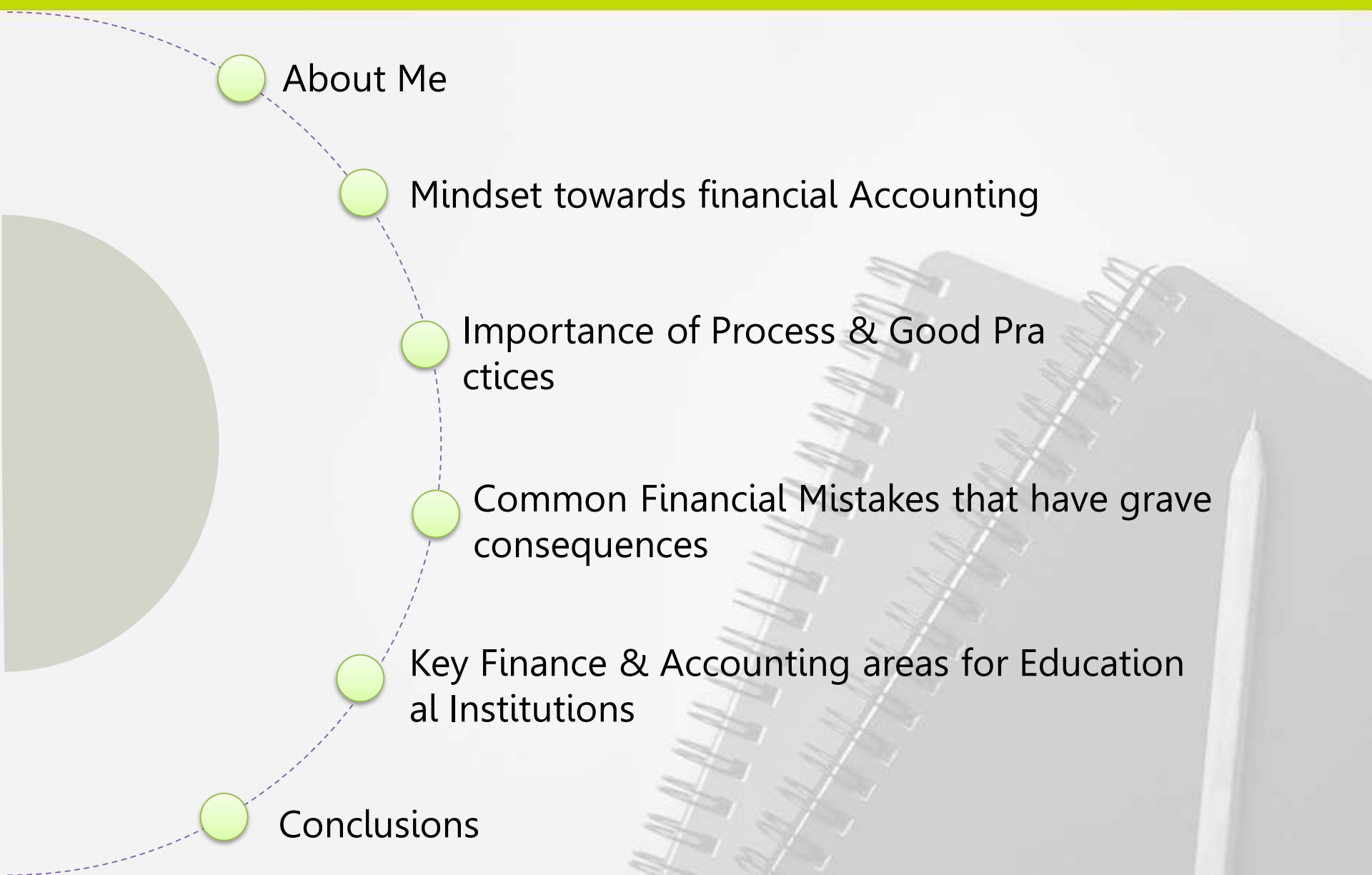


SYSTEMIC DYSFUNCTIONALITIES

Process Gaps - Financial loopholes

 Muneer Ahmed

Agenda



About Me

Mindset towards financial Accounting

Importance of Process & Good Practices

Common Financial Mistakes that have grave consequences

Key Finance & Accounting areas for Educational Institutions

Conclusions

Know Me



A Chartered Accountant with over 10 years of diverse experience in various industries. An expert in taxation in India, US and the Middle East, he holds a gold medal in economics from Osmania University. An entrepreneur himself, he is passionate about helping startups, mid-sized companies and young founders realize their ambitions.



Mindset towards Financial Accounting



Don't See Value

- Money in / out, only those who suffer understand the value, usually after few years of ops, problems: no idea about cash in hand, no accountability to stakeholders, no understanding of financial position

Cost Centre

Considered a Cost Centre

- Why spend money at all, save money as a smart decision, but the actual cost paid is much higher

Disqualified Resources

Does not require qualified resources

- Anyone can do it, hire inexperienced known relative or friend, no training or experience required, why not take advice / service of professional

Common Financial Mistakes that have grave consequences



Improper Bookkeeping : Leads to Financial Losses, Govt. Notices leading to freezing of assets & Bank accounts



Missing Compliances: Penalty proceedings for non compliances related to funding and financial mismanagement



Tax Evasion: Legal hassles leading to penalties and imprisonment



Audited Financial Report: Breach of Trust with Stakeholders (Trustees, donors, society)



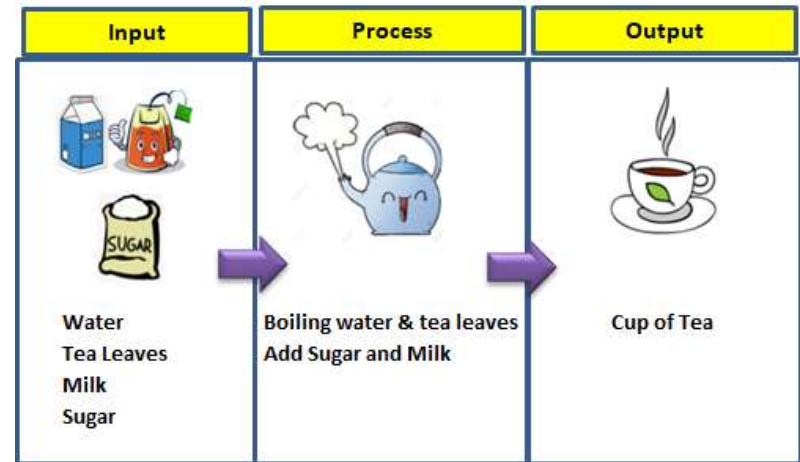
Importance of Process & Good Practices

Q: What is a Process?

A: Step-by-step instructions

Q: Why we need Process?

- Steps decide the end product
- Clarity among all team members
- Delegation of work
- Consistent Quality



An institution is nothing but a sum of all its processes. If you want to change an institution, then you need to change its processes.

Q: What Practices?

- Clearly Defined
- Demonstrate
- Well Documented (You can't change what is not documented)
- Feedback & Improvement

ICAI: Accounting Practices follow all these rules.

Namaz is a process. It's well defined, unchanged and consistent.

Key Finance & Accounting areas for Educational Institutions

- Take services of professional
- Establish proper bookkeeping –Benefits –Focus on core competence, Financial health, Helps in Compliances, Govt schemes & Benefits, Valuation & Investment.
- Use accounting software
- Statutory Compliances: 80(G), 12(A), FCRA, GST, Municipal License, Fire & Safety, PT, ESI, PF, etc.
- Internal & External Audit
- Costing
- Planning of Fee Structure (Revenue Modeling)
- Budgeting
- Cash Flow Management
- Reconciliation
- Reporting
- IT Compliance



Conclusion

Key TakeAways

- Change the Mindset
- Take the help of professional Financial Expert
- Appoint Qualified Accountant or Outsource the Accounting Dept
- Design, Document, Implement and Execute the Processes across all functions
- Adhere to all statutory compliances & save money drain from paying penalties
- Get the Internal Audit done atleast Quarterly & Take corrective action.
- Financial Reporting -MIS

Finally "Financial Baith"



Lets make a Beginning

To know more and to make your Accounts, Finances, Compliances & Reporting flawless. Do reach us.....



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