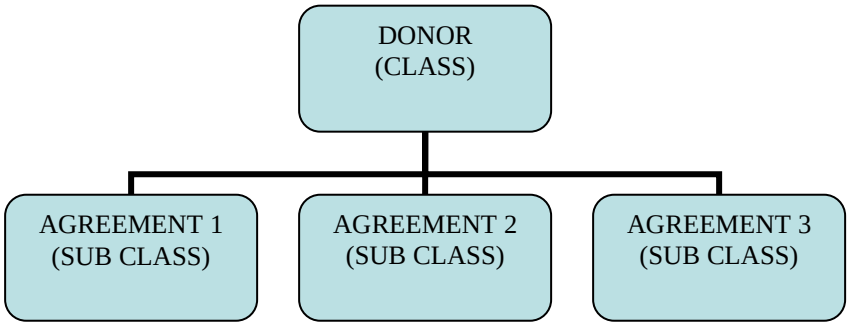
Presently STARS is using three currencies i.e. US Dollars, Afghanis and Pakistani Rupees. "*USD"* is the reporting currency of STARS.

4.2.4 Classes and sub Classes

In QuickBooks, "classes" give you a way to classify your transactions. You can use classes to classify your income and expenses by donor, location, sector or any other meaningful breakdown of the organization.

In the current accounting system, donors and agreements are treated as "classes" and "sub classes" respectively. Sub classes include specific Agreements.

HIERARCHY OF DONORS AND AGREEMENTS



4.2.5 Customers, jobs and job types

In QuickBooks, "Customers" property gives the way to track transactions with respect to the customers and to know balance due from different customers without creating separate account for each customer. Likewise classes, you can use "Customers" to classify your income and expenses. Customers you create appear in "Customer List"

An organization can have multiple jobs in hand ordered by a single customer. "Jobs" offers a further step in classification of transactions. Relationship between customers and jobs is "One to many" relationship

i.e. one customer can have more multiple jobs but one job can belong to only one customer. Likewise Customer list, "Job List" shows all the jobs.

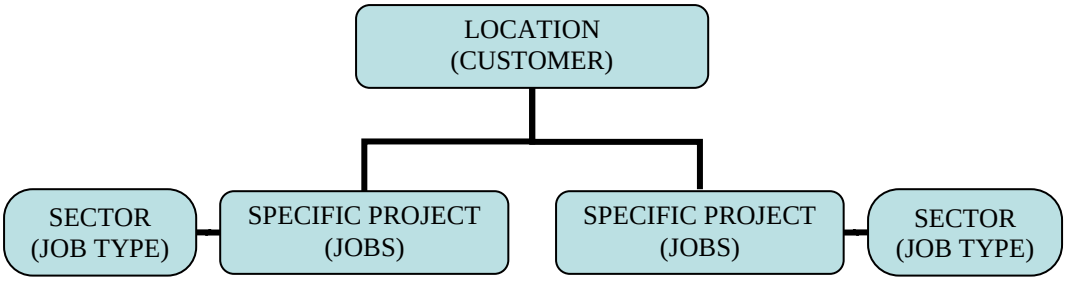
There may be different types of Jobs carried out by and organization. QuickBooks uses "Job types" to classify your jobs so you can group and subtotal similar jobs on your reports e.g. you can treat Construction and Education etc as different Job types. It will help to group jobs by Construction and Education in your reports. There is further classification of Job types i.e. sub Job types e.g. you can sub classify construction job type into "construction of houses" and "construction of roads" i.e. sub job types. Different Job types are listed in "Job Type List". Relationship of Job Type and Jobs is also "One to many" relationship.

Customer and Job type to which an activity / project belongs are specified at the time the activity / project is created.

In current accounting system, locations are treated as "Customers", while activities / project in a specific location are treated as "Jobs".

"Job types" are used to represent a sector such as Construction, Education, and Health etc. It enables to generate reports by sector e.g. expenditures incurred in Education sector. We have also an option to sub divide sector in more than one related sectors e.g. Health sector can be further classified into hospitals and clinic. Similarly construction can be further classified into construction of buildings and construction of bridges.

LOCATIONS, SECTORS AND PROJECTS



4.2.6 Employees Names and Other Names

In Quick Books "Employee names" and "Other names" give you the way to record complete information about employees and other people with whom you have dealings and to record transactions with persons inside or outside organization. Transaction with persons inside organization can be stored using "Employees names" property, while transactions with outsiders can be recorded using "Other names". Examples of transactions with employees include giving advances to employees and adjustment of those advances. Examples of transactions with outsiders are payment / receipt of loans to / from outside parties and repayment / recovery of such loans.

In current accounting system of STARS, the "Employee names" are used to keep record of advances given to employees. Likewise, "Other names" is used to keep record of loans receivables / payables from / to outsiders.

4.2.7 Input documents

In Quick Books there are different Forms used for recording transactions, which are listed below.

- **Sale Receipt Form** is used to record receipt of income.
- **Receive Payment Form** is used to record receipts from customers.
- **Make Deposit Form** is used for other receipts such as recovery of advances from employees.
- **Cheque Form** is used to record payments and withdrawal of cash.

- **Transfer Funds Form** is used to record transfer between different banks, and cash withdrawal and deposits.
- **Journal Voucher** is used for other transactions

However, in order to simplify recording of transactions, "***Journal Voucher form"*** is used only.

4.2.8 Budgeting

Quick Books accommodates budget preparations and use budgets for controlling activities of an organization. Budget is entered donors-wise as well by projects-wise. The software generates budget variance analysis report in the same way.

5. ACCOUNTING POLICIES

The following significant accounting policies are adopted by STARS and consistently applied in preparation of financial statements of the organization.

5.1. Accrual Basis of Accounting

Financial statements are prepared using Accrual basis of accounting. Accrual basis of accounting requires that the effect of transactions and other events be recognized when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting record and reported in the financial statements of the period to which they relate.

5.2. Fixed Assets

Fixed Assets Purchased

Fixed assets acquired by STARS are charged directly to Income and Expenditure Account in the year of acquisition at cost.

Fixed Assets Donated (In Kind)

Fixed assets received as donation (in kind) are reflected in Fixed Asset Register only. It is not recognized in financial statements.

5.3. Stocks and Stores

Stocks and stores are charged to Income and Expenditure Account at the time of purchase. However stock registers are maintained to have control over the stock. Stock register include quantitative record of stocks receipts, issue and balance.

5.4. Revenue

5.4.1. Grants

5.4.1.1. Grant received directly is recognized on accrual basis.

5.4.1.2. Grant received in kind are not reflected in financial statements.

5.4.2. Interest Income

Interest earned on banks and is recognized on receipt basis.

5.5. Foreign currency transactions

5.5.1. Initial recognition

Foreign currency transactions are recorded initially in reporting currency using the exchange rate prevailing at the date of transaction. For practical reasons, exchange rates on first working day of every month are used for recording foreign currency transactions incurred in the respective month.

5.5.2. Reporting on subsequent balance sheet dates

Monetary assets and liabilities denominated in foreign currency are reported in financial statements using closing rate at Balance Sheet date. Examples of monetary assets are Cash in hand, Cash at bank, Advances given to employees, any other loan given or received from other agencies etc.

Non-monetary assets and liabilities are reported in financial statements using spot rates as at the time of the creation of such assets and liabilities.

No translation gain / loss on such non-monetary assets and liability thus arise.

5.5.3. Recognition of exchange gain and loss

Exchange difference arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise.

6. ACCOUNTING SYSTEM

MAIN FEATURES

The present accounting system of STARS is centralized. Major portion of the recording is made in Head Office while some basic records are maintained in regional offices.

6.1. Regional offices

STARS operate various projects in different areas of Afghanistan. Regional offices have been established for controlling projects activities and timely reporting of financial and physical progress reports to Head Office. In regional offices only those records are maintained which are necessary for controlling the activities.

Complete financial records are not maintained in the regions. Instead the following books are maintained manually.

6.2. Cash Book / Bank Book

Multi-column ***Cash Book*** is maintained in each regional office *(see Appendix 2)*. Each column is used to record transactions incurred in different currencies. This ensures control over the physical cash in all the currencies. Similarly ***Bank Book*** is maintained for each bank account, if any, maintained in regional offices *(see Appendix 3)*.

Monthly Cash Summary *(see Appendix 4)* is prepared in all currencies. These summaries are sent to Head Office along with copy of Cash Book,

original vouchers and supporting documents. Vouchers are entered in the Quick Books in the Head Office.

6.3. Stock Register

Regional offices maintain ***Stock Registers*** *(see Appendix 5)*. Stock register include quantitative data of stocks receipts, issue and balance in hand.

When items are received in store, ***Goods Received Note (GRN)*** *(see Appendix 6)* is prepared. A corresponding entry is made in stock register.

When items are issued from stores, ***Goods Issued Note (GIN)*** *(see Appendix 7)* is prepared and entered in respective stock register.

Monthly Store Summary *(see Appendix 8)* is prepared at the end of each month and sent to Head Office. For further elaboration please refer to Data Flow Diagrams at the end of this chapter.

6.4. Head Office

Head Office maintains complete books of accounts including cash book, bank book and ledgers for all the regions as well as for the Head Office. Some of these records are maintained manually and others in Quick Books.

Accounting records of Head Office includes Head Office data as well data pertaining to each regional office. Transactions incurred in Head Office are recorded on daily basis. Transactions incurred in regional offices are recorded on monthly basis after vouchers and summaries have been received from regional offices.

Following books of accounts are maintained manually at Head Office.

6.4.1. Cash Book / Bank Book

Multi-column ***Cash Book*** is maintained manually in Head office as well *(see Appendix 2)*. Each column is used to record transactions incurred in different currencies. This ensures control over the physical cash in all the currencies. Similarly ***Bank Book*** is maintained for each bank account *(see Appendix 3)*.

Monthly cash summary is prepared in all the currencies. Vouchers are entered in the Quick Books on daily basis and cash reconciled with manual cash book.

6.4.2. Stock Register

Head Office maintains the same manual record of the stores as maintained in regions. Stock register is maintained to include quantitative record of stores.

When items are received in store, ***Goods Received Note (GRN)*** *(see Appendix 6)* is prepared. A corresponding entry is made in stock register.

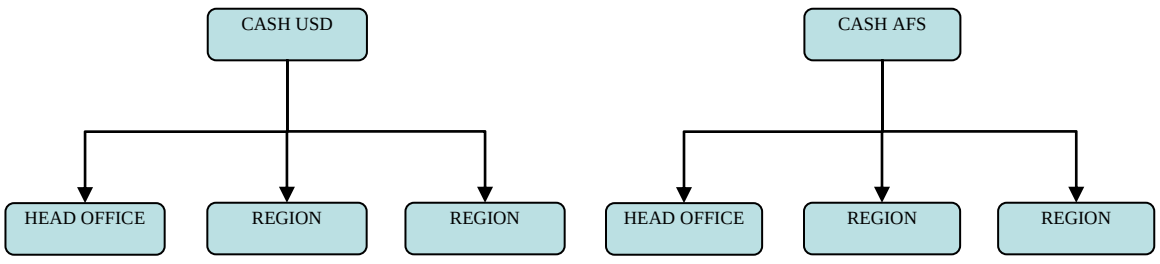
When items are issued from stores, ***Goods Issued Note (GIN)*** *(see Appendix 7)* is prepared and entered in respective stock register.

Monthly Store Summary *(see Appendix 8)* is prepared at the end of each month.

Following books of accounts are maintained in Quick Books at Head Office.

6.4.3. Cash book

Separate Cash Books are maintained for each currency. Cash book of each regional office forms sub part of each of the cash book.



The purpose of keeping separate cashbook for each currency is to ensure control over physical cash in all the currencies.

6.4.4. General Ledger

General Ledger contains in addition to Cash Book, all other account heads including incomes, expenses, assets and liabilities. (See Appendix 9) for Cash Book, Bank Book and General Ledger.

6.5. Cash Reconciliation (A control document)

Since data is processed both in regional and Head Office, there is a need to have some control documents, which ensures completeness, reliability and accuracy of data. In order to achieve this, monthly cash reconciliation is made between Head Office and regional offices data. Such reconciliation is done by comparing monthly cash summaries sent by regional offices with Head Office record maintained in Quick Books.

After vouchers received from regions are entered in Quick Books, personnel responsible for posting the vouchers reconciles closing cash balance reported by the Quick Books with closing balance reported by monthly cash summary. Any discrepancy found is investigated and corrected accordingly. After reconciling cash balance, responsible personnel signs cash summary as evidence that cash balance has been reconciled and found correct.

6.6. Input documents

Input documents are used to record data in books of accounts. Different input documents are used for recording different types of transactions. Below are described input documents and their purpose.

6.6.1. Vouchers

Vouchers are the source documents used for recording financial aspect of transactions in books of accounts. Following types of vouchers are used for data entry.

6.6.1.1. ***Cash / Bank Receipt Voucher*** *(see Appendix 10 (A,B,C) and 11 (A,B,C))*

Cash receipt voucher is used to record Cash receipt while Bank Receipt voucher is used for recording bank receipts.

6.6.1.2. ***Cash / Bank Payment Voucher*** *(see Appendix 12 (A,B,C) and 13 (A,B,C))*

Cash payment voucher is used to record Cash payments while Bank payment voucher is used for recording bank payments.

6.6.1.3. ***Journal Voucher*** *(see Appendix 14 (A,B,C))*

Journal vouchers are used to record transactions not involving Cash or Bank.

Design of vouchers and Voucher Numbers

Vouchers have been designed in order to enable the multi dimensional reporting. Each and every transaction is classified on the basis of all or some of the following criteria before being recorded. Each voucher includes following information.

- Voucher type
- Currency
- Donor
- Agreement
- Location (to which transaction relates and not where it is incurred)
- Project
- Name of Payer / Payee (employee or other name)
- Account code
- Amount (original currency)
- Exchange rate

Voucher number is designed in alpha numeric form. There are three parts of voucher number to include following information.

i) Location

Particular	Codes
Kabul	KBL
Mazar-Sharif	MZR
Jawzjan	JZN

(New regions should be given codes accordingly)

ii) Transaction type

Transaction types are represented by the following codes respectively.

Voucher type	**Transaction type**	**Code**
Bank receipt voucher	for Bank receipts	BRV
Cash receipt voucher	for Cash receipts	CRV
Bank payment voucher	for bank payments	BPV
Cash payments voucher	for cash payments	CPV
Journal voucher	for transactions not involving cash / bank or cash deposits and withdrawals	JV

iii) Number

Last part will include sequential numbers such as 1, 2,3….

Voucher No. "KBL607" is an example to illustrate the above.

Separate sequences of vouchers are used for transactions incurred in different locations and in different currencies.

6.6.2. Store Input Documents

Store Input documents are used to record store receipts and issues. There are two such documents.

6.6.2.1. Goods Received Notes

Goods Received Note (GRN) is used to record receipts of store items into stores.

6.6.2.2. Goods Issue Note

Goods Issue Note (GIN) is used to record issues of store items out of stores.

6.7. Chart of Accounts

STARS has standard chart of accounts. Chart of Accounts has been established according to the activities and STARS's specific needs.

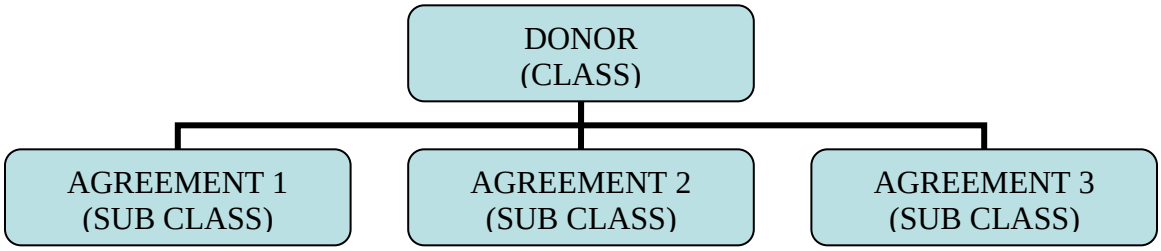
6.8. Reporting basis

Existing Accounting system enables reporting in multi dimensions. Following are the major reporting basis to be used by the current reporting system.

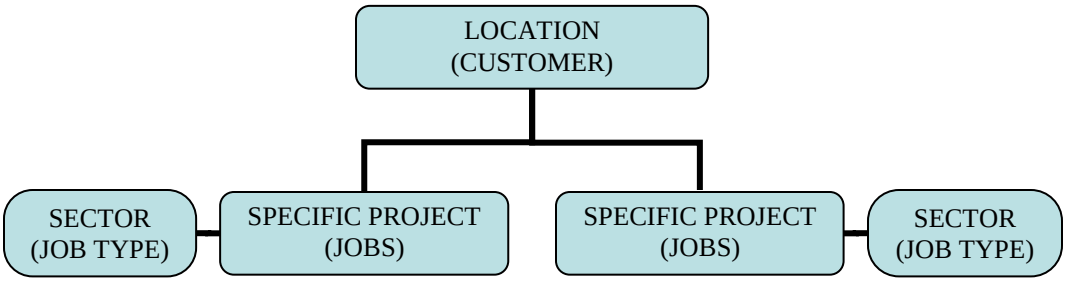
- Donor
- Agreement
- Location
- Sector
- Project

The above-mentioned reporting bases are elaborated with the help of following hierarchies:

HIERARCHY OF DONORS AND AGREEMENT FOR REPROTING PURPOSE



HIERARCHY OF LOCATIONS, PROJECTS AND SECTOR FOR REPORTING PURPOSE



6.9. *Primary Reports generated by the Accounting System*

The existing accounting system generates different types of financial reports at different levels. The Following matrix can easily explain what major types of reports it generates.

Report/basis	Consolidated	Donor	Agreement	Location	Sector	Project
Trial balance	✓					
Balance sheet	✓					
Statement of Income & expenditure	✓	✓	✓			
Income	✓	✓	✓			
Expenditures	✓	✓	✓	✓	✓	✓
Budget variance analysis	✓	✓	✓	✓	✓	✓

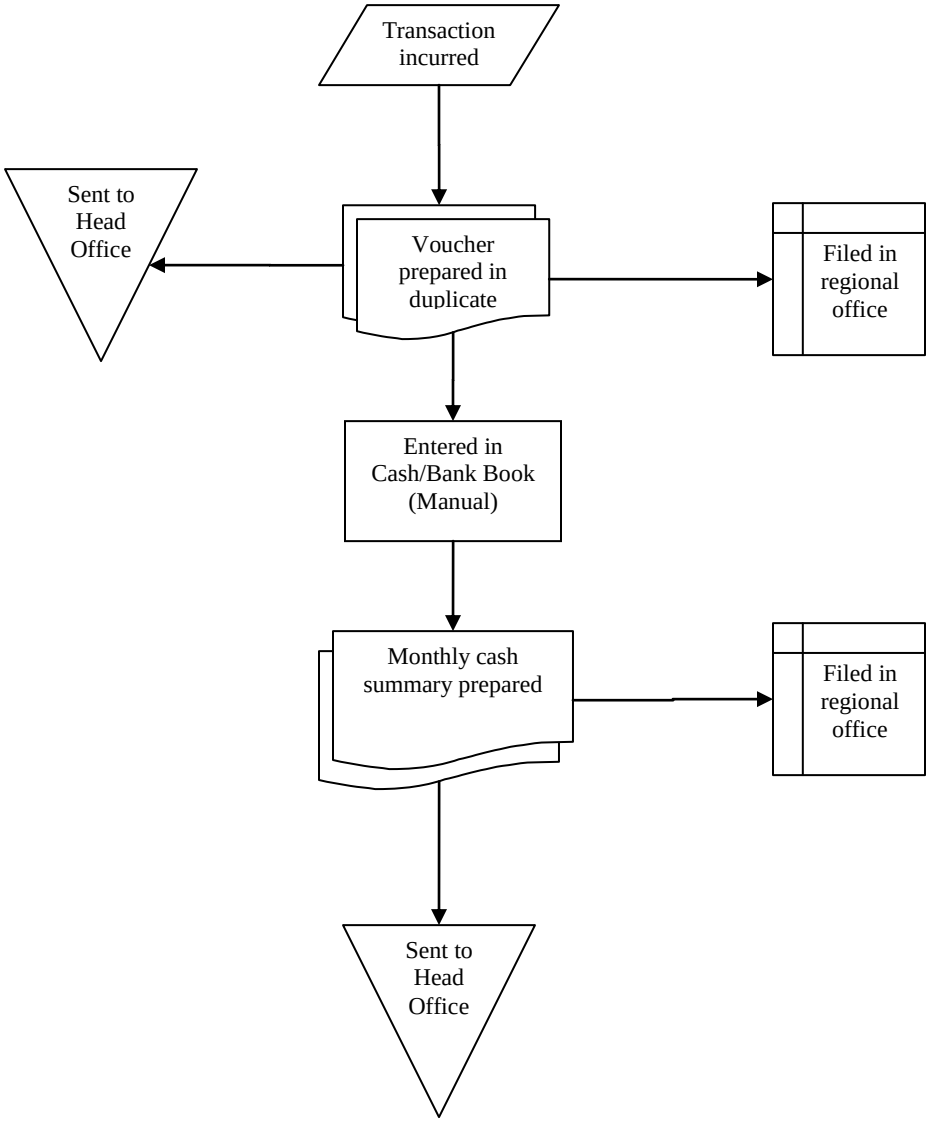
6.10. *Reporting Currency*

STARS's reporting currency is US Dollars. Other currencies used are Afghani and Pak Rupee.

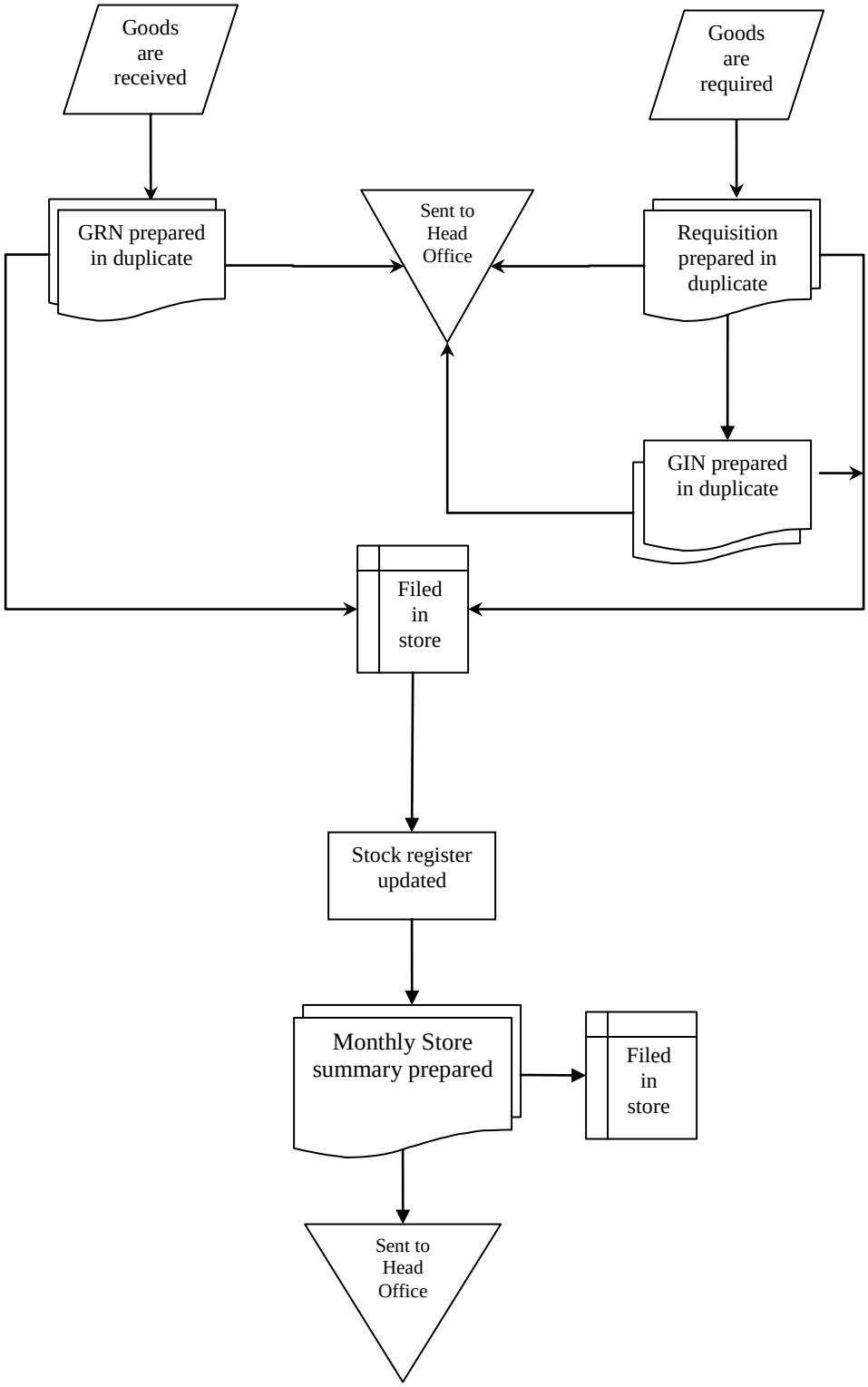
DATA FLOW DIAGRAMS

Following Data flow diagrams show flow of information through STARS setup.

Regional office Cash Transactions

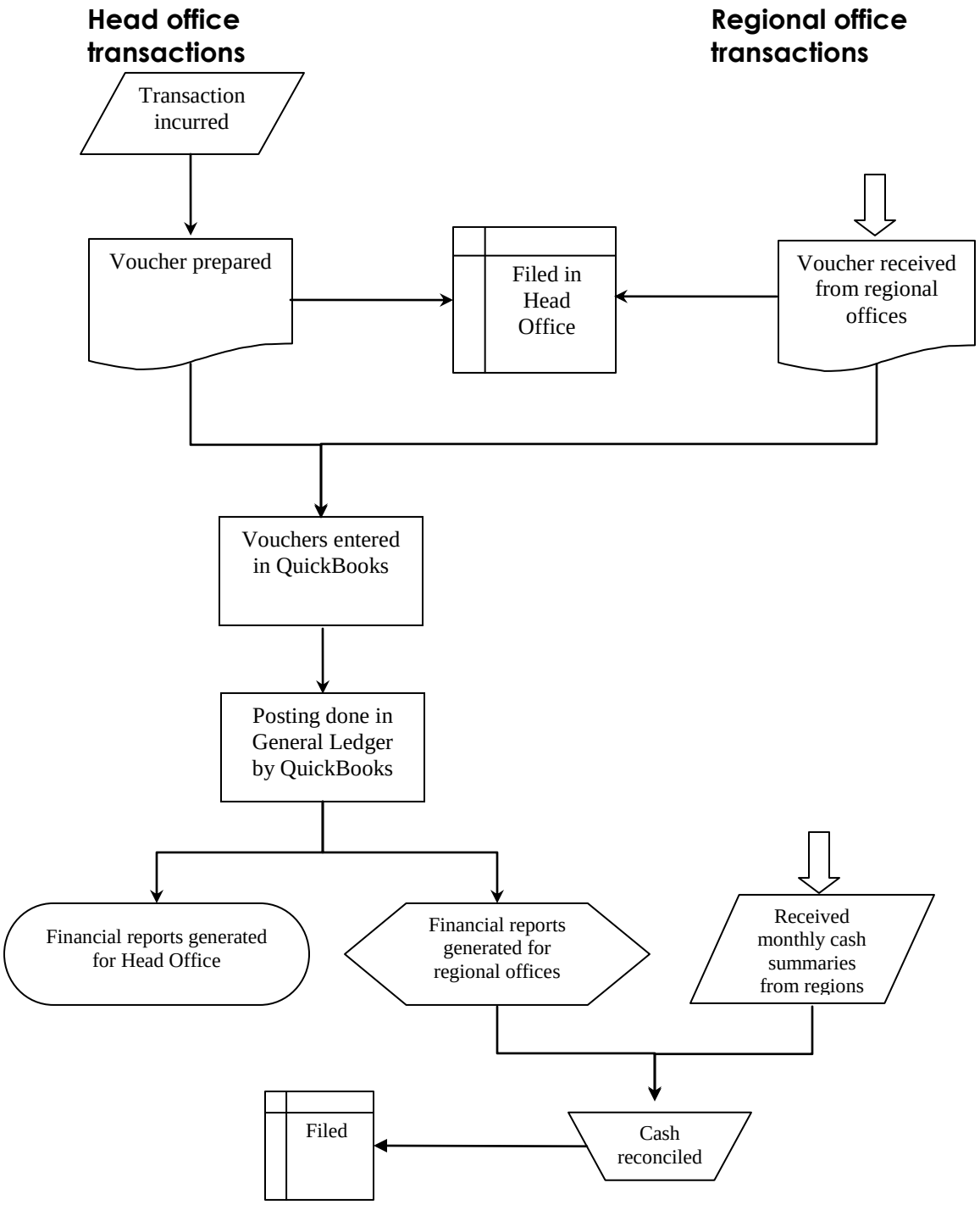


Regional office store transactions

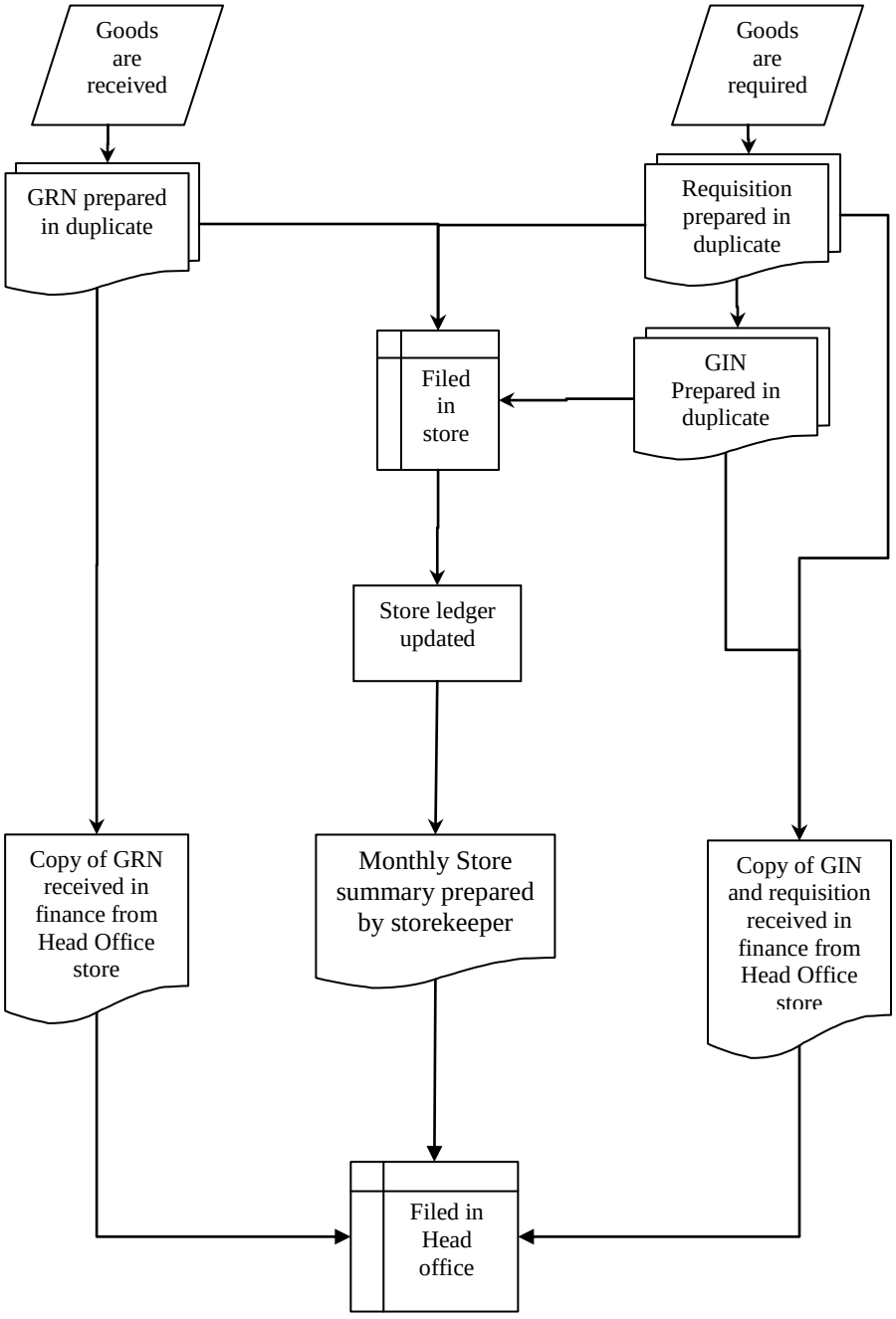


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Head Office Cash transactions



Head Office Store Transactions



7. TRANSFER OF FUNDS

7.1. Transfer from Head Office to Regional Offices

In order to carry out respective projects and programs, Head Office transfers funds to regional offices.

Regional Heads in co-operation with the Finance Manager have the responsibility to prepare the program budget and expected time for money transfer (Cash Budget); following the budget guidelines. *(see Chapter 7)* This will provide a better overview of the cash needs resulting in efficient cash management.

7.1.1. Request for funds transfer

Regional Head (or Acting Regional Head in his absence) gives a written request to the Finance Department of Head Office. Request should include information about amount of funds required, Donor, and Project for which fund is required.

Finance Manager forwards the request to the Managing Director. Funds are transferred to the regions after Managing Director's approval specifying the mode of transfer as well.

7.1.2. Modes of transfer

Transfer should be made using the following modes.

- Through Bank
- Hawala
- Through STARS staff

Funds should be transferred preferably through the bank. Other modes should be considered only if bank transfer is not possible. Transfer through STARS staff should be the last option as it is risk prone. It is important to note that transportation of large cash sums involves security risk.

Hawala

A related topic here is "Hawala". STARS utilize the service of Hawala agents. These agents have a network throughout the region. Hawala agent arranges for the agreed amount of money to be transferred to a particular place. Once the agreed amount of money is received in the concerned region, a confirmation is sent to the Head Office. In the Head Office, the Hawala agent is paid the sum transferred by him plus an agreed commission for the services.

8. ADVANCES

The nature of STARS's activities makes it necessary to issue advances to its employees, either for travelling, purchasing or other purposes. There are two broad categories of advances namely:

8.1. Advances for official expenses

The following procedures are used for official advances:

- The employee who requests for advance, fills in the ***Advance Form*** *(see Appendix 15)*. One advance form is used for one currency. If one needs advance in more than one currency, then he will fill in separate Advance forms for each currency required.

- The cashier checks the ***Advance Summary Sheet*** *(see Appendix 16)* in advances file to see if the employee has any outstanding advances. He then mentions any outstanding balance against the employee on the advance form. Usually an employee is not authorised to receive any advance if he has any previous balance outstanding to his name. However, in exceptional circumstances Managing Director, Regional Heads may allow him to receive further advance.

- The Form is then taken to the person authorised to approve advances *(see chapter No.1 Authorisation Limits)*. The authorised person is normally the Managing Director / Regional Heads.

- After approval, the Cashier pays advance and acknowledgement of the payee is obtained on the payment voucher.

- The Advance Form is given a serial number and filed in Advance File.

- The cashier prepares Advance Summary Sheet to track all the unadjusted advances. He updates Advance Summary Sheet whenever an advance is given or adjusted.

- Copy of the Form is attached to the Payment Voucher. The transaction is then recorded in books against employee's name *(see chapter No.4 Accounting system)*.

- After the employee incurs the expenditure, he takes the Advance Form from cashier and mentions the expenditure incurred, balance remaining unspent, or amount overspent on it. Detail of expenditure incurred is mentioned on ***Expenditure Summary Form*** *(see Appendix 17 A,B,C)*, which is attached to Advance Form along with all supporting documents.

- The Advance Form is then taken to the person authorised to approve expenditure, *(see chapter No.1 authorisation limits)*. He signs the Advance Form and Expenditure Summary Form to signify his approval of the expenditure.

- The employee then brings the Advance Form to the cashier and pays back the remaining balance. In case of over expenditure cashier reimburses the over expended amount. Advance is then adjusted in books.

- If the employee exchanges the money from one currency to other and incurs expenditure in both the currencies, two Advance Forms are used for each currency respectively.

- An official Advance can under **NO CIRCUMSTANCES** be used for personal reasons.

8.2. Advance against salaries

Advances may be given against salaries in exceptional circumstances, with a written approval by the Managing Director. The normal procedure should be to deduct a set amount from the employee's salary over a few months.

The advance should not be more than **THREE MONTH'S SALARY** unless the Managing Director/MC approve more than 3 months.

Some Additional General Rules

- *Private Advances VS Official Advance*

  Advances for official expenses should not have any influence on personal advances (against salaries). A clear distinction should be made between official and personal advances and both advances should be adjusted on separate basis.

- *Currencies of advances*

  Advance can be given in any currencies. However advances given in different currencies should be recorded separately in the original currency (not the reporting currency).

- *Adjustment of Advance against salaries*

  Advance given to employees against salaries should be adjusted in currency in which advance is given i.e. the original currency. Further, advance shall **ONLY** be given to employees in the currency in which they are drawing salaries.

  In case of advances given to employees before implementation of this manual, those shall be adjusted in the original currency.

- *Adjustment of advance for expenses*

  Advance for expenses should be adjusted within 05 days. If employee receives advance for expenditures to be incurred in an outstation visit, then he / she should adjust such advance within 05 days after his / her arrival from the trip.

  Advances given for official expenses can be exchanged into another currency. It will be reported to finance clearly stating the amount exchanged, the amount received, and the conversion rate. Support of conversion must be attached to Advance Form. The expenditure incurred in different currencies must be reported as such in Advance form.

Example:

1. Officer Ahmad takes an advance for USD 2,000 for project expenditure.

2. Ahmad exchanges USD 1,000 to Afs. 50,000 and obtains the receipt for the exchange.

3. When coming to the office to clear his advance, Ahmad has spent USD 900 on fuel and food costs and Afs. 45,000 on teacher incentives.

4. The Advance form in USD should then include Rs. 1,000 exchanged to Afs., and USD 900 on fuel and food costs. He then pays back USD 100 to the cashier.

5. A new Advance form has to be filled in mentioning exchange of USD 1,000 to Afs. 50,000. Then the cost of teacher incentives is reported as Afs. 45,000 and Ahmad pays back Afs. 5,000 to the cashier.

- *Permanent Advances*

  Management may decide to issue permanent fixed advances to some of employees who are in regular need of funds for incurring official expenditures, such Logistic officer. Amount of advance shall be fixed by Managing Director depending upon nature of his job.

  Such employees shall incur expenditure from his / her advance. Whenever he / she submit bills and get it approved, he / she will be reimbursed the amount of expenditure incurred.

  Rule of adjustment mentioned above shall not apply to such advances.

9. BUDGETING AND REPORTING

9.1. Introduction

Budgeting is the key factor for successful implementation of a project. Budgets serve as planning and control tool. As planning tool, budget provides information about expected / planned cost of a project, expected income from the project and fund requirements for the project. As control tool, it helps implement the project in such a way that ensures

that targets are achieved and actual results are in line with planned results.

Budget is a financial plan for the whole year. Budget preparation assumes immense importance in that it forms a basis for all the activities and operations of STARS. Budget is an estimate based on assumptions about future. Unrealistic assumptions may lead to incorrect estimates and in turn unreliable budget and will consequently lead to huge budget variances / lapse of the projects in case actual cost of the projects materially exceeds the budget. Thus all the care should be taken to prepare a realistic budget.

Not only does the budget form the basis for one or more year's operations, but it is also the base for our funding applications to the various donors. At the end of a project, the donor will evaluate how STARS has dispersed the funds and will also compare actual results with approved budget. Small variances may be tolerated without any major problem; however, large variances from the original plans may pose questions about the organisation's operations. As such, it is important that the budget reflects the actual activities planned, and that the expenditures are recorded accurately.

9.2. Different steps of budgets preparation

It is important to distinguish between different kinds of budgets.

Budget as cost estimation = a Budget prepared by the relevant Manager

Budget as administrative delegation = a Budget approved internally in STARS

Budget as Grant = a Budget formally approved by a donor

9.3. General principles

All budgets should be based on a survey.

All budgets should be calculated based on donor and STARS standards (STARS salary scales, etc.)

All budgets should be made in STARS internal formats and in the donor format.

All approved budgets should refer to agreements with donors (donor approval)

9.4. Procedure for making project budgets

The budgets in STARS are generally made in the light of the following procedures:

1. The program section makes a budget based on survey.

    a. All budget items should be calculated using unit cost and known prices
    b. Prices may be adjusted for expected inflation factors depending upon expected change in general price level.
    c. Information about prices prevailing at the time of budget preparation should be collected from open market.
    d. If quantity or prices are not known from similar activities, action should be taken to collect information from other agencies
    e. Support functions should be included as a percentage OR as separate indirect cost lines, depending on donor regulations. If a percentage is not used please make sure all acceptable cost (salary monitoring, communication, audit etc) are included.
    f. All budgets should be made in reporting currency.

2. Donor guidelines are used for formats, standards etc. But STARS standards are applicable if not in conflict with the donor regulations.
3. The Finance Manager checks the budget to ensure that budget is prepared according to donor requirements, and format is compatible with Financial Information System.
4. The budget should be approved by the Managing Director.
5. The budget is sent to the donor for approval.
6. After the grant approval, the budget may require revision if required by approved budget. In such case the budget is revised, budget specification of approved budget should be kept in view.

The Finance Department should have all approved budgets, budgets applications and agreements in their files. The Admin Department /

Programe Department needs copy of budget related to support functions.

9.5. Support Function Budget

The Program Department in consultation with Finance Department is responsible to prepare the budget for support functions not covered as direct costs.

9.6. Summary of total Budget

In addition to the support function budget a summary of the total project budget should be made on a yearly basis. Such summary is also revised after grant approval, as is the case with program budget and support function budget.

9.7. Internal reporting

Finance Manager prepares quarterly financial reports for presentation to Managing Director. Such reports are forwarded to relevant Program Managers so that they can give their feedback on budget variance. Program Managers are responsible to give written justification of any material variances. Such report is presented in quarterly workshops / meetings to be held within three weeks after the end of each quarter. After presentation in quarterly workshop, such reports along with written justification of material variances are submitted to Managing Director for approval.

9.8. External budget reporting

Donor reports are made according to donor format and within time frame specified in agreement with donor.

Overall financial statements of STARS should be issued within three months of close of financial year.

10. FOREIGN CURRENCY TRANSACTIONS AND EXCHANGE GAIN AND LOSS

INTRODUCTION

STARS activities are carried in various parts of Afghanistan. As monetary system in Afghanistan is not yet stable, multiple currencies are being used in business community in different areas. STARS also keeps all the currencies required for the purpose of smooth functioning of its activities.

10.1. Reporting Currency

STARS's reporting currency is US dollars. "Reporting currency," means the currency used in preparing and presenting the financial statements. Other currencies used are Afghani and Pak Rupee. Currencies other than reporting currency are called ***"Foreign currencies"***

10.2. Accounting Policy

As per accounting policy mentioned in *Chapter No.3 "Accounting policies"* exchange gains and losses on foreign currency transactions are recognized as income or expense in the period in which they arise. For detail about accounting policy please refer to Chapter No.3.

10.3. Foreign Currency Conversion

An important topic about foreign currencies transactions is physical conversion of currencies. Below is given procedures adopted by STARS for currency conversion.

Currency conversion means physically converting one currency into another. Since STARS operates in a multi-currency environment, it often converts one currency into another. Following procedure is followed for currency conversion:

i. If a specific currency required is not available in cash or bank account, bank is intimated to convert money from other currency account to the required currency account.
ii. In case bank facility is not available in an area then currency is converted through money exchange dealers.

iii. At least three persons should be involved in conversion of currency. Three quotations are obtained from the list of the approved money exchange dealers.
iv. The cashier prepares ***Comparative Statement*** *(see Appendix 18)* mentioning rates offered by different money exchange dealers, and gets it approved from Managing Director / Regional Head.
v. The person approving conversion selects the most favorable quotation (keeping in view quotation rate, security risk involved or any other matter).
vi. If a quotation offering highest rate is not selected, reason is written on the face of comparative statement or justification is attached to comparative statement.
vii. The successful money exchange dealer is asked to bring the agreed converted currency to STARS office, if possible.
viii. Payment is made to the money exchange dealer for the amount of the actual currency exchanged when he brings the currency required.

10.4. Data flow (Manual Cashbooks)

The accounting treatment for currency conversion is as follows.

Original currency

When a currency is converted into another, "Cash Payment Voucher" is prepared in original currency i.e. the currency converted into another.

Converted currency

In the converted currency, "Cash Receipt voucher" is prepared.

10.4.1. Data flow (QuickBooks)

For the purpose of recording currency conversion in computerized accounting software, an intermediary account is required for recording both the receipt in one currency and payment in other. "*Currency conversion account*" is used as intermediary account. We can also record currency conversion through one Journal voucher but that is not practicable due to tow reasons.

i. That will not be compatible with manual voucher system. Separate manual vouchers are prepared in each currency i.e. receipt

voucher in one currency and payment voucher in other. If we record currency conversion in accounting software using only one Journal voucher, some of the manual vouchers would not be entered in software, which can create confusion.

ii. The second reason is very important. As said in the above paragraphs we can record currency conversion through one Journal voucher, this is true when one of two currencies is the reporting currency. If both currencies are foreign currencies, then single voucher cannot be used to record the currency conversion. The reason being that the software does not allow recording transactions of two foreign currencies via one voucher.

Currency conversion account is just an intermediary account; the balance in this account must be zero after recording effect of currency conversion in both the currencies involved. As a result of conversion, the cash balance of the currency obtained in conversion is increased by the amount received and the balance of the original currency is reduced by the amount converted.



11. INTERNAL CONTROLS

Following general internal controls are in operations for general transaction.

1. **Cash**
2. **Bank**

11.1. Cash

11.1.1. Cash Receipts

- When cash / cheque is received, cashier prepares ***Cash Memo*** *(see Appendix 19)* in duplicate and gives one copy thereof to the payer as token of receipt.

- Cashier then prepares Cash Receipt Vouchers.
- Cash Receipt Vouchers is then checked and verified by Finance Officer.

11.1.2. Cash Payments

- Payments up to USD 1,000 should be made through cash. Above such limit, payment should be made through bank. However for the time being, due to lack of good banking system in Afghanistan, cash payments may be made over the stated limit. After banking system starts functioning, the above ceiling must be implemented.
- Cash payment voucher is prepared by cashier.
- Acknowledgement of the payee must be obtained on the face of Cash Payment Voucher, or in case of a firm, acknowledgement should be received on that firm's letterhead.
- Cashier stamps as "PAID" all the bills at the time of payment in order to avoid double payment.
- Cash Payment Voucher is then checked and verified by Finance Officer.

11.1.3. Other controls

- The cashier is the person responsible for keeping cash in safe custody.
- Cash should be kept in locker and Cashier is the only person to have access to the locker.
- Cash receipts and payments should be timely entered in books.
- The cashier is responsible to make daily reconciliation's of closing cash balance (as per books) with physical cash in hand.
- The cashier performs cash count on the last working day of each month in the presence of two witnesses. Cashier and both the witnesses shall sign ***Cash Count Form*** *(see Appendix 20)*. Any discrepancy shall be reported to Finance Manager / Regional Head.
- Cash ceiling is USD 8,000 and USD 5,000 (or equivalent) for Head office and regional offices respectively, however in regional offices cash must be spent immediately after it is received and only USD 3,000 can be kept in hand for office running cost.

11.2. Banks

11.2.1. Separate bank account for each donor

- Bank account should be maintained as per donor's requirements.

11.2.2. Co signatories

- There should be at least two signatories for every bank account.

11.2.3. Bank receipts

- Cheques received should be immediately deposited in bank.
- Bearer checks should be crossed before depositing into bank.
- When cheque is received and deposited in bank or an amount is directly received in bank, the cashier prepares Bank Receipt Voucher.
- Photocopy of cheque should be attached with Bank Receipt Voucher.
- Bank receipt voucher is checked and verified by Finance Officer.

11.2.4. Bank Payments

- Bank Payment Voucher is prepared by the Cashier.
- Acknowledgement of the payee must be obtained on the face of Bank Payment Voucher, or in case of a Firm, acknowledgement should be received on that firm's letterhead.
- Photocopy of each cheque should be attached with the Bank Payment Voucher.
- Cashier stamps as "PAID" all the bills at the time of payment.
- Bank Payment Voucher is then checked and verified by Finance Officer.

11.2.5. Deposits in and withdrawal from banks for office use

- When cash is deposited in to bank, the cashier prepares Cash Payment Voucher CPV and Bank Receipt Voucher BRV.
- When cash is withdrawn from bank for office expenses, the cashier prepares Bank Payment Voucher BPV and Cash Receipt Voucher CRV.
- The above vouchers are then checked by Finance Officer and Controlled by Finance Manager / Regional Manager.

11.2.6. Reconciliation's

- Finance Manager should prepare Bank's reconciliation for each bank account on monthly basis.

12. FIXED ASSETS AND STORE

12.1. Definitions

Fixed Assets are long-term (more than one year), non-expendable asset held by an organisation for:

- Administrative purpose
- Rental to others
- Use in productions and supply of goods and services

Store include assets held by an organisation in the form of:

- Raw material to be used for production
- Goods in process of production
- Finished goods ready for sale or intended use
- Supplies to be consumed in production or supply of goods or services

12.2. Fixed Asset

12.2.1. Accounting policy

As per STARS's policy, all the fixed assets are charged to income and expenditure account in the year of purchase *(see Chapter No.3 "Accounting Policies")*

12.2.2. Fixed asset register

To achieve control over fixed assets, ***Fixed Assets Register*** is maintained *(see Appendix 21)*. Assets having value of more than US$ 50 are registered in Fixed Assets Register. Administration Department shall be responsible for maintaining fixed asset register. Fixed asset register is maintained in the Head Office for recording assets of Head office as well as Regional Offices.

12.2.3. Fixed Asset Codes

A unique code is assigned to each individual asset at the time of receipt. These codes shows the fixed assets item number, year of purchase, donor source, project title (in abbreviation), and its location etc. The code is then pasted on asset for easy identification and references. Fixed assets codes include the following information:

- Serial number / code
- Donor Source
- Project Title (in abbreviation)
- Year of purchase
- Location

12.2.4. Receipt of assets

Administration Department shall receive asset purchased. The requisitioning person inspects the asset received for quality, specification and condition. If it meets the required criteria, Administration Department assigns code to the asset. The Administration Department updates fixed assets register accordingly.

The Administration Department sends a written intimation to Finance Department to be attached with Payment Voucher.

It should not be recorded until and unless the Finance Department receives the written intimation from Administration Department.

Any documentation of Donor requirements or special conditions should be filed together with asset information

12.2.5. Assigning and transfer of assets

The Administration Department assigns assets to projects / persons. The person receiving the asset signs the standard ***Asset Assignment Form*** *(See Appendix 22)*. The Administration Department then files

the form. The Administration Department updates the fixed asset register to record assignment of asset.

Any harm done to the asset should always be explained by the responsible in a report to the Administration Department. If the harm is rising from gross neglect or misconduct on the part of the employee responsible, the value should be claimed.

At the time the assignment of the asset ends, a qualified person inspects quality of the asset and the signs of the original Assignment Form for cancellation.

An asset shall not be transferred directly from one employee to another. Transfer should be made through Administration Department. When an asset is transferred from one employee to another, the Administration Department updates the Fixed Asset Register to change the name of responsible personnel.

A STARS asset (not used on daily basis) must not be kept in personal custody by any employee.

12.2.6. Disposal of assets

When an asset is no longer useable for any reason, it will be disposed of *(subject to any restriction imposed by donor or some other authority)*.

Administrator can dispose off an asset but prior approval of Managing Director must be sought in writing.

12.2.7. Modes of disposal

Asset will be disposed off in following modes

- Private sale
- Open/closed bidding
- Scraping
- Donation

Private sales

Asset with a purchase value of up to USD 500 can be sold to any one including STARS employees.

Open / Closed bidding

An asset with a value of more than USD 500 will be sold by open or closed bidding whichever is appropriate. The auction may be publicised externally through newspaper or any other appropriate media keeping in view cost and benefit. Purchase and auction committee shall be responsible for conduct of a transparent auction. After bidding, Purchase and Auction Committee will prepare ***Comparative Statement*** *(see Appendix 23)* and decide the successful bid.

Scraping

Administrator can approve scarping of an asset up to original cost of 100 USD. In case of scraping an asset having original cost of more than USD 100, prior approval of Managing Director must be sought in writing. All scraped items should be registered as such.

All assets with original cost of above than USD 500 must be sold, even if their condition is ruined.

When an asset is disposed off, Administration Department shall update Fixed Asset Register accordingly.

12.3. Stocks and Stores

12.3.1. Accounting Policy

In STARS, stocks and stores are charged to Income and Expenditure Account when consumed.

12.3.2. Stock Register

To achieve control over stores, ***Stock Register*** *(see Appendix 5)* is maintained. Storekeeper is responsible for maintaining store register. *(for book keeping aspect see Chapter No. 4 "Accounting system").*

12.3.3. Receipts

When goods are received into stores, Storekeeper inspects these for specification and condition and quantity is confirmed with bill. If these meet required criteria and quantity matches with bill, Storekeeper prepares Goods Received Note (GRN). GRN is source document for recording store receipts.

12.3.4. Issues

Goods Issue Note (GIN) is used to record store issues. Goods are issued only after requisition is approved by the authorise personnel *(see chapter No. 1 "Authorisation limits" and Chapter No. 13 "Procurement")*.

Any stock remaining unconsumed with requesting person shall be returned to the store. GRN will be prepared and marked as "Returned".

12.3.5. Store reports

Monthly Store Summary *(see Appendix 8)* shall be prepared and sent to Finance Department *(see chapter No. 4 "Accounting system")*.

12.3.6. Stock storage and safety

All stocks should be kept in a room that is locked 24 hours and under the custody of a person assigned by the Administration Department i.e. Storekeeper.

The Storekeeper must make sure that the humidity, heat etc. in the room is appropriate for the stored items.

The Storekeeper is furthermore responsible to arrange the store in a practical manner ensuring access to stock that is most frequently realised from the store but also ensuring a logical system.

12.4. Physical Verification of Fixed assets and stocks

1. Periodical physical verification of store and fixed asset shall be performed. However, donor specific requirements should

be kept in mind. Proper cut off procedures should be adopted to ensure that relevant assets and stock are subjected to verification.

2. At least two persons, one from Finance Department and one from Administration Department, can be authorised by Managing Director to perform physical verification.

3. Physical verification report will be made and any discrepancy will be investigated and resolved accordingly. Final report will be forwarded to Managing Director for approval. It will mention the results of physical verification including the discrepancies found.

4. The registers should be updated after the Managing Director approves the report.

5. Sporadic verification shall be performed if requested by any Regional Head / Administration Department / Managing Director. Person(s) authorised by them can randomly inspect the registers and store.

13. PURCHASING / PROCUREMENTS

13.1. Purchasing policies

All STARS purchases should always be made to get the best quality for the lowest possible price. To ensure this, goods should be purchased in bulks and kept safe in the store to limit transaction cost and get discounts.

Some donors have specific requirements concerning purchases and these should always be checked before any larger purchases.

Furthermore, to ensure appropriate control with the quality and price of goods there is established threshold of authorization for purchasing. It should be clear from the above that it is strictly against STARS policy to split up purchases or bills to avoid these thresholds.

13.2. Procurement procedure

The person who requests an item fills in a ***Requisition Form*** (see Appendix 24) and which is approved by the Administration Department / Regional Heads.
Requisition is sent to store where it is checked for availability. In case it is not available requisition is forwarded to Logistic Officer.

If the item is to be purchased, the following thresholds apply:

- If the value of purchase is larger than USD 200 at least three (3) quotations will be obtained. ***Comparative Statement*** *(see Appendix 25)* will be prepared and successful quotation selected. However donor's specific requirement should be observed.

- Logistic officer can make purchase upto USD 100.

- In case of purchases of more than USD 100, Procurement and Auction Committee will call quotations and select the most suitable one. The Committee shall consist of at least three (3) members i.e. one person from concerned Department, one person from Finance Department and one person from Logistic Department. In case of purchases by Finance or Logistic Departments, the Procurement committee may comprise of two persons.

- If a person supposed to participate in Procurement and Auction Committee is not available, the Logistic Department may be authorised by Managing Director in writing to make certain purchases with less than three (3) members.

These thresholds should be reviewed every year. The Regional Offices are allowed to introduce a lower threshold for quotations, if this is found necessary.

14. TRANSPORTS AND LOGISTICS

STARS has following rules for use of vehicles.

14.1. Transport of goods

14.1.1. Use of STARS owned vehicles

STARS owned vehicles are used in the first instance, for transportation of goods from and to Regional Offices and sites. The concerned department fills in ***Vehicle Authorization Form*** *(see Appendix 26)*. Vehicle Authorization Slip is then got approved from Transport Officer. Transport Officer releases vehicle to the concerned department for the purpose.

14.1.2. Use of leased vehicles

In case quantity or nature of goods to be transported is such that they cannot be carried through STARS owned vehicles, then leased vehicles may be used for transportation of such goods. Transport Officer is responsible to arrange the vehicles in such cases. Transport Officer calls for at least three (3) quotations from three deferent transport companies, if possible. The Transport Officer prepares ***Comparative Statement*** *(see Appendix 25.)*, then he gets it approved from Administration Department. A contract may be entered into and signed by Administration Department with selected transport company before goods are handed over to them.

14.2. Vehicle use

14.2.1. Official use (local areas)

All STARS staff is allowed to use STARS owned vehicles for official purpose. If an employee needs vehicle for official use in local area, he fills in Vehicle Authorization Slip and give it to the Transport Officer in the morning stating the purpose and location, and time of departure and arrival. It helps the Administration Department meet the needs of all the employees requesting for vehicle. If two employees have official work in same locality, it is better that both

the employees use one vehicle. If more employees request for vehicle at a time and it is not possible to meet every one's request due to non availability of sufficient number of vehicles, then vehicle should be allowed to the employees on the basis of priority of the work.

14.2.2. Official use (Outstation)

If vehicle is needed for outstation official visit, the concerned employee fills in Vehicle Authorization Form and gets it approved from Administration Department / Regional Head. Vehicle Authorization Slip should be forwarded to Transport Officer at least two days before the date when vehicle is required. Intimation in advance helps to ensure the availability of the vehicle when needed. Vehicle Authorization Slip specifies the expected time and date of the departure and arrival of the vehicle.

However approval of request depends on security situation in the area where the visit is planned. Vehicle shall be allowed only when there is not any security risk; otherwise the staff should used rented vehicles for official trip. Transport Officer checks beforehand security situation, through ANSO office our own sources, of the area where it is planned to send vehicles.

14.2.3. Private use (general staff)

STARS does not have the policy to allow private use of vehicles by employees. *However such use may be allowed in any special circumstance or emergency (accident, funeral, marriage of STARS employees or close relatives thereof).*

14.3. Other controls over vehicle use

Following internal controls are in place in order to ensure safe custody and proper use of vehicles.

14.3.1. Persons authorized to drive STARS vehicles

Drivers or Transport Officer are the only personnel authorized to drive the STARS vehicles in normal circumstances. In exceptional

circumstances the Managing Director may authorize any other person to drive the vehicle.

14.3.2. Vehicle Log Books

The ***Vehicle Logbook*** *(see Appendix 27)* is maintained for each vehicle in order to avoid any possible misuse of vehicles. Vehicle Logbook is used to record information about use of vehicles. Mileage is checked before every trip and recorded in vehicle logbook, after arrival from trip mileage is again checked and recorded in vehicle logbook in order to know total distance traveled in each trip. Purpose, date and time of trip are mentioned in vehicle logbook and the person using the vehicle signs it.

The Transport Officer is responsible to ensure that vehicle logbooks are maintained properly. At the end of month, Transport Officer prepares a vehicle logbook summary, which shows different vehicles have been used for in different projects.

14.3.3. Fuel of vehicles

Transport Officer is given fixed advance for running and maintenance of vehicles. The driver is responsible to keep the vehicle fuel tank always full. The Transport Officer signs all the fuel bills and clears his advance whenever he runs out of balance. The Transport Officer registers the bills in the ***Fuel Consumption Form*** *(see Appendix 28)*. Transport Officer checks fuel consumption at the end of every month with distance covered. If actual consumption deviates substantially from moth to month, investigation is carried in order to find out reason for such deviation. Necessary action is taken accordingly to control fuel consumption.

Vehicle logbook summary and Fuel Consumption Form are used to calculate amount of fuel expense to be charged to different projects. Copies of both these documents are sent to finance department where fuel expense is charged to different projects according to mileage used for each projects.

14.3.4. Periodical maintenance

Routine maintenance is done of each vehicle after each 2,000 km running. Routine maintenance includes changing engine oil and oil filter, body wash, and cleaning the air filter. Diesel filter are changed after 4,000 km running. Transport Office is responsible of maintenance and mileage record for each vehicle.

14.3.5. Routine checking

It is driver's responsibility to do routine checking of vehicles every morning including checking of oil, water, brakes oil etc.

14.3.6 Other maintenance

The driver and the Transport Officer are responsible for the maintenance of the vehicles. It is driver's responsibility to check daily the vehicles in the morning and report to the Transport Officer if it requires any repair and maintenance. The Transport Officer is obliged to get approval from the Administration Department before sending the vehicles to the workshop. Both the driver and Transport Officer should be present in the workshop at the time of changing parts of the vehicles.

14.3.7 Charging of vehicle fuel and repair expense to different projects

Vehicle fuel and repair cost is charged to different projects based on actual use of vehicles in respective projects.

14.3.8 Vehicle Authorization Form

All staff requesting STARS Vehicles both for official and private business are obliged to receive Vehicle Authorization Form from the Transport Officer. Incase Transport Officer is not available they can refer to the Administration Department.

Vehicle Authorization Form will also be used if the vehicle is to driven to workshop for routine or other repair.

15. COMPUTERS AND COMMUNICATION

15.1. Computers

Computers are the most valuable assets being used in STARS. Appropriate control has been designed in order to ensure physical safety and data security.

15.1.1. Security & virus protection

The users should take following necessary steps to protect their computer from virus infection.

- They should ensure that anti virus program is running on their individual computers and anti virus icon is active on task bar.
- Weekly anti virus update definition file should be installed on the system.
- They should not open emails or attachment from unknown source.
- They should scan all files for viruses at least once a week.
- Disks scanning and Defragmentation should be run on all computers at least once month to make sure drives are in good condition.
- The user must switch off all the equipment, when they finish their routine work at the end of day. They should also ensure that computers are properly shut down. Especially laptop computer, which needs to be properly shut down before it is moved from one location rather than transferring into hibernated mode. If laptop computer is moved while it is in hibernated mode it may damage hard drive and result in data loss.
- No external device will be attached to any computer while it is turned on.
- This is user responsibility to keep secret their ID and password from every body.
- Playing and installations of Computers Games are not allowed.
- Personal prints are not allowed on STARS Computers.

15.2. Data backup

It is user responsibility to backup the data on weekly and monthly basis, otherwise he / she will be held responsible for any loss of data from his local drive. Data is usually backed up on Compact Disk.

15.2.1. Confidentiality and rights on STARS data

The data stored on every computer is belongs to STARS. **NO ONE IS ALLOWED** to share STARS data with outsiders or to leak out any internal information / data. It is concerned person duty to store the data on protected location.

In case data is required to be shared with partner organization in connection with any joint venture or some official purpose, proper authorization will be taken before hand from Managing Director for transferring data to external organization.

NO ONE IS ALLOWED to take data from STARS, when he / she finishes job contract with organization.

15.3. Mobile Phones

STARS has provided mobile phones to key staff, along with connections. STARS also has the policy to provide credits for the mobile phones for the following staff members.

Managing Director	Credit worth US$ 100
Regional Heads	Credit worth US$ 20
Managers / Sector Head	Credit worth US$ 20

However personal calls are NOT ALLOWED from official mobile phones

15.4. Satellite phones

Sat-phones (Thuraya etc) will be used on field trip and remote location where GSM Mobile facility is not available. The sat-phone will be issued to the field staff after written approval from Administrator. Every incoming and out going call specifying purpose

of call, dialed number location, call duration will be recorded on call log book. Administrator checks call logbook each month with satellite phone bill to make sure that private calls have not been made.