



# **Accounting Manual**

**for Sida supported NGOs  
in India**

**Second Edition: February 2005**

**Development Cooperation Section, Embassy of Sweden  
New Delhi**

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# Preface to Second Edition

A leading principle in Sida's development cooperation work, be it bilateral cooperation or support to NGOs, is that the activities financed by Sida shall be carried out efficiently and that the funds shall be administered in a secure manner. Sida has to ensure that this being done.

In order to live up to this principle, the Development Cooperation Section, DCS, of the Embassy of Sweden in New Delhi had decided in 1997 to develop an Accounting Manual to be used by all Sida supported NGOs. This demanding task was very professionally accomplished by Chartered Accountants Sanjay Aditya & Associates in a most conscientious and pedagogical manner. All collaborating NGO-partners were satisfied with the contents of the final product.

The manual gave very clear directives as to what Sida's requirements are in relation to the basic aspects of budgeting, internal control, book keeping and bank transactions. But with passage of time certain government regulations and policies have changed and the manual needed a revision.

The revisions made in this edition of the manual are summarized below :

1. Four new sections have been added. These include discussion on network funding, purchases, traveling expenses, and other laws (provident fund and gratuity).
2. One section on TDS has been removed as the relevant law is undergoing major changes.
3. The discussion on computerized accounts has been amplified. It now includes an illustration and related templates to help set up a chart of accounts.
4. A new section on checklists has been added at the end. This provides a checklist of all the recommendations/suggestions made in the manual.
5. Discussion on FCRA and revolving funds has been revised.
6. The rest of the manual has been corrected and revised wherever changes in law have occurred.

We hope that the new edition will further strengthen the financial and accounting systems of every NGO, thus promoting the financial planning and follow up of the Sida supported activities.

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# Accounting Manual

## for Sida supported NGOs

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