Backdrop

MRDI has been following its Financial and Account Manual since 2004. In the year 2006 the management revised the Financial and Account Manual and produced before the board on 04.08.2006 for approval. The board approved the manual titled: “Management and Resources Development Initiative’s Financial and Accounting Manuals” which came into effect from 5 August 2006.

The other policy document Management and Resources Development Initiative (MRDI) personnel policies, 2005 is being followed in managing human resources since 2005. In 2008 the Management got the document revised by Howlader Yunus & Co. and placed before the board on 13 June 2008 for approval. The board approved the manual under the title “The Management and Resources Development Initiative’s Human Resource Policies, 2008” that came into effect from 1 July 2008.

In 2010 the management decided to get the two policies reviewed by a professional expert. Country’s renowned CA firm A. Quasem & Company reviewed the documents and combined them into one volume as MRDI Financial and Administrative Manual. Having placed for approval, the board reviewed and approved the manual in the AGM of 2009-2010 held on 20 December 2010. The policy came into effect from 01 January 2011.

Since then MRDI is following its Financial and Administrative Manual for the management of financial and administrative issues. In course of programme operations and organizational management, need for updating of the document has been felt from time to time. In view of this need, upadting of different clauses of the manual is done by the board.

The next revision for updating has been done in the 13th AGM held on 19 November 2016 and came into effect from the date of approval.

Upon requirement of further updating, MRDI management hired Nurul Faruk Hasan & Co., Chartered Accountants to review the manual and accommodate policies related to better governance of the organization. After consultations, remarks and feedbacks, the modifications were finalized and approved by the Board in its meeting on 03 March 2019.
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20.3.1 Conflict of interest of an employee is any interest, financial or otherwise, direct or indirect, participation in any business, transaction or professional activity for financial gains or incurring any obligation of any nature, which is or appears to be in substantial conflict with the proper discharge of duties in relation to MRDI

Executive Director
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VOLUME-I

FINANCIAL & ADMINISTRATIVE MANUAL

Executive Director
Management and Resources
Development Initiative (MRDI)

Chairman
Management and Resources
Development Initiative (MRDI)
Chapter - I

Introduction and Objectives

1.1 Introduction

Management and Resources Development Initiative (MRDI), a multidisciplinary not for profit, Non-Government Organization engaged in a wide spectrum of social development activities and seeks to render services to national and international organizations, both in the public and the private sector. MRDI is registered with the office of the Registrar with the Joint Stock Company & Firm, Government of the People’s Republic of Bangladesh under section 28 of the Company Act 1994 having incorporated # C-544 (57) / 2003 dated May 13, 2003 as a Company Limited by Guarantee. It is registered with the NGO Affairs Bureau having registration # 1962 dated 21-09-2004 under the Foreign Donation Regulation Ordinance 1978.

Objectives of the organization:

The Organization’s aims to enhance the qualitative standards of media: develop capacity and ethical mind set of the media professionals for unbiased and objective reporting; improve qualitative journalism to facilitate the media for contributing to strengthen democracy and gender equality: aware people including women, adolescent, children, minority and other marginalized section of the population on their rights and entitlement including right of access to information and explore opportunities for generating alternative resources for development.

1.2 Objectives of the Financial and Administrative Manual

The Financial and Administrative Manual (Manual) seeks to explain in detail the accounting and administrative rules and regulations for the organization, ensuring transparency, good governance and accountability in the organization itself, as well as in its transactions and interactions with external parties.

This Financial and Administrative Manual provides a complete structure for day-to-day transactions and guideline for their appropriate recording in the books of accounts and preparation of monthly, quarterly and annual Financial Statements. The Manual will also stipulate sound administrative policies and practices to ensure compliance with best practice, donors’ requirements, and local regulatory requirements.

This manual provides, in one place, a comprehensive set of Financial and Administrative Policies and Procedures for MRDI. This manual supersedes all previous Financial and Administrative Policies and Procedures that were in place before the formal approval of this Manual.

Executive Director
Management and Resources Development Initiative (MRDI)

Chairman
Management and Resources Development Initiative (MRDI)
The contents of this manual are arranged in various chapters containing Financial and Administrative policies to be developed in the organization. The employees are expected to be aware of, understand and fully comply with all policies and procedures stated in this manual.

1.3 Application

The Financial and Administrative Manual of the MRDI shall be applicable from the date it is approved by Board of directors. This Manual applies to all financial and administrative aspects related to MRDI and all other projects financed implemented by MRDI.

1.4 Process of updating the Manual

a) Board of directors of the Organization shall have the right to modify, amend, replace, revise and/or add any of the provision of this Manual in such manner and to such extent, as may be deemed fit. Board of directors of the Organization may constitute a committee / sub-committee or appoint consultant / consulting firm to review and update the manual when necessary.

b) Any change or modification/amendment, as approved by Board of directors of the Organization shall be circulated through inter-office memo / circular under the signature of the Chairman of Board of directors of the Organization or his/her designate.

c) All the changes / amendments that have been taken place since the date of last revision, with the approval from Board of the Organization, shall be incorporated in the revised version of the Financial and Administrative Manual.

1.5 Donor Requirement

Any specific requirement by the donor that is not covered by or has any conflict with the Financial and Administrative Manual of MRDI and conflicts with the law of the land will be placed in the Board meeting for discussion and decision.

Executive Director
Management and Resources
Development Initiative (MRDI)

Chairman
Management and Resources
Development Initiative (MRDI)
## Chapter - II

### Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Organization</td>
<td>The MRDI.</td>
</tr>
<tr>
<td>Management</td>
<td>The senior management team constituted by the organization.</td>
</tr>
<tr>
<td>Executive Director</td>
<td>The Executive Director of MRDI.</td>
</tr>
<tr>
<td>Month</td>
<td>Gregorian calendar months.</td>
</tr>
<tr>
<td>Year</td>
<td>The financial year of the Organization (July to June)</td>
</tr>
<tr>
<td>Donor</td>
<td>An agency, organization or government that contributes in kind or cash to MRDI.</td>
</tr>
<tr>
<td>Approving Officer</td>
<td>The Executive Director and Manager, Finance or the officer so designated by The Board of directors to be responsible for approval of all types of transactions for the Organization.</td>
</tr>
<tr>
<td>Primary Document</td>
<td>Includes money receipt, credit voucher, debit voucher and journal voucher.</td>
</tr>
<tr>
<td>Financial Document</td>
<td>Includes the letter of agreement between any Government, funding agency, grantor and organization, lease agreement, bank statement, cheque book, bank deposit slip, audit report and GoB letter of approval. It also includes all the books of accounts required for the Organization together with its supporting documents viz. the money receipts, cash memos, bills, invoices, cash journals, journal vouchers, ledgers, subsidiary ledgers, registers and other accounting records, documents and statements.</td>
</tr>
<tr>
<td>Financial Statements</td>
<td>Includes Statement of Financial Position or Balance Sheet, Income and Expenditure Account (or Income Statement), Receipts and Payments Account (or Cash Flow Statement), and explanatory notes.</td>
</tr>
</tbody>
</table>
Chapter - III

Accounting Principles and Policies

3.1 Accounting System

The accounting system is accrual based and records are maintained by double entry system. However, cash basis financial reports may be prepared if required by the donors or regulatory agencies. All income received during a particular year shall be accounted for in the same year. Any part of income, which is committed for subsequent years, shall not be treated as income in the year of receipt. All expenditures incurred, paid and accrued shall be considered as expenditure in the year to which it relates.

In the case of consolidating the financial statements of the projects i.e. project period of which was not ended as on June 30, with the core organization (MRDI) consolidated financial statements shall recognize the cash receipts and payments of the other projects as on the reporting date.

The cash basis of accounting shall be maintained throughout the year. At the end of the year, to prepare Annual financial statement the accrual basis of accounting shall be followed.

The accounting of MRDI financial transactions shall be managed with properly designed accounting systems in accordance with internationally accepted principles and international accounting standards as adopted by Bangladesh.

3.2 Accounting Period

MRDI shall maintain its accounting year from July 01 to June 30. Accounting year of the projects may be different subject to the requirements of Donor/or based on the commencement of the project.

3.3 Significant Accounting Policies.

3.3.1 Income Recognition

That income shall be accounted for as income during the year received by MRDI from whatever source (Any grant/donation) in the year to the extent it relates to that particular year. Any donation/grant received pertaining to the subsequent years shall not be recognized as income during the year. Any commitment of fund for a particular year shall not be considered as receipt or income of that particular year rather income will be recognized in the year to which it relates.
a) Interest Income

Any interest received or accrued on the deposit or fund invested by MRDI shall be treated as income of that particular year to which it relates.

b) Tuition / Training Fees

All fees, charges, training course fees etc. received from students and trainees are booked under this head at the time of receipt.

c) Donation

Any donation received from whatever source, shall be recognized as contribution in the year in which it is received, and depending on the nature thereof, will be credited to the Income & Expenditure Statement or Capital Fund Account, as appropriate. MRDI donation related accounting issues would be identified under the following categories:

- Donor fund- General
- Donor fund- Investment in fixed assets

Donations related to assets and revenue will be accounted for as per following norms:

i) Donations related to assets:

Donations related to assets including non-monetary grants should be presented in the balanced sheet at fair value by setting up donations as Deferred Income.

ii) Donations related to Income / Revenue:

Donations should be recognized as income over the periods necessary to match them with the related cost, which they are intended to compensate on a systematic basis. They should not be credited directly to own fund.

iii) Accounting of Donor fund -General

When donation is received, it is recorded under this account irrespective of the nature of donation. Thereafter, donations utilized for assets are transferred to respective accounts. Donation utilized for revenue type expenses for a period is transferred to income. The balance remaining in this account represents unutilized donor fund.
Sometimes MRDI finds shortage of fund in donation account. In such a situation it creates receivable on donors’ account and this accrued income is matched against expenditure or MRDI arranges the deficit financing from its own fund.

d) Donations in Kind

Any donations in kind, will have a value assigned to it, and will be credited to the Income & Expenditure Statement or Capital Fund Account, as appropriate.

e) Rental Income

Any income received or accrued by the organization on account of lease of organization properties, facilities etc. shall be treated as rental income and shall be accounted for in the year to which it relates.

f) Miscellaneous Income

Any income received or accrued from any source other than donation, interest, training fees or rental, income by providing photocopy service, equipment rental, rent of conference room, print and electronic media archive charge, cafeteria service etc. shall be considered as miscellaneous income and shall be accounted for in the year to which it relates. To ensure the quality and cost effectiveness, MRDI may provide the mentioned services to the project at a rate determined by the Board from time to time.

3.3.2 Expenditure

Any payment or obligation for payment for a particular year shall be recognized as expenditure in the year to which it relates. Expenditure accrued but not paid shall also be considered as expenditure in the year it was obligated.

3.3.3 Apportionment of Common Costs

If it deems necessary, some costs may be apportioned between different (Projects) programs/activities and cost centers. Any short-term Consultancy/purchase order /Event Management will not be considered for sharing the common cost. In such cases, the apportionment will be made depending upon the nature and purpose of expenses and budget allocation. The finance department will always review the ratio of cost allocation after phased in/out of any project. This apportionment may be reviewed monthly and revised accordingly.
3.3.4 Bank Charges or Interest Expenses

Bank charges or interest paid for transferring/receiving any amount shall be charged to the particular program/project for which the amount was paid/received.

3.3.5 Fixed Assets

Fixed Assets shall be recorded at actual cost. Any expenses incurred in the acquisition or construction of fixed assets shall be included in the costs of assets i.e. capitalized.

3.3.6 Depreciation Policy

Full year’s depreciation shall be charged on fixed assets if assets are acquired in the first six months of the year and no depreciation shall be charged if assets are procured in the second half of the year and in the year of disposal. Straight line method of depreciation will be applied on all the assets.

3.3.7 Rate of Depreciation

Depreciation shall be charged in each financial year on fixed assets at the rate provided below:

Examples:
- Land: No
- Building: 5%
- Furniture and Fixture: 20%
- Office Equipment: 30%
- Vehicle: 25%
- Computer, printer, Multimedia projector etc.: 33%
- Other Assets: 20%

Any change in the rate of depreciation will be done through the approval of the Board of Directors. Prior year adjustment may be made giving effect of changes of depreciation rate.

3.3.8 Liabilities

Liabilities represent any obligation to any party, arising due to receipt of goods or services and any amount payable to any person or organization by MRDI fund. All liabilities and obligations must be accounted for in the accounts before the year end/closing date.

3.3.9 Fund Account

The fund account represents the accumulated balance of excess of income over expenditure, and may also contain direct credits, for example, donation of fixed assets.
Chapter - IV

Maintenance of Accounts

Responsibility of the Finance and Accounts Department and Internal Controls

4.1 Accounting Responsibility

The responsibility of preparation of financial statements rests with the management. In his/her capacity as the Chief Executive of the Organization, the Executive Director will be responsible for the overall accuracy and authenticity of the financial statements, and the accounting and other books and records on the basis of which such statements are prepared.

The Head of Finance has overall responsibility for maintaining the accounting system and books of records. He/she is required to discharge this responsibility through a proper and efficient system ensuring effective internal controls, segregation of duties, and supervisory controls.

Every person of the Finance and Accounts Department whose duty is to prepare the primary documents is personally responsible for their completeness and accuracy.

An officer who signs or countersigns any primary document, accounting returns or certificate is personally responsible for the facts stated therein so far as it is his/her duty to know or to the extent to which he/she may reasonably be expected to be aware of them.

4.2 The Finance and Accounts (F&A) Department

The Finance and Accounts (F&A) Department is headed by the Head of Finance and is directly responsible to the Executive Director. The department is responsible for keeping proper records of all financial transactions and prepare various management and financial reports, as well as give necessary advice and assistances in the efficient and effective management of the organization. This department will also monitor the accounts of Partner organizations and help them to keep these records as per the organization’s requirements.

4.2.1 Functions of Finance and Accounts (F&A) Department

- All transactions following the standard procedure of the land and Manual approved by the authority.
- All transactions following the prevailing best practice and Manual approved by the authority.
- Receipts of all the income including foreign remittance, local income and sale proceeds of assets/or any other income.
MRDI FINANCIAL & ADMINISTRATIVE MANUAL, Page- 24

➢ Processing and making all payments following the standard procedure and policies of the land and approved policies of the organization.
➢ Account for all transactions following double entry system.
➢ Preparation all necessary books of accounts and supporting register following the Manuals of the organizations.
➢ All pay fixation, increments and auxiliary works upon approval of the management/Board of Directors.
➢ Processing and passing of salary and allowances of the employees.
➢ Processing staff advance and adjustment of the advances.
➢ Take necessary initiative regarding VAT and Tax management as per govt. rules.
➢ Preparation of monthly, quarterly, six monthly, annually financial statements.
➢ Ensure the qualitative and correctness while preparation of financial statements within the time frame.
➢ Preparation of the bank reconciliation statement in every month
➢ Cost reimbursement of store and consumable items.
➢ Necessary arrangement for depreciation of fixed assets.
➢ Security of cash and bank balances.
➢ Assist the Director, finance as per his/her requirement.
➢ Assist; facilitate the external auditor in preparation of audited books of accounts.
➢ Cost/expenditure reimbursement from project which incurred centrally.
➢ Any other relevant functions as instructed by senior management /Board

4.3 Functions of Head of Finance

Head of Finance is responsible for the overall management and supervision of finance department. She/he will ensure discharge of the responsibilities in cooperation with other assigned members of the department. Head of Finance will develop job description of all the staff members of the department, with due approval of the Executive Director, as such, that his/her responsibilities are equitably distributed among the members of the department including him/herself.

Following are the major areas of responsibilities of the Head of Finance:

Executive Director
Management and Resources
Development Initiative (MRDI)

Chairman
Management and Resources
Development Initiative (MRDI)
Overall Management and Supervision of Finance Department activities;
Ensure compliance of Financial and Accounting procedures of the organisation;
Ensure optimum uses of organization’s resources.
Facilitating Budget preparation, revision and finalization;
Budgetary control;
Financial analysis;
Preparation of financial statements and reports;
Perform accounts payable and receivable functions;
Organizing and facilitating periodical audits;
Respond to queries of Donors/ NGO Affairs Bureau/other regulatory body, on financial issues;
Facilitate to submit annual return to NBR & RJSC.
Maintain coordination and supervision of project and Sub-office accounts matters;
Assurance of compliance of statutory, regulatory and contractual requirements in financial operations;
Conduct occasional crosschecks of bill and vouchers on sample basis;
Allocate/distribute/re-distribute responsibilities of the Finance Section staff as and when required.
Prepare Reports & Documents as per NGOAB’s requirement.
Any other duties assigned by the Executive Director/Board of Directors.

4.4 Internal Controls

“Internal Control System” means all the policies and procedures (Internal Control) adopted by the management of an entity to assist in achieving management’s objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The internal control system extends beyond those matters, which relate directly to the functions of the accounting system.
4.5 Adoption of Internal Control

The Executive Director from time to time may establish financial rules and procedures duly approved by Board of directors in order to improve the financial administration, good governance and accountability. Each head of department is responsible for the satisfactory functioning of the internal controls in the Organization. The internal controls apply to all the activities; ensuring that measures are carried out as agreed and the resources of MRDI is used effectively, in accordance with correct ethical principles and established agreements. The internal controls also include establishing internal routines for financial transactions in accordance with instructions from the donors and ensuring that the office employees follow these rules and regulations.

Sound internal control also requires establishing segregation of duties in such a way that ensures checking of one employee’s work by another in the course of their routine works. Job description of each staff/officer shall be provided by the organization at the time of joining the organization. Through the internal control systems, the management should ensure that:

- Information is adequate and accurate.
- Resources of business are protected against losses resulting from theft, embezzlement or carelessness.
- Controls are in place over all phases of operation.

4.6 Segregation of duties and job description

This is a crucially important control activity (technique) that involves assigning job duties so that one employee can both perpetrate a misappropriation and conceal the misappropriation from timely detection. One major segregation of duties concept is that no employee should have more than one of the following types of job duties:

- maintaining custody over (access to) an asset;
- maintaining accounting records for the asset and
- authorizing use of the asset.

4.7 Level of authority

By explicitly assigning authority limits based on job duties and position in the organization, this control activity limits an organization’s exposure to inappropriate and improper activities. The level of authority that the organization has vested in each employee should be formally documented, and should be reviewed from time to time.
At present, the level of authority is determined as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Extent of Authority</th>
<th>Authorized person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Approval Authority</td>
<td>Full upto Tk. 15,00,000</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Financial Approval Authority</td>
<td>Exceeding 15 Lac Jointly approved</td>
<td>Executive Director and Chairman</td>
</tr>
<tr>
<td>Expenditure of ED</td>
<td>Full</td>
<td>Chairman Or Any Director</td>
</tr>
<tr>
<td>Procurement</td>
<td>Full upto Tk. 15,00,000</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Procurement</td>
<td>Exceeding 15 Lac Jointly approved</td>
<td>Executive Director and Chairman</td>
</tr>
<tr>
<td>Administration of the Affairs</td>
<td>Full</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Endorse, sign, accept, negotiate and give all cheques, bill of lading, etc.</td>
<td>Within the parameters set by the Board</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Other areas</td>
<td>Within the parameters set by the Board</td>
<td>Executive Director</td>
</tr>
</tbody>
</table>

At present, NGOAB’s requirement is that up to Taka 10,000 the Organisation can pay in cash if the situation arises. Considering this threshold, MRDI’s expenses within this threshold can be recommended by the head of respective department and finally it needs to be approved by Manager, Finance.

A circular will be needed for implementation of this authority. Delegation of Authority may be changed or revised at the discretion of the Board of Directors.
Chapter V

Accounting Books of records

5.0 General

The accounting books and registers are important for recording financial transactions. These books and registers are treated as documentary evidence of financial transactions. The Finance & Accounts department of MRDI shall maintain necessary books of accounts and registers for recording the financial transactions and related information, either manually and/or by using software.

The books of accounts and registers are important documents which should be maintained and preserved for proper documentation. MRDI should ensure that these are prepared carefully, avoiding over-writing, tampering, and unauthorized destruction / damage. Eraser/correction fluid will not be used. Correction entries will be initialed by an authorized person.

Depending on the needs of the organization, the organization should maintain the standard books and records / Registers.

The frequency of recording transactions in the books and records will be as follows:

<table>
<thead>
<tr>
<th>Activities</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction - cash and non-cash</td>
<td>As and when it takes place</td>
</tr>
<tr>
<td>Adequacy of documents of transactions</td>
<td>For each transaction</td>
</tr>
<tr>
<td>Approval of transaction</td>
<td>For each transaction</td>
</tr>
<tr>
<td>Payee’s acknowledgment</td>
<td>For each transaction</td>
</tr>
<tr>
<td>Receipt voucher</td>
<td>For each transaction</td>
</tr>
<tr>
<td>Posting to cash book</td>
<td>Daily basis</td>
</tr>
<tr>
<td>Balancing of cash book</td>
<td>Daily basis</td>
</tr>
<tr>
<td>Obtaining of bank balance confirmation</td>
<td>Monthly basis</td>
</tr>
<tr>
<td>Preparation of bank reconciliation statement</td>
<td>Monthly basis</td>
</tr>
<tr>
<td>Journal voucher</td>
<td>As and when it takes place</td>
</tr>
<tr>
<td>Adequacy of document of journal voucher</td>
<td>For each transaction</td>
</tr>
<tr>
<td>Posting to all types of ledgers</td>
<td>Daily basis</td>
</tr>
<tr>
<td>Balancing of all ledgers</td>
<td>Daily basis</td>
</tr>
<tr>
<td>Posting of fixed asset register</td>
<td>As and when it takes place</td>
</tr>
<tr>
<td>Posting to inventory register</td>
<td>As and when it takes place</td>
</tr>
<tr>
<td>Posting and balancing of advance register</td>
<td>As and when it takes place</td>
</tr>
<tr>
<td>Preparation of Trial Balances</td>
<td>Monthly/Quarterly/Yearly basis</td>
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<tr>
<td>Preparation of financial statements</td>
<td>Monthly/Quarterly/Yearly basis</td>
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<tr>
<td>Budget variance statement</td>
<td>Monthly/Quarterly/Yearly basis</td>
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</table>
5.1 Control Cash Book

The Cash book either maintained manually or by software, is used to record all transactions made in cash or through bank. It is used to record the following types of transactions:

- All receipts in cash
- All payments in cash
- All receipts in the form of cheque/pay order/telegraphic transfer or any form other than cash
- All payments in the form of cheque/pay order/telegraphic transfer or any form other than cash

At the end of each day, the bank and cash balances should be extracted and the cash balance be checked against cash in hand. If the amounts are found correct and agreed, the concerned Accounts Officer should sign the Cash Book. At the end of each day, the Head of Finance should review and sign the Cash Book for authentication.

The Cash Book must be totaled at the end of each month and balances of cash in hand and cash at bank extracted. The official authorized in this behalf to approve the expenditures should verify physical cash in hand. The Accounts Officer and the Approving Officer must sign the Cash Book if it is agreed with the amount physically found.

5.2 Control Ledger /General Ledger

A general ledger contains a classified account of income and expenditures and capital nature accounts. All transactions of a particular nature are posted chronologically under a specific line item assigned for this purpose. At the end of each month, the ledger must be checked against the cash book and journal to ensure that all the transactions have been posted in the ledger.

5.3 Project wise cash book

These are maintained separately for each individual project.

5.4 Project wise ledger book

These are maintained separately for each individual project.

5.5 Petty Cash Statement

A petty cash account, not exceeding BDT 20,000 (BDT Twenty thousands only) for the Head office and BDT 10,000 (BDT Ten thousand only) for each project should be maintained for small day-to-day expenditures. A reliable person not involved in accounting and procurement should maintain this Petty Cash Book. Petty Cash Vouchers and Petty Cash Book must be maintained in the same format as Payment Voucher and Cash Book described earlier. When the Petty Cash Advance is exhausted,
Payment Voucher with supporting documents attached and Petty Cash Book should be produced to the Head of Finance for verification. If satisfied, The Head of Finance should sign the Petty Cash Book, replenish the petty cash advance, and transfer the petty cash expenditures to the main accounting system.

Petty cash account will be the responsibility of the designated petty cashier who will be responsible to the head of finance for proper maintenance of records and cash handling procedures. Cash reimbursement forms will always be used for reimbursement of petty cash account and will be prepared by petty cashier. The petty cashier is entirely responsible for the money received and its management. Petty cash accounts are imprested accounts and therefore will be reimbursed only for the actual amounts disbursed and listed on the respective cash reimbursement form. No advance can be made from petty cash account. Staff salary should not be paid from the petty cash, but wages can be paid from petty cash.

The following cost may be paid from petty cash:

- Reimbursement of fares, and cost of local trip
- Adjustment of Advance
- Postage/stamp/phone and stationery & supplies
- Client conveyance, Carrying charges
- Utilities (Telephone, mobile phone, gas bill, electricity bill, etc)
- Meeting expenses
- Repairs, maintenance & office expenses
- Casual staff
- Fuel
- Vat & Taxes deducted at source.
- Contingencies.

### 5.6 Receipts / Credit Voucher

This is one of the three types of vouchers used by the organization. Any amount received in cash by way of grants, subscriptions, donations, or repayment of loans / advances, collection against dues, etc. shall be treated as cash receipt transaction.

Any amount received in the form of cheque / pay order / demand draft or in any form other than cash by way of grants, donations, interest, loans, or repayment of loans / advances, collection against dues shall be treated as bank transaction.

All cash or bank receipt transactions shall be accounted for through Credit Voucher.

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5.7 Payment / Debit Voucher

Any amount paid in cash on account of incurring expenditure, purchase of assets, purchase of inventory, settlement of accounts or any other payment made by MRDI shall be considered as cash payment transaction.

Any amount paid by cheque, draft, pay order or account transfer on account of expenditure, purchase of assets, purchase of inventory, settlement of accounts or any other payment other than cash made by MRDI shall be considered as bank payment transactions.

All payment transactions shall be accounted for through Debit Voucher.

5.8 Journal Voucher

Journal Voucher is recognized as voucher for non-cash transactions, where receipt or payment of fund is not involved. Journal Voucher shall be used for transfer or adjustment of ledger account balances from one account to another account.

All account adjustments or transfer of general ledger account balances shall be recorded through Journal Voucher.

The Executive Director shall authorize the Journal Voucher after verifying/checking by the Head of Finance.

Preparation of journal voucher is necessary to record the posting of all financial transactions that are generally categorized as below:

- Depreciation of fixed assets
- Adjustment for shortfall, damaged or disposed of fixed assets
- Provision created for capital expenditure
- Provision created for revenue expenditure
- Adjustment for damage, shortfall, obsolescence in inventory accounting
- Adjustment of advances
- Accounting for income receivable
- Accounting of deduction of withholding tax and VAT
- All sorts of rectification entries for appropriate corrections
- Other transactions not covered by any other vouchers

Adjustments are required at the end of financial reporting periods (quarter/year) to incorporate income and expenditures relating to the period concerned but not received or paid. On the other hand, some expenses may be paid, or some income may be received which do not relate to the concerned period. Inclusion of accruals and exclusions of advances are required to reflect true financial position of MRDI for the period concerned and to compare actual financial performance levels

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with those budgeted. These adjustments / accruals are made through journal vouchers.

5.9 Cheque Register/Bank Register

This register shall be maintained by the Finance Department for recording information relating to issue/receive of cheques and also transfer of funds to have a picture about total fund balance remains with banks. The cheque register should contain the following minimum information:

- Date of issue/receipts
- Voucher number
- Payee/Payer’s name
- Cheque number
- Bank name with A/C number
- Amount (Deposit, Payment & Balance)
- Initial of issuing and approval officer

5.10 Salary Sheet

MRDI shall maintain a sheet for recording staff salary payment. It will contain:

- The name of recipient of salary
- Designation
- Basic salary
- House rent
- Medical allowance
- Transportation allowance
- Employers contribution to staff CPF
- Income tax & advance salary deduction
- Other relevant information

5.11 VAT Register

VAT register/statement shall always be maintained to control over the VAT deductions from suppliers and consultants. The deducted amount should be deposited to the Government Exchequer within the stipulated time.

5.12 Tax Deducted at Source (TDS) Register

MRDI shall always maintain TDS register/statement to ensure control over deduction of income tax at source from payment. The deductions may be from the salary of staff members, suppliers, consultants etc.
The deducted amount should be deposited to the Government Exchequer within the stipulated time.

5.13 Advance Register

An Advance Register shall have to be maintained to record advances given to employees. It contains information about nature of advances, installments and mode of adjustments, date of issuing advances with probable date of complete adjustments. If the individual account in the accounting software is maintained, no separate advance register is required.

5.14 Attendance Register

MRDI shall maintain an Attendance Register for the staff members, which contains information of office staff attendance for the purpose of administration. Salary payment calculation will be done based on this attendance register.

5.15 Time Sheet

Time sheet is maintained by staff members required for the project.

5.16 Leave Register

This register will be maintained to record the leave availed by the staff members. This will contain information regarding name of staff, date and duration of leave, purpose and nature of leave etc.

5.17 Staff Trip/Movement Register

Movements of MRDI staff will be recorded in this register. This will contain information such as name and position of staff, date and time of departure, return, destination, purpose, signature of the staff, remarks, etc.

5.18 Asset Movement Register

This will be used to record the movement of the assets of the organization from one location to another. The register should contain the following information:

a. Details of the item
b. Identification number
c. Original/present location
d. New location
e. Purpose of movement
f. Date of return

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5.19 **Inventory/Store Register**

All inventory movements will be recorded in this Register which would contain information regarding quantity, price, date of receipt and date of issue, name of recipient, source of materials and balances of materials.

5.20 **Dispatch Register**

The organization will maintain a dispatch register for sending any letter / invoice/advice or any kind of communication document outside the office.

5.21 **Reporting and correspondence with NGO Affairs Bureau**

The organization will submit all required reports, budgets and audited financial statements to the NGO Affairs Bureau, and will maintain files for all correspondences and submissions.

5.22 **Monthly, quarterly and year-end financial statements including budget variance statements**

The organization will prepare periodic financial statements for the projects, and the Organization, on the basis of books and records maintained. Such statements will contain, as a minimum, Balance Sheet, Income & Expenditure Statement, Receipts & Payments Statement, Budget variance statement, explanatory notes and schedules, and cash and bank balances and bank reconciliation. These will be properly checked, approved and maintained in file.

5.23 **Financial Reports to donors including fund request, forecast and other correspondence**

The Organization will prepare and submit financial and other reports to the donors as per the terms of the agreement, and will maintain files for such reports and other correspondence.

5.24 **Correspondence with banks**

The Organization will maintain files for bank statements, bank reconciliation, and other correspondence with banks.

5.25 **Others**

The Organization will maintain such other books, records and other documents as considered necessary and appropriate for their purpose.

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Chapter - VI

Budget and Budgetary Control

6.1 Introduction

Budget is a predetermined statement of receipts and payments of an organization for a specific period, which includes projection of resources and estimated expenditures, required to achieve organizational goals in numeric terms. The purpose of preparing a budget is to ensure proper utilization of limited resources to their maximum potential, for which adequate planning, organizing and controlling are essential.

6.2 Budget Period

Core budget shall be prepared annually and reviewed at the end of the year. The budget for financial resources, proposed utilization of resources and expenditures thereon shall cover one financial year.

Program budget for each individual project shall be prepared year-wise, and then will be consolidated for the duration of the project period as per terms of the Project Agreement. These will be revised periodically to ensure optimum use of resources.

6.3 Classification of Budget

Budget will be of the following categories:

Further Classification of budgetary exercise is provided below:

6.3.1 Master Budget

Master Budget consolidates all financial activities of a particular period taking figures from other sectoral budgets, i.e. program budgets, core administration budget etc. Consolidated figures of Master Budget must match with other sectoral budgets.

6.3.2 Core Budget representing income and expenditure of core activities of the Organization

Core Budget shall include all income expected to be received during the budget period. Income Budget shall provide sources of income with expected amounts from different sources under the
budget period. This will also express core administrative activities in financial term.

6.3.3 Program Budget

The Program budget shall include all income expected to be received during the budget period under each program. Program Income Budget shall provide sources of income with expected amounts from different sources under the budget period.

Program Expenditure Budget expresses all programs and activities in financial term. Program Expenditure Budget must include details of program/activity manpower cost, list of programs to which financial support will be extended and

- Location break-down
- Program/activity break-down (Program/activity signifies major area of activities to be carried out by MRDI like Training, etc.)
- Cost-Center break-down (Cost-Center is a department, location, person, activity or center in respect of which cost may be ascertained for control purposes like Accounts, Operation, MIS etc.)

Program Capital Expenditure Budget represents the amount to acquire fixed assets required for the program activities.

6.4 Submission of Budget and Approval

Master budget shall be prepared by the MRDI budget committee and the Executive Director shall check and review the budget and approve it. The Board will be informed about it at the next meetings.

6.5 Budget Submission to NGO Affairs Bureau

When the budgets are approved both internally by the Organization and externally by the potential donors, the Organization will present the budget to the NGO Affairs Bureau in specified Form FD-6 for their approval. All departments of the organization namely shall work collaboratively to prepare the FD-6 with all required information and Annexes. The FD-6 properly checked by MRDI Budget Committee and approved by the Executive Director, will be submitted to the NGO Affairs Bureau for their approval.

6.6 Budgetary Control

Budgetary control is a system of planning and controlling cost, which starts with the approval/establishment of budget relating to activities to be carried out in order to achieve the organizational goals and regular
comparison between budget and actual results/costs, analysis of variances and corrective measures.

6.7 Line Item flexibility of Budget

Budgets under each line item are usually fixed, and cannot be exceeded without prior approval of the donor. In some cases, a minor line item flexibility (say 10%) of actual expenditure is allowed in individual line items, provided the total budget is not exceeded.

Transfer of budget allocation from one line item to another is not allowed, except with the prior permission of the donor and the NGO Affairs Bureau. For this purpose, a revised budget has to be submitted and approved both by the donors and the NGO Affairs Bureau.

6.8 Revision of Budget

It is important that all expenditures, irrespective of capital or revenue in nature, are to be kept within the budgeted allocation. However, circumstances occasionally may necessitate revision of original estimates to bring them in line with current condition. Especially for the project based budget. Project based budget may be reviewed on half yearly basis and if necessary, budgeted allocation may be revised. Full particulars are therefore be furnished by the Head of Finance when requesting modifications/justification of individual code-wise sanctioned budget estimates. A revised budget requires prior approval from the Board as well as the Donors and NGO Affairs Bureau.

6.9 Budget Committee

A three member budget committee shall be formed by the Board comprising senior staff members from administration, programme and finance. In addition to these three members, Executive Director shall lead the committee.

The Board will replace/change any position of the committee or reform the committee as per requirement of the organization.
Chapter VII

Fund Management

7.1 General
Fund Management is one of the most important tasks in an organization. Due consideration should be given to all financial transactions to ensure economy and efficiency for the interest of the Organization.

7.2 Sources of Funds
The Organization will receive its funds from the donors as per agreement and from other sources viz. local contributions /donations, government contribution, member’s subscription, loans, service charges from different projects, rental income, consultancy and training fees, bank interest and income from investment etc.

7.3 Nature of Fund
MRDI recognizes two types of funds based on nature of use referred to as Restricted Fund and Unrestricted Fund. The split between these funds is as follows:

7.3.1 Restricted Fund
Restricted Funds are for expenditures in accordance with the requirements of respective donors.

7.3.2 Unrestricted Fund
All income received by MRDI which are not specifically restricted by donors, creates an Organization Fund.

7.4 Investment of Fund
Funds in excess of the requirements of MRDI may be placed in short term deposits, fixed deposits, other savings instruments by the Executive Director in the name of the organization having the approval from Board of directors.

7.5 Fund Receipts
All funds including foreign sources must be received through Mother Bank Account. However, separate bank account should be maintained for each project. Funds from different donors will be shown as income as per the approval of NGO Affairs Bureau. NGO Bureau may however allocate total fund receipt in a year for more than one year which may be accounted for on year-to-year basis as per the requirements of the organization.
MRDI shall prepare its annual budget defining objectives and physical targets and based on this budget, shall request necessary funds from donors. Donors, on approving the budget shall enter into formal agreements with the Organization for transfer of requisite funds to its accounts. These agreements amongst others shall contain disbursements schedules. Donors will remit funds on date(s) agreed either upon through bank transfers or in the form of bank demand drafts, cheques etc.

7.5.1 Receipts of Fund through Bank Transfer

Finance Department

- Receive copy of Bank Transfer Advice from donor on transfer of fund to MRDI bank account and file the same in the respective donor’s file.
- Receive Credit Advice from bank on crediting the MRDI bank account.
- Check Bank Transfer Advice with Credit Advice for confirmation of total Fund.
- Prepare Acknowledgement of receipt in three copies.
- Forward first copy of Acknowledgement to donor, second copy to Finance Department of MRDI and third copy to the respective donors file if necessary.
- Prepare Bank Receipt Voucher with reference to Credit Advice and obtain approval from the Executive Director.
- Enter receipt of fund to bank book with reference to Bank Receipt Voucher /Bank Book.
- Make posting to books of Accounts with reference to Bank Receipt Voucher, if any.

7.5.2 Receipts of Fund by Cheque/Demand Draft

- Receive account payee cheque/demand draft (DD) from donors.
- Prepare Deposit Slip and deposits Cheque/DD to the bank of MRDI.
- File acknowledgement copy of Deposit Slip.
- Receive Credit Advice from the bank upon collection of deposited cheque/DD.
- Confirm Credit Advice with Deposit Slip.
- Prepare Receipt Acknowledgement in three copies.
- Forward first copy of Receipt Acknowledgement to donor, second copy to Finance Department of MRDI and third copy in respective donors files/with receipt book.
- Prepare Bank Credit Voucher with reference to Credit Advice/relevant document/Evidence and obtains approval from the Executive Director.
- Make posting in the bank book with reference to Bank Credit Voucher.
- Make posting in the Bank Register.
- File Bank Credit Voucher in numerical sequence along with Credit Advice as supporting documents.

7.6 Custody of Fund

The Board of directors of the Organization shall be the custodian of all the funds and shall designate the banks in which such funds shall be kept.

The Board of directors of the Organization is empowered to authorize opening and closing of any bank account in the name of the Organization for its transactions. Such authority shall not be delegated to any other official. The Executive Director and any other Director as authorized by the Board of directors shall be the joint signatories to operate the fund bank accounts.

7.7 Obtaining Clearance for Donations

The Organization shall take clearance from the NGO Affairs Bureau regarding receipts and use of donations received from foreign donors, if such clearance is required.

7.8 Transfer of Project Fund from Mother A/C to Project A/C

Certain fund is transferred from mother bank account to project bank account after approval of the Executive Director.
Chapter - VIII

Banking Operations

8.1 General
All receipts of money through Cheque / Draft / Pay Order / Transfer Advice, bank account shall be debited and relevant source / income shall be credited. Cheque / Draft / Pay Order shall be deposited into bank through deposit slip of the bank. General principle of MRDI is to encourage all concerned to make receipts / payments through banks.

8.2 Opening & closing of Bank Accounts
The Board of directors of MRDI is empowered to authorize opening and closing of any bank account in the name of the Organization and its projects for operating their transactions.

i) Separate Bank Account will be opened for projects and contributory fund (e.g. provident fund) as well.

ii) An authorized person will be responsible to collect the bank statement or advice.

iii) A Cheque signatory must not prepare Cheque and vouchers.

iv) Individual project accountant/organizational accountant is responsible for safety of Cheque books.

v) At the end of operation the project account or any other account will be closed.

8.3 Mother Bank Account
Foreign grants/donation must be received through NGO Affairs Bureau approved bank account (Mother account). All other local grants received from any source shall also be deposited into Organization’s Mother Bank Account immediately.

The fund will be transferred to the relevant project/operational account within 7 (Seven) working days of receiving fund by the mother account.

8.4 Operation/Project Bank Account/Loan Account/FDR or any Investment Account

8.4.1 MRDI operational/Core Account:
The Organization shall open a bank account in any scheduled bank in the name of organization for day to day operation of the core organizational fund other than project fund. The account will be called the “MRDI operational/Core Account”.

8.4.2 Project Account:
As per requirement of the Donor or for the better and smooth functioning of project/programmes/activities, separate Bank Account will be opened.
in any scheduled bank for the individual projects. The Account title will be “MRDI-Acronym of Donor-Acronym of Project”

8.4.3 Loan Account/FDR or any Investment Account:
For any requirement, the organization may receive loan from Bank. So it may open loan Account in any scheduled Bank or financial institution.

At the same, it may open Fixed deposit account or any deposit account in any scheduled Bank or financial institution.

8.5 Bank Signatories
The MRDI Board created following two groups of Bank Signatory:
- Group A: Chairman, Executive Director and one Member of the board
- Group B: Advisor Planning & Development and Manager, Finance

8.5.1 Mother Bank Account
The Mother account will be jointly operated by the signatories from Group A where the Executive Director’s signature is mandatory. But in absence of the Executive Director, it will be jointly operated by the other two signatories. The signatories may be changed at the discretion of the MRDI Board.

8.5.2 Operational/Project Bank Account, Fixed deposits, Loans etc.
One signatory from Group A and one from Group B will jointly operate MRDI operational account and its projects Bank accounts including fixed deposits and loans (except mother account) where the Executive Director’s signature is mandatory. But in absence of the Executive Director, the mentioned accounts will be jointly operated by one signatory from Group A and one signatory from Group B. The signatories may be changed at the discretion of the MRDI Board.

8.5.3 Inform the Bank Regarding the movement of Signatories
When an authorized signatory is transferred, separated from the organization, or completed the terms or retired from the Board, the Bank Manager should be informed within a week in writing to delete his/her name from the authorized list.

8.6 Deposit of Cash at Bank
All cash receipts must be deposited in the bank account as soon as possible on the same day after receipt of cash within the banking hour. If not possible for any valid reason, that must be deposited into bank by the following working day.

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8.7 Receipts of Cheques/Pay Orders/Drafts etc.
Soon after receiving Cheques/Pay Orders/Drafts etc., these should be stamped with “Accounts Payee Only” if needed, entered in the bank book and deposited with bank with bank deposit slip on the same day, or on the following day if received after banking hours. Appropriate steps need to be taken by the Head of Finance to realize the dishonored cheques, if any.

8.8 Bank Credit Advice
In respect of every direct receipts of money into a bank account, a Credit Voucher shall be issued immediately on receipt of Bank Credit Advice.

8.9 Bank Debit Advice
A Payment Voucher shall be prepared for each direct debit by the bank relating to any charges or payment. This voucher must be approved by the Executive Director/other competent authority approved by the Board of directors and posted in the bank book and general ledger.

8.10 Bank Statement and Bank Certificate
Bank Statements confirming bank balances on monthly basis and relevant advice must be collected from the bank for all bank accounts within seven days of the end of each month. Collection of such documents shall be the responsibility of Finance & Accounts Department.

8.11 Bank Reconciliation Statement
Bank statements must be reconciled with the cash book by an accounts/finance staff on monthly basis. The bank reconciliation statement must be prepared and checked within 7 days of the following month. The Executive Director and Head of Finance shall sign the reconciliation statement. Adjustment must be posted to the books for any bank charges or credit shown on the bank statement that has not been recorded on the books previously. Any question should be resolved before they issue next bank statement.

The completed reconciliation statement should be reviewed carefully and outstanding cheques remaining unpaid for more than six months should be cancelled and reversed in the cash book with proper authorization by the Executive Director.

8.12 Minimum Limit for Cheques Payment
Payment exceeding Taka 10,000 should be made by account payee cheque. Any Cash payment exceeding Taka 10,000 must have written justification and approval attached to the payment voucher.

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In the case of payment to employee as advance for Program Expenses/travel and purchase of stationery, supply or office maintenance items or utility bill payment or any other requirement of the organization, the open cheque may be issued.

8.13 Bank Register/ Cheque Recording Register
A Bank Register/ Cheque recording register shall be maintained to record all cheques issued for payments and all receipts. All cheque numbers should be verified to ensure that these have been registered in the statement and that cancelled cheques if any have been appropriately marked and held for verification.

8.14 Cheque Counterfoil
While issuing cheques, the counterfoil of cheque shall also be filled with necessary particulars, e.g date of issue, and name of payee, amount, purpose and initials of the signatories.

8.15 Cancellation of Cheques
If any cheque is issued but not presented for collection by the payee within six months from the date of issue, the Finance Department shall make reversal entry in the Bank Book and keep a note in the Bank reconciliation Statement. Any loss or theft of the cheque / cheque book must be informed to the concerned bank management at earliest possible time. It is important that entries into the cash book or ledger or correcting entries in the cash book or ledger will not be made by crossing, whiting out or changing the original entry. The original must remain and a new rectified entry be made to correct the error.

8.16 Cancelled Cheques
All cancelled Cheques should be marked “CANCELLED” by red pen and signed by the Executive Director and preserved in the voucher file along with the supporting voucher for subsequent audit. Any signature on the cheque should be removed and destroyed.

8.17 Ordering of New Cheque Book
Respective Accounts Officer shall initiate the ordering of new cheque book through a requisition. While receiving new cheque book respective Accounts Officer shall count the cheque leaves and satisfy himself that the numbers of cheque leaves are found in order.

8.18 Safety of Cheque Books
Finance & Accounts Department shall be the custodian of cheque book and shall ensure that cheque books are preserved safety. All cheque books should be kept in a safe place under lock and key.

Cancelled cheques must be retained in the cheque book along with cheque counterfoil and marked “Cancelled”.

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Chapter - IX

Cash Management

9.1 Cash Book
At the end of each day the bank and cash balances should be extracted and the cash balance be checked against cash in hand. If the amounts are found correct and agreed, the concerned Accounts Officer should sign the cash book.

The cash book must be totaled at the end of each month and balance of cash in hand and cash at bank extracted. Physical cash in hand should be verified by the official authorized to approve the expenditures. Cash book must be signed by the Executive Director and Head of Finance if it is agreed with the physically found amount.

9.2 Duration of Cash Transaction
In order to complete writing of Cash Book, daily cash transactions shall be closed at least one (1) hour before the close of the office.

9.3 Closing of Account
Each day, all cash receipts and payments shall be entered into the Cash Book and it should be closed daily.

9.4 Verification of Cash
A statement of cash transaction shall be prepared by the designated accounts/Finance staff mentioning summary of transaction. Closing balance shall be shown mentioning denominations.

Head of Finance shall verify the cash balance and the Cash Book/Daily cash transaction statement at the end of each day and put his/her signature on respective place in the Cash Book/ Daily cash transaction statement. Then the Executive Director shall verify and approve the same putting his/her signature on respective place in the Cash Book/Daily cash transaction statement. Surprise cash counting may be conducted by any person (other than the Head of Finance and the Cashier) assigned by the Executive Director three or four times in a year.

9.5 Cash Counting
At the end of each day, after making all transactions and closing the cash book/Cash transaction statement, the cashier shall count the cash physically and record the denominations in the cash book/ cash transaction statement and shall confirm the balance with the Cash Book/Cash transaction statement and get signature of Manager Finance and the Executive Director.

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9.6 Cash Security

To ensure the cash security, the organization should preferably send more than one staff to draw cash from bank. If require, the organization can provide their own vehicle (if any). It is also recommended that MRDI should arrange for insurance to cover the risk of carrying cash (cash in transit insurance) to the long distance. In the case of custody of cash in the office, the organization should use steel locker/iron safe/steel almirah to keep the cash lock & key.

9.7 Petty Cash

The limit of petty cash amount, need to make small recurring expenditure, should be limited as per instruction of Board of Directors Tk. 20,000. The petty cash should be maintained by a reliable staff who is not involved in approval process.

Small expenditure will be made from this as per requirement; however, no single payment may exceed Taka 5,000.

9.7.1 Use of petty cash

Petty cash imprested Accounts are allowed for various reasons mainly for convenience at operation level.

- Petty cash payments are defined as small cash transactions not exceeding Tk 5,000.
- Any single payment from petty cash shall not exceed Tk. 5,000.
- Petty cash will not be used for purchasing standard inventory items, nor items identified as assets and controlled by ledgers.
- Each petty cash account will be the responsibility of the designated petty cashier who will be responsible to the Head of Finance for proper maintenance of records and cash handling procedures.
- Cash reimbursement forms will always be used for reimbursement of petty cash account and will be prepared by Petty Cashier.
- Petty Cashier is entirely responsible for the money received and its management.
- Petty Cash accounts are imprested accounts and therefore will be reimbursed only for the actual amounts disbursed and listed on the respective cash reimbursement form.
- No advance can be made from the petty cash accounts.
- Staff salary should not be paid from the petty cash, but wages can be paid from the petty cash.
The following cost may be paid from petty cash: (Though the payment size exceeds Tk. 5000/-)
- Reimbursement of fares, and cost of local trip expenses
- Postage/Stamp and supplies
- Local Conveyance
- Utilities (Telephone, internet, Mobile phone, gas, electricity bill)
- Adjustment of Advance
- Meeting expenses
- Repairs and maintenance
- Casual staff
- Fuel
- Electric goods
- Electricians & Technicians remuneration
- Servicing expenses
- Stationeries
- Contingencies

9.7.2 Petty cash control

Petty Cash is used for small expenditure where it is not practical to issue Cheques. Initially, this fund will start with allocated amount and after the funds are exhausted, the expended amounts are replenished from the bank. Petty cash operation system is stated below.

- The Petty Cash limit is fixed at Tk. 20,000 for HO and Tk. 10,000 for project and sub-office. Depending on the usage of petty cash fund it may be reduced or increased with prior approval from the Executive Director (ED).
- The Petty Cash fund must be kept in lockable steel almirah during petty cash hours. After the close of the workday, the petty cash box should be kept in a safe/secured place under lock and key. The key should be kept with another responsible person (other than the cashier).
- All payments should be made after authorization from the appropriate person/s. The Petty Cashier should not authorize the disbursement of petty cash. The Authorised signatory/ies must sign on the bill/invoice before payment from the petty cash.
There should be adequate documents (bill/invoice) against every disbursement and a ‘PAID’ seal should be stamped on the bills and invoices during the payment.

The recipient must sign on the appropriate documents while receiving any payment.

The Petty Cash transaction should be recorded for each payment. Petty Cash ledger/book should be updated daily and the cash balance should not exceed the approval limit.

The physical cash in hand at the end of the day should be counted and documented. Surprise petty cash audit should be conducted and documented by his supervisors quarterly.

Staff salary cannot be paid from petty cash.

9.8 Accounting for receipts

A Money Receipt (MR) shall be issued for every receipt of cash/cheque/drafts. MR is used for recording of financial transactions in the books of accounts. Money receipt should be completed properly, describing the source, nature of receipt, the account head to be credited, date, amount and authorized signature. 

No amount shall be received (other than advance refund) in cash or by cheque unless a “money receipt” is issued.

The Money Receipt Book shall be pre-numbered with at least three parts for each receipt. First part shall be issued to the person from whom the payment has been received, second part shall be attached with the respective voucher and third copy shall be retained in the book.

The Money Receipt issuing authority must also ensure that the sequence of the money receipt is maintained. If for any reason a Money Receipt is cancelled then the full set (all the three parts) of that Money Receipt shall be marked “VOID” and kept in the book for verification.

9.9 Cash receipts

All cash receipts shall be recorded in to the cashbook and deposited in the bank immediately. Cash received after bank hours shall be deposited on the following working day and bank book shall be updated accordingly.

9.10 Fund receipts from foreign sources

Fund receipts from all foreign donors shall be placed in the mother account as shown in the FD-6. However, separate project bank account may be maintained for each donor as applicable.

Funds from foreign donors may be received either in pre-determined installments as per the Agreement with the donor, or on the basis of fund request submitted by MRDI. The Organization shall prepare its annual
budget defining physical targets and its basis. After consultation with program staff, MRDI finance department should prepare the fund request and send the request to donor.

The finance and accounts section should meet the financial reporting and clearance requirements from NGOAB for receipts of foreign donation.

9.11 Receipts of cheque/pay orders/drafts etc

Soon after receiving these instruments it should be entered in the bankbook and deposited in the bank on the same day or on the following day, if received after banking hours. Appropriate steps need to be taken by the head of finance to realize dishonored cheque, if any.

9.12 Fund received from local sources

Fund received from local sources will be recorded in the cash book, and be deposited according to normal banking procedures, and a money receipt will also be duly issued.

9.13 Accounting for payment

Before making any payment by cash or cheque or through other instruments it is essential to confirm that the expenditure is wholly and necessarily incurred for the purpose of MRDI activities and has been duly approved by the MRDI authority. Budgetary provision for the expenditure will also be checked. It is essential for the authorizing persons to ensure that the goods and services have been received in good condition and check the arithmetical accuracy of the documents for payments.

9.14 Payment voucher

For every payment a payment voucher shall be prepared. Payment voucher must be completed with all the supporting documents stated therein making sure that the account head is correctly debited. The MRDI authority must approve payment voucher and signature of payee shall be taken on the voucher as evidence of receipts. Before signing a payment voucher the official authorized to approve expenditure should check that the finance department has complied with all the requirements.

Income Tax/ VAT and other deductions shall be deducted from all payments as per Income Tax Ordinance 1984 and VAT Act, 1991.

9.15 Supporting Documents

All payments must be supported by bills/cash memos, or other supporting documents. Payment for goods must also be supported by a Purchase Order, Delivery Challan, Bill, payment for services by a Contract and salary cheques by a payroll sheet signed by the staff members receiving salaries. Only after receiving all supporting documents, the Accounts Officer should prepare a Payment Voucher.
9.16 Payment of salary and allowance

For the purpose of salary, the office staffs should open personal bank account with the same bank where the organization maintains its account and inform the account number to Finance Department in writing. Monthly salary of the staff members shall be transferred to their respective bank account within 25th of current month to 5th of next month. For any reasonable causes, cash cheque may be issued only for the first month.

9.16.1 Payroll Processing

Manager, Finance will process project wise monthly payroll. S/he will follow the following procedures:

i) Relevant payroll input documents of all appointments; promotions, transfers, resignations, removal from office etc. are promptly recorded.

ii) Entries on these documents are supported by the necessary approvals, advice etc. and verified properly.

iii) Prepare the payroll by the end of each month.

iv) Payroll shall contain the information like - Name, Designation, Basic salary, House Rent Allowance, Medical Allowance, Special Allowance (if any) and deductions like Provident Fund Contribution, PF Loan, PF Loan Interest, Income tax etc., the Net Pay and bank account number with bank name and branch.

v) Manager, Finance and Program Chief shall recommend the payment and the same will be submitted to the Executive Director for approval.

vi) An “Account Payee” cheque/debit advice along with a copy of the payroll shall be sent to bank for organizing payment to relevant staff members bank accounts.

9.16.2 Payment of Salaries, PF due to an employee at the time of Resignation or dismissal

Payment of salaries, PF to an employee at the time of resignation or dismissal will be administered by the Service Rules/Personnel Manual of MRDI.

9.16.3 Payment of salaries and benefits due to a deceased employee

In case of death of an employee the following steps will be followed for settlement of dues to the successors:
a) A list containing entitled dues, allowance etc. will be provided to his/her nominee(s)/successor(s).

b) Unpaid salaries, wages, allowance and Provident Fund balance shall be paid to the nominee(s)/successor(s) of the deceased employee upon receiving appropriate documents from the nominee(s)/successor(s).

c) Payments will be made through “Account payee” cheque(s)/bank transfer.

9.17 Deduction of Income Tax at Source
The Organization shall not bear the staff tax. Income Tax shall be deducted at source from the monthly salary of the staff whose salary amount exceeds the tax exemption limit and will be deposited to the Government Exchequer in stipulated time.

9.18 Accounting for Income Generation (If applicable)
All the income from different sources shall be recorded in the accounts section with details. The accounts section shall collect all sale proceeds. Four sets of documents shall be prepared for each income. The concerned section will retain one set and three sets shall be sent to the accounts section. Accounts section will receive the cash/cheque/DD etc. paid, sealed and hand over one set (copy) to the customers with material and challan and send one set (copy) to the concerned section and retain the last set (copy) for these recording purposes.

9.19 Preservation of Financial Documents
All financial documents of MRDI shall have to be preserved at least for 5 (five) years or as per donor’s instructions or as per rules of NGO Affairs Bureau. Even after the expiry of five years, no documents may be destroyed without the decision from the Board of directors. As per companies act 1994 MRDI will preserve all financial documents for 12 (Twelve) years.

In case of litigation, relevant documents shall have to be preserved till the date of the settlement of relevant lawsuit.

Finance Department of MRDI shall keep all the financial documents and files in a safe custody under lock and key.
Chapter - X

Advance

10.1 Purpose

Advances may be paid against staff salary and expenses to be incurred for MRDI’s official purposes, i.e. advances against salaries, travel expenses, field visit/monitoring program expenses and purchase of office supplies and materials. Advance covers for Travel, Project delivery, Vendor, Landlord, and Miscellaneous costs.

10.2 Types of Advances

10.2.1 Advance against Salaries

The Staff members may be allowed maximum two month’s salary as advance on the following situation:

- If any staff goes on leave before the scheduled date of salary payment, then he/she is/ may be allowed to draw maximum one-month’s salary as advance. This advance would be deducted in full from the next salary payment.

- If any staff member prayed for an advance for his/her family need/ treatment/ any personal monetary requirement, then he/she is /may be allowed to draw maximum two-month’s salary as advance. This advance would be deducted from his/her monthly salary in equal number of installments mentioned in his/her application. But these installments should not be more than 12. No drop of installment will be allowed. The number of installment may increase at the discretion of the Executive Director

10.2.2 Advance against travel expenses

Organization’s staffs frequently travels to different areas of the country or aboard on official purposes/field monitoring. Staffs are entitled to take advance to meet the transportation, daily expenses, accommodation, meeting expenses, etc. Travel advance shall only be given against valid travel authorization. It must be adjusted within 5 (five) working days after completion of domestic and overseas travel. No formal advance should be required for local transportation. This provision is addressed in Chapter 11 Travel.

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10.2.3 Advance against purchase of goods

To carry out routine duties and activities, various types of goods & materials need to be procured. Out of these materials, some are purchased through own staff while others directly from outside suppliers. Advance may be allowed to employees against such purchases. General conditions for sanction of cash advances against purchases of goods are as follows:

- That the stores are immediately and urgently required;
- That time at disposal does not permit purchase by open or selected tender;
- That delay in procurement would involve loss/hamper the program

10.2.4 Advance for programme expenses

MRDI has to conduct programme in Dhaka & outside Dhaka where cheque payment for all types of expenses are not possible. Moreover all payments from the office cash are not possible. So, for conducting a successful programme advance is required to issue as per approved budget of the programme.

10.2.5 Advance to third parties

Advance to third parties include advance against land lord/house owner, contractors, to material suppliers/service providers, to consultants/Resource persons, experts/writers against programme publication/reports etc. Prior approval from the Board is compulsory in case of advance to third party exceeding Tk. 15,00,000 against office rent, construction work, Bulk procurement through tender notice in National Newspaper.

10.2.6 Advance against house rent

Advance office rent shall be allowed by the authority as per negotiation and tenancy agreement between MRDI and the landlord/house owner. All such advances should be issued & adjusted with the MRDI core Account. If any advance is allowed/issued from a project, it should be adjusted within the project period.

10.2.7 Advance to the contractors

Advance payment to Suppliers/Contractors shall be based on the contents of the contract/work order. If the provision of
advance is available in the Suppliers/Contractors contract/work order, mentioning the provision the Suppliers/Contractors shall be submitted a request letter/application to the Executive Director for the advance payment. Having approval from the competent authority the finance department will make the payment.

- Considering the partial payment VAT & Tax shall be deducted on any advance and deposited to government exchequer.
- As per terms & conditions set upon issuance of advance, it will be adjusted from the bill of the contractor.
- All advances shall be adjusted before the final payment to the contractor.

10.2.7 Advance to materials suppliers/service providers/organizations

Sometimes advance needs to be made to the materials suppliers/ the service providers/ the procurement providers at their request. This advance will have to be made through account payee cheque and adjusted as per the terms and conditions upon issuance.

10.2.8 Advance to consultants/Resource persons against programme

Sometimes advance needs to be made to the consultants/Resource persons/experts/writers against programme/publication as per ToR. This advance will have to be made through account payee cheque and will be treated as partial cost of the related head of expenses. In this case no application/ request letter would be required; Copy of ToR and acknowledgement will be the evidence of payment.

10.3 Requisitions for Advances (only for staff)

The recipient of the advance must prepare a requisition in details in the advance requisition form signed by the respective departmental head or his/her supervisor, against specific accounting head and to be furnished to the Head of Finance to check and verify. Requisition for advances shall be submitted to the Head of Finance and Accounts at least one (1) banking day prior to the event takes place.

10.4 Certification and Approval

Following the receipt of requisition, the Head of Finance shall check and verify the requisition. Final approval shall be given by the Executive Director.

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10.5 **Mode of Payment**

Advances may be paid in the form of cash cheque in case of advance to employees against official expenses like programme travel, purchase etc. In the case of payment to employee as advance for Programme Expenses/travel and purchase, the limit of cheque payment may be relaxed. However, advances paid to third parties should be made by Account Payee cheque/bank transfer.

Advance against salary must be transferred to staff salary A/C.

10.6 **Disqualification for Advance**

No additional advance will be provided to any staff where two previous advances are unadjusted. But if the gap between the two events is less than 5 working days, in that case one more advance can be issued.

10.7 **Adjustment of Advance**

Advances against official expenses must be adjusted against the respective head within the period of 5 (five) working days after the event is completed. The completion date of 5 (five) working days will be counted the date when the programme team reached in office. On request of the advance receiver mentioning the reasonable cause this period may be increased at the discretion of the Executive Director.

The balance of unspent amount must be refunded in cash to MRDI at the time of adjustment of such advances.

A programme report shall be attached with the advance reconciliation statement.

The advance paid to third parties in respect of terms of contracts will be adjusted as per terms and conditions laying in the respective contract/agreement.

Advance payment to supplier/contractors shall be based on the contents of the work order.

Contractors/ Suppliers advance shall be adjusted from the final bill.

10.8 **Defaults in Adjustment**

The Finance & Accounts Department shall make deduction from concerned staff’s monthly salary, should there be a default in payment against the balance of advance to be refunded after one month from the deadline of adjustment of such advances subject to not more than 50% of monthly gross salary.
10.9 **Advance Register**

An Advance Register shall be maintained for various advance payments to the staffs and to the third parties. Separate Advance Account shall be maintained for each recipient of the advance for proper controlling over the advances.

In case of maintaining individual ledger with detailed narration through Accounting software, no manual register shall be required.

10.10 **Report on Advance**

The Head of Finance shall be held responsible for closely monitoring the advance issues and reporting to the Executive Director on a periodic (i.e. quarterly) basis.
Chapter - XI

Travel

11.1 Travel Advance

Travel Advances are intended to allow employees the convenience of using the Organization’s money for official purposes only while traveling. A reasonable travel advance shall be granted to the employee depending on the nature of expenditure required and the duration of stay. The policy related to advance in chapter X (10) shall also be applicable for travel advance.

11.2 Mode of Travel

A MRDI staff member while traveling on official duty shall be entitled to the following entitlements subject to prior approval from the Executive Director:

- All staff members shall be entitled to travel by Rented Vehicles/steamers/ launch/ air-conditioned bus/First Class Train/Air as per their entitlements.
- If more than two staff travels together, MRDI may select for them the economic mode of transportation.

11.3 Traveling and Outstation Allowance

The employees of MRDI traveling and outstaying on duty shall be entitled to traveling expenses as per following rules:

11.3.1 Local travel

Locally available transport facilities are allowed for all MRDI staff. If MRDI’s own transport is available the employees of MRDI will use the official transport.

11.3.2 Outstation travel

For Grade I-VI:
- Train, Steamer/launch, Bus, Microbus, Coach (AC or Non-AC whatever is): 1st class
- Plane: Economy class

For Grade VI-VIII:
- Train, Steamer/launch, Bus, Microbus, Coach: Economy class.
During the travel of MRDI team, as per demand of the situation use of transport will be at the discretion of the Executive Director.

### 11.3.3 Per Diem/ Daily Allowance

Per diem/daily allowance for staying out of head office on official purpose shall be paid to the employee on official duty at the following rate for each day:

- **Grade: I**
  - Taka 2,000.00
- **Grade: II-VIII**
  - Taka 1,500.00

### 11.3.4 Accommodation

Actual accommodation cost for night stay out of head office shall be paid to the employee on official duty in accordance with the following rate for each night stayed:

- **Grade: I**
  - Maximum Taka 3,500.00
- **Grade: II-VIII**
  - Maximum Taka 2,500.00

### 11.4 Per diem /Daily Allowance and Accommodation during field trips

Matters relating to Accommodation, Per diem/Daily allowance and travel during field trips will be settled as per following principles:

- Daily allowance/Per diem will be paid as per rate mentioned above under 11.3.3.
- Whole day per diem will be paid whenever the travel is covered 12 hours.
- Accommodation/Lodging and travel cost/transportation will be paid at actual.
- Resource persons/Moderator/Facilitators/Rapporteurs/experts may be entitled to receive per diem/Daily allowances and accommodation as per rate for grade I of the MRDI employees. It is at the discretion of the Executive Director.
- Exceptions may be made for Resource persons/Moderator/Facilitators/Rapporteurs which will be at the discretion of Executive Director.

### 11.5 Travel Expense Report

The traveling official shall submit all travel bills to the Finance Department as per Travel Expense Report. Following documents must be enclosed with the Travel Expense Report:

- Utilized Air Ticket along with the boarding pass.
• Acknowledgment of the total amount of per diem received including dates.
• All paid receipts, bills, memos in support of claim of any expenditure.
• Utilized bus, steamer, train and launch tickets in support of travel claim.
• Cash or Cheque to the extent refundable against travel advance as per Travel Expense Report submitted by the employee.

The staff members need to mention the departure and arrival time on the expense claim/ per diem form.

The departure time is defined as the time at which the staff member leaves the office or his/ her home whichever is later.

The arrival time is defined as the time at which the staff member arrives at office or his/ her home whichever is earlier.

11.6 Reimbursable Costs

Traveling officials are entitled to reimbursement of following costs for all official travels:

1. Reimbursable cost is actual fare of bus, steamer, train, launch and air ticket, and will also include actual local conveyance from residence to airport / railway station / Steamer terminal / bus station and other way round while returning back to residence.

2. Conveyance in the traveling area to attend workshop, seminar, training, visiting project or any other official work.

3. Any other expenses required to carry out the official duties, i.e. official long distance calls etc. are required an approval from the Executive Director or his designate.

11.7 Time for submission of Travel Expense Report

The Traveler shall settle the travel advance within 5 (five) working days from the date of arrival of office after completion of the event for which travel was made.

In case of over spending the staff member shall be reimbursed as soon as the Travel Expense Report is approved by the Executive Director or his/her designate.

If any staff member fails to refund the unspent travel advance balance at the time of submission of the bill, the finance department shall adjust it against his / her current month’s salary.

11.8 Approval of Travel Expense Report

The Finance & Accounts Department shall check the Travel Expense Report in pursuance to the travel policy and forward the same to the Executive Director for approval.

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After the approval of the Travel Expense Report, Finance & Accounts Department shall ask the respective traveler to deposit the under spent advance amount (excess of advance over the approved Travel Expense Report), if any, immediately. In case of failure to deposit the balance money, the due amount shall be deducted from the current month’s salary.
For any other expenses, i.e. official long distance calls etc., an approval from the Executive Director or his designate is required.
Chapter-XII

Overseas Travel

12.1. Overseas Travel
Depending on the funding source, there are some differences in regulations, but all travelers should follow the steps. Board of Directors shall approve the travel of Executive Director. Executive Director approves the travel of other staff. If included specifically in the budget and approved by Board, then separate case by case approval by Board will not be required. As per rules of NGO Affairs Bureau, Prior approval/consent must be obtained for the foreign travel.

12.2. Funding
Before any travel arrangements are made there should be clear understanding/ agreement as to budget that will cover the travel expenses. The funding source(s) should be noted on the Travel Authorization Request Form.

12.3. Travel Allowances and Others
When any MRDI employee travels outside Bangladesh for official purpose and on official nomination, MRDI/Project implemented by MRDI will bear his/her expenses & allowances as per following manner:

12.3.1 Per diem allowance and Lodging for Asian and African countries:

12.3.1.1 Per diem allowance will be provided at a flat rate of US $60 per day. This will include food and incidental.

12.3.1.2 When all expenses such as food, transport, lodging etc. is taken care by the organizing authority for any residential conference/seminar/ workshop/ training, the per diem will be paid 50% per day. If per diem rate is less than MRDI rate, it will be 50%, if it is same as us, No per-diem.

12.3.1.3 Lodging expenses will be provided based on actual cost, with an upper ceiling of US $150 per day.

12.3.2 Per diem allowance and Lodging for America, Europe and Oceania:

12.3.2.1 Per diem will be provided @ € 80 per day for Europe and Oceania and US $80 for America.

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12.3.2.2 When all expenses such as food, transport, lodging etc. is taken care by the organizing authority for any residential conference/seminar/workshop/training, the per diem will be paid 50% per day. If per diem rate is less than MRDI rate, it will be 50%, if it is same as us, no per-diem.

12.3.2.3 Lodging expenses will be provided based on actual cost, with an upper limit of €180 for Europe and Oceania and US$180 for America.

12.3.3 Other rules for payment/reimbursement of expenditure related to foreign travel:

12.3.3.1 For International air travel, staffs are entitled to economy class ticket. All expenses related to airfare, travel tax etc. will be reimbursed at actual.

12.3.3.2 For stop over for more than 6 hours during transit, staff is entitled to ‘Day Rooms’ which will be reimbursed on submission of actual bill.

12.3.3.3 Taxi fare from Airport to Hotel and back will be reimbursed on submission of vouchers. Staffs are encouraged to take public transport from airport to hotel and back.

12.3.3.4 Foreign per diem is allowable from the date of air travel starts up to the date of air-travel ends.

12.3.3.5 MRDI will pay fees for passport and renewal, visa fees, insurance etc. for travel on official purpose.

12.3.3.6 Local transportation cost in country and abroad in the purpose of foreign travel will be reimbursed at actual subject to submission of vouchers.

12.3.3.7 Exceptions may be made for unusual local travel cost, per diem, hotel rates etc. at the discretion of the Executive Director.

12.3.4 Exceptional expenditure

Special permission from the ED shall be obtained for exceptional expenditure beyond this chapter.

12.4 Payment of Advance & Accounting

Only the converted value of foreign currency will be booked as advance for foreign Travel. Conversion charges will be booked under Bank charges. Same procedure needs to be followed for advance adjustment purpose.

12.5 Travel Expense Reporting

All travelers must submit a completed Travel Expense Report for authorization to their supervisor within 5 (five) days of return from the
travel and failure to comply with this rule (without justification) may result in a warning letter. Amounts due to or from the employee should be settled at that time. Upon recommendation of his/her supervisors, Head of Finance will approve the expenses.

The following are requirements for the report:

- Clear budget codes or the specific name(s) of the funding source(s)
- Air tickets, Boarding pass.
- Receipts should be obtained in every possible circumstance. If a receipt is not available the traveler must clearly document the expenses and explain why a receipt was not available. In a case where the service provider will not or does not furnish a receipt, this may be written at his/her own and have the person signed or mark the paper.
- Date- list the actual dates when the expenses were incurred.
- Location- list the exact location(s) - city or town - as well as country, where the expenses were incurred.
- Fares- enter the amount paid for transportation including the cost of airfare, train, bus, or taxi.
- Lodging- enters actual cost of lodging as paid by the traveler and supported by receipt.
- Per diem- Receipt of the total amount of per diem received including dates.
- Miscellaneous items- include such items as business phone calls, Xeroxing, laundry during trip, and airport taxes. The cost of phone calls paid to a hotel should be entered in the phone/wire column and not be included in the lodging column.
- Show travel advances received and the balance due from or to MRDI. If the advance exceeds the amount due, a cheque/cash payable to MRDI should accompany the expense report.
Chapter - XIII
Procurement Procedures

13.1 General
Procurement transactions should always be made through open and free competition.

Goods and services should be procured from responsible suppliers or contractors who possess the ability to provide goods and services successfully and at a competitive price. Consideration should be given to the contractor’s integrity, record of past performance and financial and technical resources.

13.2 Requisition
Whenever a purchase is required, the concerned section of MRDI shall raise a requisition with full particulars of the items needed along with justification to purchase. This requisition shall be submitted by the divisional head/staff responsible to the Executive Director through Finance Department.

The Finance Department shall check the justification of the items needed and verify with the budget and submit to the Executive Director for approval. After approval of the requisition by the Executive Director, it will be automatically forwarded to the procurement committee for necessary action.

13.3 Budget Provision
The Finance department shall verify the request with the provisions in the budget and availability of the fund in the respective budget line item.

If the proposal agrees with the provisions in the budget, Finance Department shall send the proposal to Executive Director for approval.

In cases where it is not budgeted earlier or if there is not sufficient budget in the respective line item then the proposal shall be rejected. However depending on the necessity of the item and if it becomes absolutely necessary for the program then alternative sources shall be investigated within the budget and according to the terms of the grant.

If not otherwise contrary to the terms of the grant agreement an option shall be given to the requisitions to share the cost from other similar budget line item where the requisitions can assure a surplus at least to that extent in that line item.

All the enquiries as above must be documented and submitted to the Executive Director for approval.
13.4 Invitation of Quotation

No item should be purchased without the approval of the appropriate approving officer. If an item cost is Taka 25,000 or less, no quotation is required. If an item cost is above Taka 25,000 but not exceeding 200,000, the authorized member of the procurement committee shall collect three spot quotations from three separate suppliers and produce a comparative statement. If any item costs more than Taka 200,000 but not more than 1,000,000, at least three written sealed quotations shall be obtained from separate suppliers. Open Tender shall be made for item cost more than Taka 1,000,000.

But in the case of production of video documentary, TV Programme, consultancy/expert services, no quotation is required up to the cost of Taka 100,000. If the cost is above Taka 100,000 but not exceeding 500,000 the authorized member of the procurement committee shall collect three spot quotations from three vendors/consultants/experts and produce a comparative statement. If cost is more than Taka 500,000 but not more than 15,00,000, at least three written sealed quotations shall be obtained from separate vendors/consultants/experts. Open tender is required for cost exceeding Tk. 15,00,000.

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<tr>
<th>Sl. No.</th>
<th>Quotation Required for:</th>
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<td>Goods and equipment</td>
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<td>1.</td>
<td>Up to Taka 25,000 no quotation is required.</td>
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<td>2.</td>
<td>Above Taka 25,000 but not more than Taka 200,000, three spot quotations are required</td>
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<td>3.</td>
<td>Above Taka 200,000 but not more than Taka 1,000,000, three sealed quotations in writing are required.</td>
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<td>4.</td>
<td>Above Taka 1,000,000 open tender is required.</td>
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Quotations may be invited through e-mail/postage courier by hand and vendor may submit their offers following the same process.

The bids solicitation procedure may not be required-
- While the procurement is made from Government/Semi-Government/Corporation/Multinational company or exclusive dealers or the local
manufacturer/producer like Otobi, Navana furniture, Singer, Walton, Butterfly, Square etc. or their dealers/distributors whose price list of the item is available.

- If the advertisement made directly in the TV channel, newspaper at their fixed rate
- If the donor organization agreed to take goods/equipment/services from any reputed organization considering quality, reasonable rate, timely delivery, security matter, efficient programme management, location etc.

13.5 Purchasing Strategies from Enlisted Vendors

Purchasing strategies from the enlisted vendors.

13.5.1 Price List purchase/Sole Sourcing

The vendor prices are fixed on a published price or index. In such case, purchases may be done based on the price list or if the vendor is the sole producer/agent then sole sourcing can be done. However, the Procurement Committee (PROC) should finalize the commission/ discounts/ levy if any before confirming the goods. While purchasing under this procedure, documents evidence such as published price list, sole proprietorship or distributorship must be attached.

13.5.2 Competitive Bidding Process

The majority of purchases are done through this process. To run this process, several enlisted/non-enlisted suppliers are necessary.

13.5.3 Vendor Enlistment Process

During the year MRDI needs supply of different types of goods, service and equipment for programme and office maintenance. Generally MRDI procures the goods and equipment from open market and selected vendors through separate procurement process. MRDI can enlist vendors (If necessary) for one/two/three years for receiving supply of goods, service and equipment through a competitive bidding among the enlisted vendors.

Requisition of Enlistment:

A requisition needs to be initiated to the Executive Director from the administration mentioning the items for which vendors may be enlisted. In the requisition, it is to be mentioned the duration of the enlistment and how many vendors will be enlisted. The Executive Director may approve the requisition and forward it to the procurement committee for taking necessary action.

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Inviting Expression of Interest (EOI):
Receiving the approved requisition for vendor enlistment, the procurement committee will meet together and prepare a list of potential vendors to send invitation letter for submitting expression of interest. The invitation letter may send through e-mail, postage, courier or by hand. The full description/specification of the required items of goods/equipment/service will be mentioned in the invitation letter. A specific deadline for submitting EOI will be mentioned.

The procurement committee will determine the criteria on which the EOI will be evaluated.

Submitting Expression of Interest (EOI) by the vendors:
If interested, the invited vendors may submit the EOI within the deadline mentioned in the invitation letter along with the following documents:
- Organizational profile with experience & Clint list
- Organizational legal status like up to date trade licence/registration
- VAT & TAX Registration certificate
- Bank Solvency certificate
- Bank Account details

Vendors may submit the EOI through e-mail, postage, courier or by hand.

Evaluating Expression of Interest (EOI):
After receiving the EOI from the vendors the procurement committee sit together to evaluate and finalize the list of vendors. If there is no any short fall of expected document from the vendors all vendors may be enlisted. The approval will be taken from the Executive Director and informed the vendors through a letter.

Re-invitation of Expression of Interest (EOI):
If expected number of EOI is not submitted by the invited vendors, the procurement committee may re-call the EOI or extend the deadline on written or verbal request by the vendors.

13.6 Procurement Committee
A procurement committee consisting three members shall be formed by the Board of Directors. One Director shall be selected by Board for the review and to make recommendation of the decision provided by the
Procurement Committee. Recommendation from a Technical person may obtain when necessary.

The structure of the committee should be as follows:

- Manager Finance (Alternative one Deputy Manager, Finance),
- Manager, programme & Communications (Alternative one Deputy Manager, Programme) and
- One advisor (Alternative Manager, Administration/Assistant Manager, Administration).

- The change of committee member will be at the discretion of the director selected by Board for the review.
- For any procurement at least two members must be involved.

On behalf of the committee one member will do the secretarial works and invite quotation/issue work order/purchase order/supply order.

13.7 Determination of Evaluation Criteria and Comparative Bid Analysis

13.7.1 Determination of Evaluation Criteria

The Procurement Committee will decide on criteria of evaluation such as quality, price, experience, reputation or any other as required at the beginning of the procedure which is disclosable to the vendor if they want to know. They will also determine the list of vendors to invite quotation.

13.7.2 Opening Quotation/Tender

Opening of sealed quotation or Tender will take place in presence of the member of Procurement Committee. Vendors will be invited to remain present in case of open tender.

13.7.3 Comparative Bid Analysis

The Procurement Committee formed in this connection shall prepare a comparative statement and determine which supplier provides the most suitable item at the cheapest price subject to analysis of quality of the product or services. The committee shall record its decision on the comparative statement. The procurement should be done at the recommendation of this committee.

If only one participant submits the bids, the procurement committee may recommend whether re-tender should be called or not and provide justification thereon and forward to the Executive Director for approval.

13.8 Purchase Order

A Purchase Order/work order/supply order must be prepared for above Taka 25,000 by the designated member of Procurement Committee for
procurement of goods, or contract for services and be issued to the concerned supplier.

13.9 Receipt of Goods
All goods and services received must be verified for assurance of quality by a staff member not involved in the approval or accounting process. Goods will be received and verified by signing the Purchase Order as “Received” and prepare Goods Receipt Notes (GRN) on the basis of Purchase Order. Service will be verified by signing the contract as “Services Received”. In case of goods, the Store Keeper will receive and services will be acknowledged by the concerned department.

13.10 Payment
Any payment against purchase shall be made only after certification from the ‘Certifying Officer’ and duly approved by the ‘Approving Officer’. On receipts of Supplier’s Invoice, Goods Received Note (GRN) and suppliers Delivery Note (along with Purchase Order, Quotations, and/or bids summary) from the Store In-charge or concerned recipient, Finance Department shall process the payment.

Approval of any payment will require the following steps.

- The purchase of goods or services must have been duly approved.
- The goods or services must have been delivered (delivery notes duly signed for reception).
- All requests for payment must be supported by the submission of appropriate bills or invoices.
- Before making any payment the Head of Finance and Accounts/Authorised person shall ensure that the bill or invoice is properly approved by the Executive Director.
- Invoices, bills, receipts, quotations, contract of procurement (if any) etc. must be attached with vouchers. Head of Finance and Accounts /Authorised person should write head of expenses on each invoice, bill etc.

13.11 Mode of payment
The Head of Finance and Accounts /Authorised person should make payment to the vendor through Account payee cheque/Bank transfer if it is more than Tk. 10,000 /= (Taka Ten Thousand) against the above procurements of goods and services. Cash payment should be restricted as much as possible. But for a single bill, cash purchases should not be more than Tk. 10,000/=. In case of emergency spot purchases/open market purchases where vendor is not willing to receive the cheque/pay order, then the Executive Director may approve the cash to be paid to the vendor.
13.12 Control Procedure

In order to have control over the issue of the purchase order, all the purchase order issued should be recorded in a register with a sequential serial number allotted for each such purchase order.

Such purchase order register should be regularly reviewed and the status of the purchases including pending deliveries against orders should be verified. Discrepancies, if any should be immediately notified to the Executive Director.

13.13 Flow Chart of Procurement Procedure

01. Respective department submits requisition to ED with details through Finance Department.

02. Budget verification by head of Finance and submit to the Executive Director for administrative approval (With recommendation, if needed)

03. When approval authority approves purchase requisition, the procurement committee automatically entitled to start the process of procurement i.e. collection quotation/call tender, wherever necessary.

04. Meeting of Procurement Committee for setting Evaluation criteria and other decision if needed

05. After the mentioned time period in the invitation letter for submitting quotation/tender, procurement committee will open the quotation/tender in presence of bidders/representatives if they attend. If all the invited vendors submit quotations before the last date of submission, the procurement committee may open the quotations accordingly.

06. Prepare comparative statement mentioning necessary recommendation (preference should be given to sole distributor and supplier who provides warranty / guaranty on goods) by the procurement committee to the Director responsible for procurement.

07. One member of the procurement committee will do the secretarial works and invite quotation/issue work/supply/purchase order to the lowest bidder or the bidder recommended by procurement committee and approved by competent authority.
Receive material by store department with delivery challan/bill/invoice after verification of quality by the assigned staff.

Submission of bill to the finance & accounts department for payment along with all the necessary documents relating to procurement.

13.14 Validity of Procurement

If the vendor agreed, MRDI will repeat procurement under any process up to 1 year.

13.15 Code of conduct for procurement of goods and services

13.15.01 Staff entrusted with procurement of goods and services shall prevent conflict of interest and avoid circumstances that pertain thereto.

13.15.02 Procurement staff shall not have ownership interest in suppliers.

13.15.03 Procurement staff shall not accept gifts, gratuities, entertainment, travel or hospitality from a supplier.

13.15.04 Procurement staff shall not disclose confidential information to the suppliers with regard to decision, pricing, proceedings etc.

13.15.05 Procurement staff or members of their family may not act as director, officer, partner, employee, agent or consultant with or without compensation, for a present or proposed supplier or customer.

13.15.06 Procurement staff or members of their family may not receive fees, commissions or other compensation from a supplier.

13.16 Hiring resource/expert/knowledge support provider

MRDI organizes seminar, workshop, training, orientation, fellowship/internship/mentorship programmes under its different projects as part of advocacy and capacity building. It also conducts research, assessment and develops handbook, guideline, awareness materials, video documentaries to meet the need of projects. Translation of documents is also done at times to meet requirement.

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In accomplishing these tasks, MRDI utilizes expertise of media gatekeepers, government officials, researchers, academics and issue experts. The organization always engages best available resources from the relevant area to ensure quality work. Knowledge, wisdom and intellectual ability cannot be compared through competitive bidding. The organization selects appropriate resources by using its long working experience and credible network. In selecting experts/resources for the programmes and activities where knowledge and intellectual ability are prime factors, MRDI will go for head hunting process. The selection will be done from MRDI’s past experience of doing similar work and using its network. Selection will be finalized in a meeting of the project team or a team of senior officials formed by the executive director.
Chapter - XIV
MRDI Counter fraud, Irregularity and Anti-Corruption Policy

14.1 Introduction:
Management and Resources Development Initiative (MRDI) management and staffs are personally and collectively motivated & committed for upholding and promoting the highest ethical and professional standards in their work. Everyone has a commitment to prevent fraud and corruption and unethical business practices. The various policies and internal control & monitoring system of MRDI are strong guard against occurrence of any corruption, fraud and financial irregularities.

The management of all levels has a responsibility to ensure that all personnel are aware of this Counter fraud, Irregularity and Anti-corruption Policy, understand what it means in concrete behavioral terms and conceptualize how it applies to their program context.

MRDI has the zero-tolerance approach to corruption, fraud and financial irregularities. MRDI personnel shall never take advantage of their position when working with communities, partners, vendors or/and other stakeholders.

14.2 Definition of Corruption, Fraud & Financial Irregularities:

Corruption:
Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person. Corruption, associated with other unethical behaviors, covers a range of practices including:

- Conflict of Interest
- Fraudulent Commission
- Undeclared Gift
- Bribery
- Misappropriation of Fund
- Abuse of Authority
- Undeclared Nepotism and favoritism

Fraud:
Fraud is an intentional distortion, deceit, trickery and perversion of truth or breach of confidence, relating to an organization’s financial, material or human resources, assets, services and/or transactions, generally for the purpose of personal gain or benefit. Fraud is a criminal deception or the use of false representations to gain an unjust advantage. Fraud covers a range of practices including:
• False representation
• Hiding information

Financial irregularities

Financial irregularities mean any administrative or financial mismanagement that comes about either by act or omission by a finance personnel which has or would have the effect of prejudicing the fund(s) of the organization or project managed by them, by charging an unjustified item of expenditure.

MRDI maintains a policy of “MRDI Policy towards Irregularities” in regard to financial and programming irregularities. Financial and programming irregularities, also known in MRDI as “defalcation” or “misappropriation”, refer, but are not limited to:

• Any dishonest or fraudulent act or violation of MRDI policies or clause/clauses in the signed Agreement with donor or partners;
• Forgery or alteration of any document or account (including but not limited to timesheet, payroll and associated leave records and accounts, travel and expense reports, advance reports and account, procurement documents, inventory records);
• Forgery or alteration of a check, bank draft, or any other financial documents;
• Misappropriation of funds, commodities, supplies, spare parts, project materials and equipment, or other assets;
• Impropriety in the handling or reporting of money, financial transactions, or bidding procedures;
• Accepting or seeking anything above nominal material value from vendors or persons providing services/materials (this does not apply to calendars, agendas, etc);
• Destruction or misappropriation of records, furniture, fixtures, or equipment;
• Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity.
• Unauthorized deduction or underhand dealing with any party.

Key Principles of MRDI:

MRDI’s general attitude to corruption, fraud and financial irregularities are:

• Always prevent
• Never accept
• Always inform
• Always act

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Management and Resources
Development Initiative (MRDI)
14.3 Mitigation measures against corruption, fraud and financial irregularities

In practical implementation MRDI will take the following mitigation measures:

- Promote the implementation of this Counter fraud, Irregularities and Anti-corruption Policy by contributing towards the creation and maintenance of an environment that prevents corruption and unethical business practice.
- Report immediately any knowledge, concerns or substantial suspicions of breaches of the Policy to her/his manager and/or senior management of the offices who is expected to take prompt investigative action.
- Uphold the highest standards of accountability, efficiency, competence, integrity and transparency in the provision of goods and services in the execution of their job.
- Strengthen downward accountability practices as a way of preventing and detecting corruption;
- Give attention to setting up good financial, administrative, procurement and human resources systems from the very beginning of a project/ programme
- Part of external auditor’s statutory duties is to ensure that MRDI has adequate arrangements in place for the prevention and detection of fraud, Irregularities and corruption. Complaints of fraud, Irregularities and corruption can be taken directly to external auditor.
- Introduce internal checking system by the organization finance team. Arranging one’s work by another.
- Cooperate when requested with any investigation into alleged breaches related to this Policy.

Measures when there is cause to suspect corruption or receive complaint when corruption, fraud and/or financial irregularities are suspected or complaint received, MRDI will take the following measures:

- If MRDI gets any complaint of corruption, fraud activity or any unethical business practice against any personnel, board members, temporary personnel, implementing partners, consultants and volunteers during their mission with MRDI, the organization shall take it immediately under investigation for prompt action.
- Any complaint against any fraud, corruption or unethical business practice will be handled in line with the MRDI complaint and response mechanism.
- Engage in a dialogue on how to investigate the suspected corruption /fraud / irregularity.
The complaint will be handled with an open mind and in confidentiality. Name and contact details will not be revealed to any person outside the investigation.

- If corruption/fraud/irregularity is proved, disciplinary and/or legal actions will be taken immediately.
- If a complaint is proved malicious, any investigation underway must be stopped immediately and disciplinary actions will be taken.

Name: Management and Resources Development Initiative (MRDI)
Address: 8/19 Sir Syed Road (3rd floor), Block-A, Mohammadpur, Dhaka-1207

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<thead>
<tr>
<th>Sl. no</th>
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<tr>
<td>1.</td>
<td>Name, address &amp; telephone no. of the person/organization against the fraud raised</td>
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<td>2.</td>
<td>Particulars of complaint relating to fraud with receiving date</td>
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<td>3.</td>
<td>Name &amp; address of the informer/finder/anonymous</td>
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<td>4.</td>
<td>Name of the person with position who bring the issue to the fraud management committee/Senior Management</td>
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<td>5.</td>
<td>Discussion and decision about the fraud by the Fraud management committee/Senior Management with date</td>
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<td>6.</td>
<td>The decision of the Fraud management Committee/ senior management team with action plan</td>
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<td>7.</td>
<td>Name of the investigation team member (if needed) with their responsibility (ToR) with last date of reporting</td>
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<td>8.</td>
<td>The summary of the investigation team report with the date of submission</td>
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<td>9.</td>
<td>The decision of the Fraud management committee/ Senior management team based on the report with date</td>
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<td>10.</td>
<td>Action implemented/not with date (if not what are the reason/s)</td>
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<td>11.</td>
<td>Final settlement of the fraud with date</td>
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<td>12.</td>
<td>Decision of Fraud management Committee/Senior management team about reporting or not reporting to MJF Donors with justification and date</td>
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<td>13.</td>
<td>Follow up action if any:</td>
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Executive Director
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Chapter - XV

Fixed Assets Management

15.1 General

Fixed Assets are resources of an organization that have the potential for providing with future economic benefits. Control over fixed assets is an essential part of routine management exercise. This chapter highlights some basic control issues concerning fixed assets management. MRDI management/employees shall ensure the best utilization and accounting for all of its fixed assets.

15.2 Fixed assets

Fixed Assets are:
- assets that are used in the MRDI operation.
- are not intended for resale.
- This includes any asset, which costs at least Taka 5,000/- (Five thousand).
- and have an estimated useful life of more than 1 year. Such as Land, building, vehicles, equipment, furniture & fixture etc.

15.3 Safe keeping of Fixed Assets

Fixed Assets must be safeguarded from fire, theft, damage and other risk factors. Adequate firefighting measures should be taken, wherever necessary, to protect the assets from fire and other hazards. Electrical, electronic and other sensitive equipment must be protected from power surge and other electrical hazard. Computer and other office equipment must be protected under controlled environment from excessive heat and burn.

15.4 Custodianship

The Executive Director on behalf of Board of directors shall act as the Chief Custodian of all assets of MRDI. A list of all Fixed Assets should be kept at the Head Office for controlling, tracking and instant reference. The Finance Department shall also retain a copy of the same.

15.5 Donated Assets

Assets, which have been donated to MRDI, should be included in the accounts, if the donor declares any valuation of such asset. In absence of any valuation, all such donated assets should be recorded in the Fixed Asset Register at “No Value” and be given a separate ID number for securing existence. However, only one Taka value shall be kept against each of such assets.
15.6 Non-Capitalized Assets

MRDI shall record all assets, whether capitalized or not, in the Fixed Asset Register (FAR). Non-capitalized assets shall also be recorded in the Fixed Asset Register as a memorandum record to have a control on those assets. All these assets shall carry unique asset numbers, so that they can be easily identified.

An asset purchased for the use of MRDI shall be non-capitalized asset when it does not satisfy any of the following conditions:

- The benefits of the expenditures on the assets are expected to extend more than one year.
- Shall be used on a continuous basis and not intended for sale in the ordinary course of action.

15.7 Fixed Asset ID Number

When an asset is purchased, it should be given a unique asset serial number (ID Number) which should be physically marked only on fixed nature of movable assets and held in the Fixed Asset Register of MRDI.

This ID number is the identification mark provided by MRDI. Such ID mark should be written on the assets in such a way that it could be easily noticed.

The Head Office of MRDI shall be held responsible for determining fixed asset ID number. In case an asset is purchased then it must communicate to the Head Office for allocation an ID number for that asset.

The ID number must include the following information:

- Ownership of fixed asset, for example: MRDI
- Location of fixed asset, for example: HO, UO
- Class of fixed asset, for example: Furniture and Fixture
- Category of fixed asset, for example: Table
- Year of acquisition, for example: 2007
- Project / donor code
15.8 Fixed Asset Register

All fixed assets shall be recorded in the Fixed Asset Register soon after the purchase by affixing an identification mark for each individual item. The register should give details of each asset as follows:

- Asset ID number
- Date of acquisition
- Description of assets (including sl. no. on the assets wherever applicable)
- Unit
- Cost per unit
- Total value (cost) of the asset
- Depreciation rate
- Annual depreciation amount
- Accumulated depreciation (depreciation to date)
- Written down value
- Payment ref. for example: voucher number, budget code/donor/project etc.
- Location of the asset
- Condition of asset
- Remarks

15.9 Movement of Fixed Assets

For the purpose of recording and keeping control on fixed assets, a gate pass shall be issued for delivering any computer or other equipment to the vendor or repairing shop for repairing of those items.

No property of the Organization should be allowed to be taken out of the office premises without an approved gate pass and an entry in the asset movement register.

The gate pass should be signed by the guard while taking out of the office premises as a witness of the movement of fixed assets.

15.10 Physical Verification of Fixed Assets

MRDI shall arrange physical verification of its fixed assets at least once a year to verify the quantity and quality of the assets. A team comprising of Programme, administration and finance personnel shall carry out the physical verification of assets. External auditors should be invited to witness the verification of assets. Team engaged for physical verification of assets shall submit a report to the Executive Director with a copy to the Finance Department. The report shall contain the following information:

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15.11 Disposal of Fixed Assets

Fixed assets, which are in poor condition or no longer required for use can be disposed off either by sale or scrapping. The process of disposal must be approved by the Board of directors prior to starting such process.

Before making any proposal for disposal of the assets, the conditions of the grant agreement must be followed. If there is any restriction on sale or otherwise instructed by the respective donor on disposal of assets then their instructions should be followed.

If there is no restriction from the donor on disposal of assets, then management can take its own decision on such disposal.

15.12 Accounting for Disposal of Fixed Assets

At the time of disposal of the asset, the value of accumulated depreciation as well as the cost of the assets shall be taken out from the Fixed Asset Register.

In case of sale, if the sales price of the disposed asset is greater than the Written down Value (WDV), then the difference between the sales price and WDV shall be treated as ‘Profit on Disposal of Fixed Assets’

On the other hand, if the sales price of the disposed asset is less than the WDV, then the difference between the sales price and WDV shall be treated as ‘Loss on Disposal of Fixed Assets’

15.13 Writing off of Fixed Assets

In case an asset is damaged or becomes unserviceable, the maintenance section will certify the condition and propose for write off. Finance Section will place the proposal with the relevant data of cost, year of purchase, depreciation charged, written down value etc. to the Management for appropriate decision with the consent of the Board of Directors.
Chapter - XVI

Financial Reports

16.1 Internal Financial Report

An Internal Financial Report should be prepared at the end of each month. The amount of each installment of fund received and the total of funds received should be available in this report. All the expenditures from the general ledger should be shown with budgeted figure of each item. Opening and closing balance of bank and cash book should also be included. When all receipts and payments are totaled and cash in hand and cash at bank extracted, total expenditures and the balances shown in the Internal Financial Report should agree with the general ledger and cash book/bank book.

The Head of Finance should sign the report and give it to the Executive Director/Director (Admin) who after verification should also sign the report. The report should be used as an internal document to monitor expenditures and balances of the budget, and must be produced to The Board of directors of Organization during its meeting, if needed.

16.2 Contents of Financial Statements

16.2.1 Balance Sheet

The position of funds, Assets and Liabilities on a specific date is presented through the Balance Sheet. It is prepared Project-wise, Fund-wise and a Consolidation of all the funds.

The Balance Sheet shall have to be prepared based on the Trial Balance and the adjusting entries of the projects of MRDI.

The Excess of Income over Expenditure (surplus) or the Excess of Expenditure over Income (deficit) is to be adjusted against fund account of Balance Sheet.

The ultimate effects of the adjustments relating to advances, prepayments and outstanding expenses and depreciation shall be shown in the Balance Sheet.

The details of Fixed Assets should be shown in a schedule to be annexed with the Balance Sheet.

16.2.2 Income and Expenditure Account

Project-wise, Fund-wise as well as consolidated Income and Expenditure Account is prepared to ascertain the Excess of
Income over Expenditure or the Excess of Expenditure over Income on monthly and yearly basis.

All the revenue receipts should be treated as income and all the revenue payments should be treated as expenditure.

Payments against advances or capital expenses should not be included in this account. These types of expenses should be treated as items to be shown in the Balance sheet.

The surplus or deficit as shown by this account shall be transferred to the Balance Sheet as Capital Fund.

The depreciation charges relating fixed assets and the bad debts will be shown in the Income and Expenditure Account.

All revenue nature income and expenditure relating to the reporting period will be reflected in this account irrespective of the status whether income received or not and the expenditure paid or not.

16.2.3 Receipts and Payments Account
At the end of each month, Project-wise and Fund-wise Receipts and Payments Account shall be prepared based on all receipts and all payments relating to each of the projects.

A Consolidated Receipts and Payments Account of MRDI shall be prepared at the end of each month, showing budget and cumulative figures of each of the budget line items.

At the time of preparing the above account, the closing balance of the previous month/year should be transferred as opening balance.

The receipts and payments account will reflect the summation of all revenue and capital nature expenditure during the reporting period.

16.2.4 Comparative Statements: Budget vs. Actual Amount
A comparative statement shall be prepared at the end of each month showing Budget vs. Actual amounts. This statement is also called Variance Report. The Finance Department of MRDI that prepares monthly Financial Statements shall be responsible for closely monitoring the Variance Report.

16.2.5 All supporting Documents with regard to:
- Fixed Assets
- Accounts Receivable
- Accounts Payable
- Advances, Deposits and Prepayments
- Liabilities and all Unpaid Obligations
- Sources of Income
- Others, as may be required.

16.3 Financial Report to the Donors

Financial report for the donor should be prepared as per the requirements of the respective donors.

16.4 Final Accounts

From the annual Trial Balance, Balance Sheet and Income and Expenditure Account will be prepared. For activities of different projects, which are not completed at the Balance Sheet Date of the MRDI’s main accounts, proportionate accounts of those projects will be accounted for in the main accounts.

16.5 Chart of Accounts

MRDI is an expanding organization and expected to take up new projects and programs. As per organization and donor need different financial report to be generated for different project and duration. The Chart of Accounts (Accounts head or title) has been developed to allow separate tracking of individual programs, different program component and location-wise. One can introduce coding system side by side, which could be helpful for computerization but for the manual accounting coding is not necessary.

Main Accounts Heads (Example)

Fixed Asset
- Land and building
- Furniture and Fixture
- Office Equipment
- Vehicles
- Other Assets

Current Assets
- Cash in Hand
- Advance & Prepayments
- Cash at Bank
- Investment in FDR
- Account Receivables
Liability
- Loan from alternative source/s
- Outstanding liabilities
- Capital fund
- Unutilized project fund

Revenue
- Sales of Handicraft
- Fund received from Donor/Grant Income
- Income from Bank Accounts
- Miscellaneous

Expense
- Programme cost
- Salary & benefits
- Office rent
- Stationeries & supplies
- Office maintenance
- Utilities
**Chapter - XVII**

**External Audit and Annual Return**

17.1 Audit

All the accounts of the Organization shall be audited by a reputed Chartered Accountants Firm annually. Main Accounts (MRDI Consolidated Accounts) and all the Project Accounts as required shall be audited separately.

Audit shall be carried out in conformity with the Bangladesh Standards on Auditing and instructions of NGO affairs Bureau and Donors.

The Executive Director shall submit the audited financial statements along with the auditor’s report to The Board of Directors for discussion and approval.

The auditors shall have access at all convenient times, during the agreed period of annual audit to all books, records, vouchers, minutes and other documentations, which are in the opinion of the auditors, necessary in performance of the audit.

17.2 Appointment of External Auditors

Selection of auditor for conducting audit of MRDI’s consolidated accounts and project accounts will be done through a process of competitive bidding. MRDI Board may take decision to continue the existing auditor for the subsequent year and this decision needs to be ratified in the AGM. The MRDI AGM shall take decision on the appointment of the auditor.

17.3 Annual Return

All the returns including annual returns must be submitted to the Registrar of Joint Stock Companies (If applicable), NGO Affairs Bureau, National Board of Revenue and respective Donors in the stipulated time. The Head of Finance will ensure compliance of all the formalities in this regard.

17.4 Internal Audit

The Organization should introduce internal audit to ensure best practice, continuous monitoring and compliance. Internal audit will be carried out by a designated employee of the organization. Internal auditor will be completely independent from the day to day activities of the organization, and the auditor will report directly to the Executive Director and the Board.

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Internal audit should be carried out with a proper plan, audit programs, reporting templates, and adequate and timely follow-up of reported issues.

17.5 Special Area:
If management wants to know/ improve certain areas of the operations, in that case, management may involve the internal auditor to conduct audit. On completion of the work, internal auditor will submit their report with specific recommendation for overcome the issue or improve the existing system.
Chapter - XVIII

Cost sharing guideline:

There are some expenses that are not directly incurred for a specific project but as a whole, the organization has to pay this cost. This common nature cost is usually recorded under a common pooled account and subsequently it is shared/allocated among the related projects. Examples of common costs are: Office rent, utilities- electricity bill, WASA bill etc. Since these costs are shared with others, the basis of this sharing needs to be rational, acceptable and transparent. List of common costs is shown as follows:

- Office Rent
- Transportation and conveyance
- Phone, fax, internet, postage, etc.
- Utility and service charges
- Repair and office maintenance
- Printing, stationery and supplies
- Newspapers, periodicals and TV News Clipping
- Audit fees
- Staff capacity building
- Registration & renewal
- Professional fees, etc
- Others, if applicable

In view of maintaining utmost fair in sharing the common costs, the following basis needs to be followed:

18.1. Common cost will be allocated on the basis of number of projects running during the month. The allocated amount needs to be compared with the available budget of the project and charge the proportionate amount. But while the proportionate amount will be shortfall than the approved budget, in that case, budgeted amount may be charged.

18.2. If any staff engaged in more than one project, his/her salary should be charged as per actual effort. As per MRDI practice attendance register must be maintained for the staffs of MRDI and all staff salary should be paid through MRDI operational (Core) Account. Separate time sheet may be maintained as per requirement of the project. The chargeable amount will not exceed the budget ceiling.

18.3. The total allocated amount against salary or common cost in different projects will not exceed the total actual amount.
Chapter - XIX

Guidelines regarding forwarding of funds/ sub granting:

19.1. Introduction:

Sometimes MRDI receives fund from the donors to implement a specific objective within the specified area(s). To achieve that specific objective, MRDI needs to implement certain activities. These activities also require a close supervision and continuous monitoring so that agreed objective is achieved efficiently. In view of close supervision and continuous monitoring, MRDI has to select Partner Organization(s) or Associate(s). This policy will help in selecting the Partner or Associate in a transparent way and ensure proper utilization of the funds.

19.2. Assessment by MRDI Finance Team:

Since the fund forwarding/sub-granting involves a number of financial rules and regulations, MRDI’s Finance Team will conduct an assessment on the current practice of the proposed Partner(s).

19.3. Legal existence of Partner Organization or Associate:

Partner Organization or Associate shall have legal existence as per law of the land. This means that the Partner Organization or Associate will obtain permission/ registration with the respective Regulator to implement its activities.

19.4. MoU/Contract with the Partner:

After completion of the selection process, an MOU/Contract will be available between MRDI and the Selected Partner.

19.5. Specific Budget for implementation of Activities:

MRDI will prepare a specific budget in terms of activity and finance in association with the Partner Organization or Associate for a certain period of time. This Budget will be agreed upon by both parties (MRDI and Partner Organization or Associate). From the total budget, month-wise, quarter wise allocation will also be prepared based on tentative implementation of the activities. Expenditure will be incurred out of this approved budget. If it is found that certain budget head will not be enough to meet the actual expenditure, in those cases, proper justification for exceeding the budget will be submitted to MRDI and after
written approval by MRDI, 5% over a specific budgeted head may be utilized.

19.6. Financial Management of Partner Organization/ Associate:
Implementing Partner Organization shall have a financial guidelines, policies which need to be reviewed and agreed by MRDI. Partner Organization or Associate will ensure proper recording and utilization of the funds. In absence of financial guideline of the partner, MRDI’s policy will be followed.

If the Partner Organization has capable human resources to maintain proper financial records and financial management capability, Partner Organization or Associate may maintain its books of accounts and records ensuring total financial management in an efficient manner. Alternatively, if it is assessed by MRDI that Partner Organization or Associate is unable to arrange capable human resources, MRDI will undertake the book-keeping & accounting to ensure financial management for its funds in a most transparent manner and proper utilization of the fund.

19.6.1 To ensure a proper fund management, the Partner Organization or Associate will open an interest bearing bank account with a scheduled bank. This bank account will be operated by the Project Management.

19.6.2 MRDI will disburse a sum of amount agreed by MRDI & Partner based on budget in the name of bank account for the purpose of meeting emergency expenses and this amount will be considered as Buffer Fund. Any amount of payment from this buffer fund, the Partner Organization or Associate will submit a statement of expenditure with original bills, vouchers, invoices and any other relevant documents to support the payments to MRDI. MRDI will review and check this expenditure statement and original supporting documents. The entire amount will be reimbursed to the project once the expenditure statement and supporting documents are found correct and reasonable.

19.6.3 In order to maintain transparency and proper utilization of the funds, MRDI may directly disburse the payments, which are approved by the project management and these payments will include but not limited to:

Salary and benefits of the employees worked for the project and approved by the project management, third party payments for procurements and any other payments determined by MRDI.
19.7. Disbursement of funds/ sub-granting:

MRDI will explore the funds and receives the fund from the Donor. On receipt of the funds, MRDI will disburse/sub-granting the funds to the Partner Organization or Associate based on the fund requisition. Partner Organization or Associate will prepare the total fund requisition on the basis of approved budgeted activities. This fund requisition will be reviewed and approved by MRDI. After approval of the fund requisition, it will be disbursed to the Partner Organization or Associate through account payee cheque or bank transfer.

19.8. Maintenance of books of accounts and bills/vouchers:

If it is assessed by MRDI that Partner Organization or Associate is capable of maintaining its bills/vouchers/ invoices and books of accounts, then these documents and books of accounts may be kept at the Project Office. Otherwise, all supporting documents of the payments and necessary books of accounts will be maintained at MRDI Office.

19.9. Orientation by MRDI Finance & Project Team:

An orientation program needs to be arranged by the MRDI Finance & Project Team so that MRDI’s rules and regulations are easily applied to the applicable cases.

19.10. Reporting to MRDI by the Partner Organization/ Associate:

Partner Organization or Associate who are capable, will prepare expenditure report on monthly basis. Apart from the expenditure report, they will submit yearly financial report which will include:

- Receipts and Payments Account  
- Bank Reconciliation Statement
- Income and Expenditure Account  
- Fixed Assets List, if any
- Balance Sheet  
- Office Supplies List, if any
- Budget Variance in terms of activities and finance

At the end of the year, Project Office will prepare an Annual Report and it has to be sent to MRDI for approval.
Chapter - XX

Policy & definition of related party engagement:

20.1. Introduction:

MRDI has to engage in many assignments for maintaining its day-to-day transactions. It involves mainly third parties transactions to procure materials, supplies and services. Procurement is managed by its approved procurement policy. Sometimes, third parties may include the related party transactions and this policy will help the management to identify the related party and how the related party transactions will be made observing a fully transparent and accountable way.

20.2. Definition of related party:

This subject-related party is well discussed in the International Accounting Standard (IAS)-24, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS)-24: Related Party Disclosure.

As per definition, a party is related to an entity if:

a. Directly, or indirectly through on or more intermediaries, the party:

   i. Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
   
   ii. has an interest in the entity that gives it significant influence over the entity; or
   
   iii. has joint control over the entity;

b. the party is an associate of the entity

c. the party is a joint venture in which the entity is a venture;

d. the party is a member of the key management personnel of the entity or its parent;

e. the party is a close member of the family of any individual referred to in (a) or (d);

f. the party is an entity that is controlled, jointly controlled or significantly influenced by, for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
g. the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

20.3. Engagement/Transaction with related party:
A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person’s children and spouse or domestic partner;
(b) children of that person’s spouse or domestic partner; and
(c) dependants of that person or that person’s spouse or domestic partner.

The main concern of related party transaction is that whether the transactions have been made on arm’s length basis. Because, the organizations frequently carry on its activities through the suppliers and these suppliers may include related party. Before engaging related party transaction, the following steps should be considered so that it proves arm’s length pricing has been followed:

1. Procurement process has to be followed in all cases
2. Procurement process includes to select a competitive price for the best quality
3. There should be a declaration system of the procurement committee members if relationship exists with the suppliers
4. Upon declaration of relationship, that particular committee member shall not be present in the procurement committee meeting where decision for selection of suppliers is made.
5. In the committee meeting minutes, it is to be recorded that since committee member has relationship with the so and so suppliers, he has declared his relationship and while selecting the supplier, he was not present for that particular agenda.

20.4. Register for recording related party transactions:
Once the related party transactions took place, it should be recorded in the related party register and this recording will help while the related party transactions are disclosed in the financial statements.
20.5. Disclosure in the financial statements:

Related party transactions need to be disclosed in the financial statements. As per the requirement of International Accounting Standard-24, certain information/data need to be disclosed. These are mostly:

- Relationships between parents and subsidiaries shall be disclosed
- Appropriate to disclose the related party relationship when control exists irrespective of whether there have been transactions between the related parties.
- Key management personnel compensation in total and for each of the following categories:
  a) short term employee benefits
  b) post-employment benefits
  c) other long-term benefits
  d) termination benefits
  e) share-based payment
- Nature of related party relationship, information about the transactions and outstanding balances need to be disclosed. At a minimum, disclosures include:
  a) the amount of the transactions
  b) the amount of outstanding balances
  c) provisions for doubtful debts related to outstanding balances
  d) the expenses recognized during the period
- Items of a similar nature may be disclosed in aggregate for understanding the effects of related party transactions.

The following are the examples of transactions that are disclosed if they are with a related party:

a. purchases or sales of goods (finished or unfinished)
b. purchases or sales of property and other assets
c. rendering or receiving of services
d. leases
e. transfers or research and development
f. transfers under license agreements
g. transfer under finance arrangements (including loans and equity contributions in cash or in kind)
h. provision of guarantees or collateral
i. settlement of liabilities on behalf of the entity or by the entity on behalf of another party
Chapter - XXI

Policy for organizational support to project:

21.1 Introduction:

MRDI implements a number of projects and its normal activities are also being continued. These projects are activity based and it has specific budget for implementing the activities. Sometimes, certain activities become necessary to implement but sufficient budget is not available. In this situation, MRDI supports the projects by providing human resources as well as funding arrangement. This policy will help to decide the management under what circumstances MRDI will provide its cash and non-cash supports and the extent of the support to the projects.

21.2 Analysis of the requirements:

An analysis of the necessity for cash and non-cash supports will be prepared by the project in charge when support from MRDI becomes necessary to implement the project activities. In the analysis the following areas will be highlighted:

- Why cash or non-cash supports are necessary
- How much funding is necessary and when it would be required (month wise breakup)
- What will be nature of funding - is it donation or loan without interest
- What will be the impact if the proposed activity is not implemented
- If it is non-funding, what type of expertise is required

21.3 Review of the analysis:

On receipt of the analysis from the Project, MRDI’s programme head will review the analysis and ascertain its actual necessity. Once review satisfies for cash/funding support, then it will be forwarded to Finance & Accounts Department. Finance & Accounts Department will check if fund is available or how it may be financed. After checking, they will recommend how much fund can be supported and they will also prepare a utilization plan month wise. Once the review of programme side and finance & accounts side come in positive, only then it will be forwarded to the Executive Director for approval.

For non-cash support, once review satisfies, then his/her recommendation will be forwarded to the relevant department. Relevant department will review and search how and when the resources will be available. Once it is in positive, then with their recommendation it would be forwarded to the ED for approval.
21.4 Approval by the Executive Director:

If the proposed funding arrangement is within the financial limit of the Executive Director, then the Executive Director will approve it. If it is beyond the ED’s financial limit, then the ED will take the decision whether it will be placed before the MRDI Board for approval. Once it is approved, then the concerned departments will be informed to take necessary action for implementation.

Once ED is satisfied for non-cash support, then it would be approved and informed to the concerned departments for taking necessary action.

21.5 Accounting records:

If it is a donation, then the entire amount will be charged in the MRDI’s accounts. If it is loan, then it would be recorded as loan to specific project and its recovery will be recorded against the loan to project account.

21.6 Follow up and close monitoring:

MRDI’s concerned departments will take close monitoring and follow up on the resources and time to time, it would be informed to the senior management team.
Chapter - XXII

VAT & Taxation policy, definition of salary, Software accounting policy

VAT & Taxation policy

22.1. Introduction:

The Organization has to obtain VAT registration certificate if it has vatable service. Since MRDI has no vatable services, it has no requirement to obtain VAT registration from VAT Authority.

As per Income Tax Ordinance 1984, MRDI has to submit its annual Income Tax Return and get the assessment done by the tax authority.

22.2. Compliances on deduction at sources and its deposits:

As per VAT Act 1991 and Income Tax Ordinance 1984, certain areas are mentioned which are applicable to deduct VAT and income tax respectively. This deducted VAT needs to be deposited through Govt. Treasury Challan within 15 working days from the date of deduction and for deducted income tax, it is also required to deposit through Govt Treasury Challan as per the following time schedule:

<table>
<thead>
<tr>
<th>Time of deduction or collection</th>
<th>Date of payment to the credit of the Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>In case of deduction or collection made in any month from July to May of a financial year</td>
<td>Within two weeks from the end of the month in which the deduction or collection was made.</td>
</tr>
<tr>
<td>In case of deduction or collection made in any day from the first to twentieth day of June of a year</td>
<td>Within seven days from the date in which the deduction or collection was made.</td>
</tr>
<tr>
<td>In case of deduction or collection made in any other dates of the month of June of a year</td>
<td>The next following day in which the deduction or collection was made.</td>
</tr>
</tbody>
</table>

Provided that where the deduction or collection was made in the last two working days of the month of June of a year, the payment shall be made to the credit of the Government on the same day on which the deduction or collection was made.

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22.3. Submission of statement/return:

Since MRDI has no vatable services at present and income or revenue on those services, there is no requirement to submit any VAT Return to the VAT Authority. MRDI will submit a statement of collection with support by deposit challans.

As per existing requirement of VAT Act, the Organizations which are dealing with vatable services need to be submitted Monthly VAT Return by 15th of the following month with all supporting documents and the copies of Challans.

For the income tax purpose, MRDI needs to submit the following statements/returns:

<table>
<thead>
<tr>
<th>Requirement as per Section</th>
<th>Particulars</th>
<th>Frequent of the Statement/Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>75(A)</td>
<td>Return of Withholding Tax</td>
<td>Semi-annually</td>
</tr>
<tr>
<td>108</td>
<td>Information regarding payment of salary</td>
<td>Before 1st Day of September each year</td>
</tr>
<tr>
<td>75</td>
<td>Income Tax Return</td>
<td>Annually</td>
</tr>
</tbody>
</table>

22.4. Register for recording tax deducted at source:

A register needs to be maintained for recording date & party wise deducted tax and its deposits to the Government Exchequer through Treasury Challans. This register should be maintained as per financial year starting from 01 July to 30 June. Once the party-wise register is maintained, it would help to know the accumulated balance of a particular party. As per existing tax law, tax rate is varied on the basis of total payment. Since the register will serve to know the accumulated balance of a party, it will help to apply an applicable tax rate to deduct tax at source properly.
Chapter - XXIII

Intangible Assets-Software accounting guideline

23.1. Introduction:

MRDI has certain investment in purchasing accounting software. This cost is capitalized when it is expected to provide future enduring economic benefits. These capitalization costs include-license fees, cost of implementation/system integration services, etc. Now-a-days, the importance of software is increasing because of its wide utilization. At present, MRDI’s finance and accounts department has been using accounting software.

23.2. Recognition criteria:

There are three critical attributes of an intangible asset and these are:

- Identifiable- This is separable or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations
- Control and ownership (Power to obtain benefits from the asset) and
- Future economic benefits could be derived at least for 3 years

MRDI will recognize an intangible asset, whether purchased or self-created, if and only if the above criteria have been met and the cost of the asset can be measured reliably.

Subsequent expenditure on maintenance of the software should always be recognized as expenses and it will be charged to income statement.

23.3. Accounting record:

Since this is an investment and it is used for certain years, hence it is recorded like as asset of the Organization. Usually it is recorded as an Intangible Asset of the Organization.

23.4. Amortization:

Like other fixed assets, MRDI will amortize its software using straight-line method with an expected useful life of five years.

23.5. Utilization & control policy:

For the purposes of access to the software, a table of user names, purpose of sanctioning access to the system and supervisor of this access needs to be prepared and maintained.

If a staff member leaves the organization, his/her access to the system also needs to be rectified immediately.

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Chapter - XXIV

MRDI Anti-Money Laundering Policy

Background of this policy:

Money laundering has potentially devastating economic, security, and social consequences. The social and political costs of laundered money are also serious as laundered money may be used to corrupt national institutions. When money laundering goes unchecked, it encourages the underlying criminal activity from which such money is generated.

In response to the growing concern about money laundering, Bangladesh Government has been acting on many fronts. MRDI is also strict enough to avoid supporting of illegal activities through raising and moving funds, providing logistic supports or otherwise. As a development partner of Government, MRDI fully supports Government’s collective efforts for prevention of money laundering and has developed effective internal controls and practices that lessen the risk of money laundering. MRDI adopts policy to prevent money laundering.

Aim of this Policy:

The aim of this anti-money laundering policy is to clear that MRDI holds the underlying principles of money laundering legislations. Through this policy MRDI takes reasonable steps to minimize the probability of occurring money laundering.

Scope of this policy:

This policy is applicable for MRDI as well as all employees & Board Members of MRDI to prevent criminal activity of money laundering. It is extremely important that all employees & Board Members of MRDI are familiar with their legal responsibilities. All employees will promptly report any suspicious transaction and activity to the MRDI Management.

Failure by any employee to comply with the procedures set out in this policy may lead to disciplinary action being taken against him/her. Any disciplinary action will be dealt with in accordance with MRDI disciplinary policy and procedure. This policy is aligned with Anti Money Laundering Prevention Act, 2012 enacted by Government of Bangladesh and Bangladesh Financial Intelligence Unit (BFIU) Circular no 14, dated on 02 September, 2015.

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**Definition of money laundering:**

Fundamental concept of money laundering is the process by which proceeds from a criminal activity are disguised to conceal their illicit origins. It is the process of channeling ‘bad’ money into ‘good’ money in order to hide the source of money originated from.

**Money Laundering defined in the Anti-Money Laundering Prevention Act, 2012 enacted by Government of Bangladesh as follows:**

Money laundering means:

1) Knowingly moving, converting, or transferring proceeds of crime or property involved in an offence for the following purposes:-
   I. Concealing or disguising the illicit nature, source, location, ownership or control of the proceeds of crime; or
   II. Assisting any person involved in the commission of the predicate offence to evade the legal consequences of such offence;
2) Smuggling money or property earned through legal or illegal means to a foreign country;
3) Knowingly transferring or remitting the proceeds of crime to a foreign country or remitting or bringing them into Bangladesh from a foreign country with the intention of hiding or disguising its illegal source; or
4) Concluding or attempting to conclude financial transactions in such a manner so as to reporting requirement under this act may be avoided;
5) Converting or moving or transferring property with the intention to instigate or assist for committing a predicate offence;
6) Acquiring, possessing or using any property, knowing that such property is the proceeds of a predicate offence;
7) Performing such activities so as to the illegal source of the proceeds of crime may be concealed or disguised;
8) Participating in, associating with, conspiring, attempting, abetting, instigate or counsel to commit any offences mentioned above.

**Prohibition for Engaging in Certain Acts:**

The most important element of a successful anti-money laundering program is the commitment of the senior management including the Executive Director and the Board of Directors of MRDI.

MRDI, its employees, the Executive Director and members of Board of Directors will refrain from the following activities that are considered act of money laundering under the Money Laundering Prevention Act, 2012 -

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- Knowingly move, convert or transfer proceeds of crime or property involved in an offence for the following purposes -
  - Concealing or disguising the illicit nature, source, location, ownership or control of the proceeds of crime
  - Assisting any person involved in the commission of the predicate offence to evade the legal consequences of such offence
- Smuggling money or property earned through legal or illegal means to a foreign country
- Knowingly transferring or remitting the proceeds of crime to a foreign country or remitting or bringing them into Bangladesh from a foreign country with the intention of hiding or disguising its illegal source; or
- Concluding or attempting to conclude financial transactions in such a manner so as to reporting requirements under the Money Laundering Prevention Act, 2012 may be avoided
- Converting or moving or transferring property with the intention to instigate or assist for committing a predicate offence
- Acquiring, possessing or using any property, knowing that such property is the proceeds of a predicate offence
- Performing such activities so as to the illegal source of the proceeds of crime may be concealed or disguised
- Participating in, associating with, conspiring, attempting, abetting, instigate or counsel to commit any offences mentioned above

Predicate offence for the purpose of this section refers to the offences specified in the Money Laundering Prevention Act, 2012 from time to time

MDRI, its employees, the Executive Director and members of Board of Directors will also refrain from the following activities that are considered suspicious transactions -
- Transactions that deviate from usual transactions
- Transactions providing ground to suspect that
  - Any property is the proceeds of an offence
  - It is financing to any terrorist activity, a terrorist group or an individual terrorist
- Transactions identified by Bangladesh Bank as suspicious transactions from time to time

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Steps for prevention of Money Laundering:

The Board of Directors will undertake the following activities to prevent money laundering activities as far as possible:

- Establish clear lines of internal accountability, responsibility and reporting
- Ensure proper governance and oversight by the Board of Directors (BOD)
- MRDI will maintain bank account in the name of the ‘organization’ and ‘organization & project’ with nearby scheduled bank branch. All customers’ transactions of MRDI involving Tk.10,000/ (Ten thousand) and above shall be routed through banking channel.
- MRDI will maintain only one bank account for receiving foreign donations/grants/Income. Separate bank accounts for separate projects may be maintained after the donations have been received through the only bank account opened for receiving funds.
- MRDI will operate bank accounts with joint signatories appointed by the MRDI Board.
- When cheques have been issued for deposits or withdrawals to and from the accounts, MRDI must ascertain the identity of depositors/withdrawers for future reference.
- MRDI Board and senior management has to ensure that all funds are utilized in a manner that is consistent with the stated goals, objectives and activities of MRDI which have been approved by the regulatory authority. Independent Audit has to be conducted annually. Yearly external audit has to be conducted for all projects to comply NGOAB requirements.
- Document, implement and maintain policies, procedures and controls regarding financial and administrative practices of MRDI ensuring compliance with applicable laws and regulations of the country
- Regularly monitor compliance with the policies, procedures and controls of MRDI
- Co-operate with any lawful request for information made by government agencies during their investigations into money laundering

Actions to be taken Regarding Suspicious Activities:

- All employees should report all suspicious activities of money laundering to the Board of Directors. Any such report will be considered in light of all other relevant information by the BOD for the purpose of determining whether or not the information or other matter contained in the report does give rise to a knowledge or suspicion of money laundering.
- The BOD must take steps to validate the suspicion in order to judge whether or not a report should be submitted to Bangladesh Bank. The BOD will be
expected to act honestly and reasonably and to make these determinations in good faith. The BOD has a significant degree of responsibility and should be familiar with all aspects of the legislation.

- If the BOD finds valid grounds for the reported suspicions, it should report such suspicions of money laundering activity to Anti-Money Laundering Department of Bangladesh Bank.
- If any allegation of money laundering or terrorist financing is proved against any person related to MRDI, such person will be immediately dismissed from his/her official capacity by the organization. MRDI will also cooperate with all kinds of investigations by the authorities against such activities and persons.
Chapter - XXV

BRIBERY, GIFT AND HOSPITALITY POLICY

25.1 Objectives of this policy

MRDI recognizes that it is important for MRDI employees to maintain and build effective networks in order to support the work of MRDI. MRDI is committed to ensure the highest standards of conduct in all that it does. Bribery is termed as corrupt practice which violates the public trust, threatens economic and social development. Gifts and hospitality can put MRDI at risk if it is used to facilitate unethical practice.

However, contact with vendors, suppliers and other stakeholders can raise offers of gifts, hospitality and bribes. MRDI employees when dealing with suppliers, vendors and other stakeholders are expected to conduct themselves with honesty, fairness and high ethical standards.

The objective of this policy is to describe what to do if and when bribery, gifts and hospitality is offered. This policy statement for bribery is clear and understandable and is in alignment with laws. This policy follows international and national best practices and it has been drafted with a clear understanding for preventing corrupt practices.

The entire workforce of MRDI including other act on behalf of MRDI, are required to understand and abide by this policy.

We abide by anti-bribery and gift culture and avoid even the perception of impropriety.

25.1.1 Accepting gifts must be balanced with upholding high standards of priority and guarding against any reasonable suspicion or perceived undue obligation being created.

25.1.2 This perception can and will have an adverse effect on MRDI reputation and the objectives we aim to achieve.

25.2 Ethical Dilemma in Gifts and Hospitality

MRDI recognizes that gifts and entertainment is occasionally used to leverage relationship. Giving gifts is a way to express gratitude and appreciation. In certain circumstances, accepting gifts may further MRDI’s interest.
While gifts are often given as a gesture of courtesy, overly generous gifts where professional obligation exists, tend to put pressure on the recipient to extend more than just courtesy to the giver.

Thus, surprisingly the line between sincere giving and intentional gift is becoming increasingly distorted.

25.2.1 It is unethical and in some cases illegal to accept gifts or taking hospitality where the intent is to get favor.

25.2.2 Gifts even those of nominal value, can create the perception of undue influence.

25.3 Bribery, Gift and Hospitality under this policy:

In our professional work, we will maintain credibility and trust among our colleagues, the others with whom we deal for official purpose, and most importantly-with vendors, suppliers, donors and stakeholders.

MRDI employees must be aware that offer of this kind may place them in a difficult position, because refusal may cause misunderstanding. On the other hand, acceptance could involve liability or give rise to questions of impropriety.

Through this policy, MRDI expresses definition and organizational approaches to address hospitality, gifts and bribery.

25.3.1 Definition of Gift: A gift is something of value given without the expectation of return.

25.3.2 Definition of Bribery: A bribe is the same thing given in the hope of influence or benefit. Bribery seems to be an arena in which our moral views are changing. Bribery is viewed with intolerance throughout MRDI and is a shameful act.

We should not normally accept Gifts and Hospitality but MRDI recognizes that in some cases non acceptance may cause embarrassment to the provider. In some culture, it may be seen as an insult to reject a gift, and refusals may adversely affect work relationship.

MRDI has mentoring program to equip employees at all levels with an inside-out approach which help staff to debate and understand the importance of ethical behavior from organizational perspective.

25.3.3 As per MRDI policy, bribery is strictly prohibited and action will be taken in line with MRDI disciplinary policy.
We do not accept and offer gifts and hospitality if-

25.3.3.1 Accepting a gift or having hospitality undermines our credibility or creates the appearance of impropriety.

25.3.3.2 Gift and hospitality is offered with actual or apparent intent to influence our official decisions.

25.3.3.3 Gifts and hospitality is offered which is reasonably be seen improperly to influence our official decisions.

25.3.3.4 Acceptance of Gift and hospitality might be perceived to compromise our personal judgment or integrity.

25.3.4 Individual employee will apply their personal judgment to identify any kind of acceptance of gift and hospitality, whether it is simply a gift or has improper influence.

25.3.5 Unsolicited gifts may be shared with line management which may lessen the perception that the gift was intended to influence the action of a single employee.

25.3.6 Where professional and authoritative relationship exists, gifts and hospitality can occasionally be offered to celebrate special occasions (such as religious holidays or festivals or birth of a child) provided such gifts do not affect adversely our decision making and do not exceed BDT 5,000 in values.

25.3.7 Within our official capacity, all staff must declare and record all gifts and hospitality whether accepted or declined that is value of BDT 2,000 and more.

25.3.8 If the maximum Limit exceeds, then this can be materialised with prior approval of the MRDI board.

25.4 Registering Bribery, Gift and Hospitality.

To alleviate risk, Registering enables staff to record bribery, gift and hospitality offered whether it is accepted or declined. To maintain public confidence and protect the integrity of both MRDI and its staff, it is important for us register bribery, gift and hospitality. MRDI develop procedures for accepting and offering gifts and hospitality which will seek to ensure that employees act ethically. Bribery, Gift & Hospitality Register (BGHR) provides a centralized repository of all declarations across MRDI.
25.4 If there is any incidence of bribery and intentional gifts and hospitality, we must declare it promptly in the Register.

25.5 All staff members are required to complete a declaration in the Register at least every year to ensure compliance with this policy.

25.6 Even if we have no declaration to make, we are still required to fill up the Register as Nil Return.

As soon as a declaration has been made, line management must:

25.7 Ensure that they review all declarations within five working days.

25.8 We will meet with our supervisor to discuss the matter.

25.9 Supervisor will take and implement mitigating action.

25.10 The implementing action will be documented in the Register.

25.11 Monitor the frequency of declaration made by staff who has accepted gifts.

Through discussion with our supervisor we may agree:

25.12 No improper influence is associated with accepted or given gifts.

25.13 To continue with the accepted gift of which has perceived impropriety but line management implement action to mitigate any risk. This include closure monitoring, revision to plans, exclusion from decision making activities and disclosure of all relevant information to others involved in the process and may be excluded from the activity.

25.14 If we cannot agree what action should be taken with our supervisor we should escalate this via the appropriate management chain.

25.15 Registration will remove any question of improper conduct and drive transparency within the organization.

25.16 Under no circumstances, should we avoid updating the Register.

25.17 Individual staff is responsible for ensuring that their declaration is kept up to date at all times.

25.18 If there is any doubt on whether or not hospitality or gift should be accepted, we should seek advice and guidance from our line management or head of department.

25.5 Responsibility associated with this policy:

25.5.1 Responsibilities of MRDI employees: Employees must ensure that they have read and understand this policy and, comply with the terms and conditions of this policy.
25.5.2 Responsibilities of management:

25.5.2.1 The MRDI Management has overall responsibility for ensuring this policy compliance with our legal and ethical obligations, and all those under control of MRDI comply with it.

25.5.2.2 The MRDI management has primary day-to-day responsibility for implementing this policy.

25.5.2.3 MRDI management holds the responsibility to bring time to time revision of this policy considering the potential risk factors.

25.5.2.4 Line Manager: Management at all levels are responsible for ensuring that those reporting to them are aware of and understand this policy and, if necessary and appropriate, are given training on it.

25.6 Data Protection

25.6.1 All declarations held on Gift & Hospitality Register will be handled in accordance with the following eight principles. To enable confidential reporting, access to the system will be restricted to line manager and their line management chain.

- Fairly and lawfully processed.
- Processed for limited purposes.
- Adequately relevant and not excessive.
- Accurate and up to date.
- Not kept for longer than is necessary.
- Processed by line management respecting human rights.
- Held security and
- Not transferred to other one without adequate protection.

25.7 Failure to make a declaration.

25.7.1 If anyone fail to declare a conflict of interest (actual, potential or perceived) through the offer of a Gift or Hospitality (accepted or declined), appropriate action will be taken in line with MRDI disciplinary policy.

25.8 What to do if you are victim of bribery:

We must comply with this policy and declare this in the Register if:

25.8.1 We are offered bribery by a third party.
25.8.2 We are asked to make a bribe.
25.8.3 We suspect that we may be asked to commit such a violation.
25.8.4 We are blamed by someone as the recipient though it is not fact based.
25.8.5 We believe that we or anyone else is a victim of any form of unlawful activity.

25.9 Permissible and impermissible Gifts and Hospitality:
This section contains a list of possible incidence that may arise and carry risk during the course of official dealings. The list is not intended to be exhaustive and is for illustrative purpose only. MRDI draws line between permissible and impermissible gifts and hospitality.

Permissible Gifts and Hospitality:
25.9.1 Light snacks: Light snacks and tea may be allowed if it is necessary to maintain normal work relationship, improve image of MRDI, good manner and courtesy.
25.9.2 Bona fide to work relationship: Hospitality and gift is accepted if it is reasonable, appropriate, modest, and that is bona fide to work relationship.
25.9.3 Joint field visit expenses: Joint field visit is conducted together with any vendor/stakeholder and charge the expense to their organizational respective fund.
25.9.4 Gifts to MRDI: If gift is offered to MRDI through any employee should not be accepted as personal gift. Such gift must be kept within MRDI and displayed in the general area.
25.9.5 Personal relationship is not a concern: MRDI recognizes that employees will develop relationships, friendships and contacts in their personal and working lives. The minority of these relationships will not give rise to any concern and can be regarded as a private matter.
25.9.6 Isolated small gift: Gifts considered as isolated trivial gifts may be accepted and offered e.g. low value items that can be used or displayed in the workplace such as office stationery or inexpensive seasonal gifts such as dairies and calendars.

Impermissible Gifts and Hospitality
25.9.7 Demand cash: Demand any payment of cash or equivalent from the vendors, suppliers and other stakeholders is strictly prohibited.
25.9.8 Accept payment: Accept payment from any vendor, supplier.

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25.9.9 Food with the expense of partners: We do not take lunch; dinner or breakfast with the expense of implementing partners during project visit. We do not take lunch, dinner or breakfast with the expense of implementing partners during assessment and appraisal.

25.9.10 Shopping expenses: No costs relating to shopping at the time of project field visit is allowed with the expense of implementing Partners.

25.9.11 Travel expenses: We do not allow travel expenses for project field visit or travel expenses of individuals with the expense of implementing partners at the time of project field visit.

25.9.12 Accept an invitation: An invitation to employee family to join with a tour, or the extension of a tour including holidays at the implementing partner NGO’s or vendor’s expense.

25.9.13 Personal payment does not cure: Employee may never pay from or receive on their personal account for gifts or hospitality in order to avoid this policy.

25.9.14 Gifts having negative view: We do not accept gift and hospitality at an event be viewed unfavorably by our colleagues, vendors and stakeholders and partners.

25.9.15 Over-generous hospitality: Hospitality should not be over-frequent or over-generous.

25.9.16 Illegal Gift: Gift that is illegal and unethical is prohibited.

25.9.17 Frequent hospitality: Accepting hospitality from the same organization could lead to a perception that the work of MRDI is being influenced by the objectives of the organization.

25.9.18 Lavish hospitality: Any hospitality accepted should not seem lavish or disproportionate to the nature of the relationship we have with the provider.

25.10 Bribery, Gift and Hospitality Register:

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Gift Record Date</th>
<th>Host</th>
<th>Description of Gift/Hospitality</th>
<th>Given By</th>
<th>Accepted</th>
<th>Declined</th>
<th>Line Management Action</th>
</tr>
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Chairman
Management and Resources
Development Initiative (MRDI)
Chapter - XXVI

ANTI-TERRORISM POLICY

26.1 INTRODUCTION

Management and Resources Development Initiative (MRDI) is committed to promote human rights and good governance in Bangladesh through partnership with different International and national donors & NGOs.

To consider the present context and address ongoing practical situation, MRDI management feel necessity to develop an anti-terrorism policy which will help MRDI to avoid the stain of terrorism in future project implementation.

Management and Resources Development Initiative (MRDI) renounces all forms of terrorism and will never knowingly support, tolerate or encourage terrorism or the activities of those who embrace terrorism and will make every effort to ensure that its resources are not used to facilitate terrorist activities.

26.2 OBJECTIVES OF THIS POLICY:

This policy is a supporting tool which will help MRDI to watch whether any concerned staff, department, project, partner, stakeholder, suppliers are getting involved knowingly or unknowingly with terrorism activities.

This policy is also sets out MRDI’s response to the risk of dealing with individuals and organizations associated with terrorism and Bangladesh Government legislation associated with this.

Relevant legislation in Bangladesh can be found in:

- The Anti-Terrorism Act, 2009 which came into force on 11 June, 2008. (Amended in 2013) failure to comply with Government requirements could have significant impact on the reputation of MRDI as well as expose the organization to potential penalties. Therefore, First MRDI will follow the related Acts, Laws, and rules of Bangladesh Government, Secondly donors rules and regulations.

MRDI does not remit funds overseas; the risk of dealing with terrorist organizations is diminished. Nevertheless it is important that the requirements of this policy be observed whenever funds are to be remitted overseas.
26.3 PROCEDURES

26.3.1 MRDI acknowledges that Bangladesh Government legislation prohibits dealing with listed terrorist organizations and/or proscribed persons or entities. MRDI will at all times adopt measures intended to facilitate compliance with this legislation.

26.3.2 MRDI will confirm the identity, credentials and good standing of the people or organizations it supports.
MRDI will seek to ensure that none of the funds or assets provided under this Arrangement are made available or used to provide support to individuals, groups or entities associated with terrorism including those named on the following lists as updated from time to time:

- HM Treasury’s Office of Financial Sanctions Implementation - [Financial sanctions: consolidated list of targets](#)
- UK Home Office - [Proscribed terrorist groups or organizations](#)
- European Union - [Consolidated list of sanctions](#)
- World Bank - [World Bank Listing of Ineligible Firms & Individuals](#)

26.3.3 MRDI will not knowingly provide any funds or issue any work order or assignment to known or suspected terrorist organizations or individuals.

26.3.4 MRDI will report any known or suspected terrorist links to the relevant counter terrorism national authority of Bangladesh Government.

26.4 Responsibilities

26.4.1 The MRDI Board is committed to compliance with Bangladesh anti-terrorism legislation to avoid dealing with individuals and organizations associated with terrorism.

26.4.2 Executive Director will be responsible for ensuring that employees of MRDI carry out the following procedures at least annually to minimize the risk of dealing with terrorist organizations or individuals.

26.5 Processes

26.5.1 MRDI staff members must know the identity, credentials and good standing of their partners and recipient organizations (i.e. what they do, where they operate, who are their key decision makers and staff).

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26.5.2 A checklist to be filled up by the assessment team as a part of due diligence check before transferring the fund to the selected Organization.

26.5.3 Care will be taken to only transmit funds from MRDI using reputable and Govt. recognized banks for this purpose.

26.5.4 Prior to funding any organization, details of funded entities and their office bearers will be compared to the above mentioned lists of terrorist and proscribed organizations. Where recipient organizations or individuals are found to be on either list, forwarding funds will cease and the national security/counter terrorism unit will be informed immediately.

26.6 Related Documents

26.6.1 UK Government - Compliance Toolkit: Protecting Charities from Harm, found at:

26.6.2 Anti-terrorism Act 2009 Bangladesh:
### Anti-Terrorism Checklist

**Name:**

**Period Covered: From**  
**To**

<table>
<thead>
<tr>
<th>Sl.</th>
<th>Areas Covered</th>
<th>Comments/Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Is there any instance of being arrested any of the staff, Board members in charge of terrorist activities. What was the Consequences?</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Was there any news on the organization or any individual, or activities of the organization relating to any kind of terrorism?</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Was there any meeting or communication with the terrorist group from the organization or the concerned individual?</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Were there any issues raised against the organization in the mass people/Govt. or in media regarding financing to any terrorist group/individual or entity?</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Whether any record found in the System Award Management (SAM) checking</td>
<td></td>
</tr>
</tbody>
</table>

**Prepared By:**

Name:  
Position:  
Date:

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Executive Director  
Management and Resources  
Development Initiative (MRDI)

Chairman  
Management and Resources  
Development Initiative (MRDI)
VOLUME-II

HR POLICIES & PROCEDURES MANUAL

Executive Director
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Development Initiative (MRDI)

Chairman
Management and Resources
Development Initiative (MRDI)
1.0 Introduction to the manual

1.0.1 This Manual represents the standard Policies and Procedures regarding the Human Resource Management of Management & Resources Development Initiative (MRDI). This Manual also incorporates rules, regulations and guidelines which are fundamental to the HR policies.

1.0.2 The Manual integrates policies and procedures that apply to all employees of MRDI irrespective of position and category of employment. The Manual intends to serve the best interest of both the employer (MRDI) and its employees.

1.0.3 The HR and Administration Department will own the responsibility for making this Manual available to all the employees for reference purposes and provide all necessary clarification and interpretation, as and when required.

1.0.4 The Manual might not comprehensively address all the possible applications of, or exceptions to, the general policies and procedures described. In cases where a certain issue is not addressed by the manual, the Board of Directors along with the Management will address the issue remaining true to the intent of the welfare of MRDI and its employees.

1.0.5 If any employee has any question concerning eligibility for a particular benefit or the applicability of a policy or procedure, he/she should address the specific questions to the HR and Administration Department.

1.0.6 The policies and procedures described here may be altered, modified or discontinued as well as new policies and procedures may be introduced from time to time as required by the organization. Any such amendment will be communicated to the employees and incorporated in the Manual. Such amendment(s) will be effective from the date of communication to employees.

1.0.7 Where an employee feels that any policy needs to be added, amended or deleted, he/she may submit a request to the HR and Administration Department with proper reference of law and / or
rationale for consideration. The Board of Directors and the Management may consider the appropriateness of the request and will take actions accordingly depending upon the circumstances considering the practical aspects.

1.0.8 When any portion of the Manual is replaced, the old pages will be removed after inserting the reference pages of the new policy or procedure which replaced the previous policy or procedure. The old pages will be filed in chapter / section end for future reference.

2.0 Introduction to the organization

2.1 Legal form
Management and Resources Development Initiative (MRDI) is a multidisciplinary not-for-profit, non-Government organization engaged in a wide spectrum of social development activities and seeking to render services to national and international organizations, both in the public and the private sector. MRDI is registered with the office of the Registrar with the Joint Stock Company & Firm, Government of the People’s Republic of Bangladesh under Section - 28 of the Company Act 1994 as a Company Limited by Guarantee bearing incorporation number C-544 (57) / 2003 dated May 13, 2003. It is registered with the NGO Affairs Bureau bearing registration number 1962 dated September 21, 2004 under the Foreign Donation Regulation Ordinance 1978.

2.2 Objectives of the organization
MRDI aims to enhance the qualitative standards of media: develop capacity and ethical mind-set of the media professionals for unbiased and objective reporting; improve qualitative journalism to facilitate the media for contributing to strengthen democracy and gender equality; aware people including women adolescent, children, minority and other marginalized section of the population on their rights and entitlement including right of access to information and explore opportunities for generating alternative resources for development.

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Chairman
Management and Resources Development Initiative (MRDI)
2.3 Organization principles

i. MRDI maintains a working environment that encourages initiative and drive and promotes enjoyment and satisfaction at work.

ii. MRDI enables its employees to work effectively and successfully for the organization and supports its employees’ development.

iii. In leading by example, each employee contributes to the achievement of common goals and to the fulfilment of the organization’s culture and principles.

3.0 Definitions

The definitions of the different terms used in this Manual are given below-

i. **Organization** refers to Management & Resources Development Initiative (MRDI).

ii. **Basic salary** refers to pays and allowances payable monthly or otherwise but excludes house rent allowance, conveyance allowance, medical allowance, festival allowance, organization’s contribution to provident fund and other allowances, perquisites, annuities and benefits defined and paid by MRDI.

iii. **Branches of MRDI** refers to Divisional Offices, District Branches and Sub-Offices of the organization, including Branches abroad (if any).

iv. **Concerned Employee** refers to an employee to whom the policies and procedures being discussed will apply.

v. **Dismissal** refers to termination of service of an employee by the employer for any misconduct.

vi. **Employee** refers to all staffs employed by MRDI in different capacities and includes all classes of employees (Refer to Section 4.1).

vii. **Department Head** refers to an employee who is responsible to manage and administer all functions of a certain department of the organization.

viii. **Management** comprises of the Executive Director of MRDI,
Department Heads and any other official as may be defined by MRDI.

ix. **Maternity benefit** refers to sum of money payable and leave allowed to a female employee under Section - 9.4 of the manual, on the ground of her being a mother.

x. **Personal File** refers to the separate files maintained for each of the employees by the HR Department in order to preserve all the records regarding such employee.

xi. **Project head** refers to an employee who is responsible to manage administer all functions of a certain project of the organization.

xii. **Reporting Officer** of an employee refers to the immediate superior of such employee who has the authority to supervise and delegate responsibility to the employee and to whom the employee is accountable for performance of such responsibility.

xiii. **Service** refers to the period of duty of an employee with MRDI and includes authorized and approved leaves and holidays but excludes unauthorized or unapproved leaves and absences.

xiv. **Subsistence allowance** refers to allowance paid to an employee during the period of his/her suspension.

xv. **Suspension** refers to temporary cessation of duties of an employee as ordered by the Management or Board of Director or any authorized Committee on grounds allowed under this manual.

xvi. **Year** refers to the financial year of the company and covers a period of 12 months. The months constituting financial year for different purposes will be determined by the HR and Administration Department.

xvii. **Per diem/Daily Allowance** means the allowance entitled for the outstation visit by an employee/the persons involved in the program/activities.

xviii. **Accommodation/Lodging** means the amount entitled for the outstation visit by an employee/persons involved in the program/activities. Employees are paid on submission of actual bill/invoice whereas, lump sum allowance is paid to the participants in the program/activities.
4.0 Types and categories of employees

4.1 Classification of employment

The employees of MRDI are classified into the following classes based on the nature and condition of work.

4.1.1 **REGULAR / PERMANENT EMPLOYEES**

A permanent employee is one who is employed in MRDI on permanent basis in a regular position of the organization, after satisfactory completion of probation period.

4.1.2 **TEMPORARY EMPLOYEES / CONTRACT STAFFS**

A temporary employee or a contract staff is one who is employed in MRDI

- Either for a specific task of a temporary nature to be completed in a specific period
- Or on contract for a specific job to be completed within a specified time limit.

The employment of a temporary employee / contract staff will be terminated as soon as specific job is over. Such employees / staffs will not be eligible for benefits and allowances applicable for regular employees.

4.1.3 **PROBATIONER**

A probationer is an employee who is provisionally employed to fill a permanent vacancy in a post of MRDI and has not completed the period of probation.

4.1.4 **APPRENTICE/INTERNS**

An apprentice/interns is an employee who is employed in MRDI as a learner and is paid an allowance during the period of training.

4.1.5 **CASUAL EMPLOYEE**

A casual employee is one who is employed in MRDI for a service of casual nature.

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4.2 Categories of employment

Employees of MRDI have been divided into the following categories based on the level, job responsibility and authority of the work. MRDI will specifically mention the category under which any new employee is hired in his/her respective appointment letter.

4.2.1 EXECUTIVE CATEGORY

Employees who are in any managerial, supervisory or administrative capacity or are engaged in management of the affairs of MRDI fall under this category. This category consists of employees of Grade - I to Grade -VII.

4.2.2 SUPPORT STAFF CATEGORY

Employees who are required to perform any skilled, unskilled, manual, technical, or clerical work and are not employed in any managerial, supervisory or administrative capacity or are not engaged in the management of any affairs of MRDI fall under this category. Support staff category consists of employees of Grade - VIII.
5.0 Employment policies

MRDI is committed to execute its operation in a way that ensures compliance with legal requirements as well as conformity to ethical and moral values. In order to implement this philosophy into practice, MRDI has adopted the following policies. These policies will be pursued by the organization while recruitment as well as during the employment period of an employee with MRDI.

5.1 Legal compliance

5.1.1 MRDI will comply with all the laws and regulations of the land that applies to it without any exception. It will also comply with all donor rules and regulations that apply to its operation.

5.1.2 The HR and Administration Department of MRDI will always be attentive and up-to-date regarding any new law or regulation or changes in any law or regulation that applies to it. As soon as any such incident occurs, the Board of Directors and the management will take immediate initiative to make necessary changes in its policies and practices and inform all the relevant parties.

5.2 Ethical business practice

5.2.1 In practicing ethical conscience and discipline in its operation, MRDI can go even beyond legal requirements to fulfill its responsibility to all its stakeholders.

5.2.2 To build up a motivated and dependable work force, MRDI pursues to provide additional facilities beyond the minimum requirement of laws that offers a human work condition and environment for its employees.

5.3 Equal employment opportunity

5.3.1 MRDI is committed to provide equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, place of origin, ethnic origin,
ancestry, age, disability, genetic information, marital status and financial ability.

5.3.2 It will ensure equal opportunity to every person except in cases where such characteristics are a bona fide occupational qualification.

5.3.3 Employment equality will be ensured regarding all terms and conditions of employment, including hiring, placement, benefits, facilities, promotion, transfer, leaves, training and separation from employment.

5.4 Prohibition of child and adolescent labor

5.4.1 MRDI will not employ any child or adolescent to work in any occupation under any circumstances. A child in this regard is defined as any person who has not completed the age of 14 years. An adolescent in this regard is defined as any person who has completed the age of 14 years but not completed the age of 18 years.

5.4.2 To implement this policy effectively, MRDI will acquire proof of age of candidates in the manner prescribed below before employing them and preserve a copy of it.

5.4.3 The following documents will be considered as a proof of age while determining the age of a candidate -
- National ID Card
- Birth certificate
- Certificate of any educational examination held by government (PSC, JSC, SSC)

5.4.4 If more than one of such documents are available and if date of births mentioned on such documents contradict, the later of such dates will be considered as date of birth, provided that all of such documents are authentic.

5.4.5 In absence of any such documents, age verification certificate provided by any registered physician will be considered as proof of age.

5.4.6 However, MRDI will give priority to the documents specified above over the age verification certificate issued by any registered physician as a proof of age.
5.5 Prohibition of forced labor

5.5.1 Forced Labor is defined as any work or service which is extracted from any person under the threat of penalty for its non-performance and for which the employee does not offer himself voluntarily. Forced or involuntary labor includes physical coercion, punishment, threats, undue influence, debt bondage etc.

5.5.2 MRDI will not use forced or involuntary labor of any kind. To ensure that this policy is properly implemented, MRDI will conduct the following actions.

5.5.3 It will acquire original copy of necessary documents such as educational and professional certificate, experience certificate, age verification certificate provided by local government, citizenship certificate, work permit, passport etc. for verification purpose only, and under no circumstances will hold it.

5.5.4 It will not force or influence any potential employee to join the company. It will also allow any employee to dissociate himself / herself from employment any time as per own will, according to the prescribed separation policies.

5.5.5 It will acquire prior consent form its employees before utilizing them to work any overtime. If any employee denies working overtime, MRDI will under no circumstances force him/her to do so.

5.6 Prohibition of harassment and abuse

5.6.1 MRDI is committed to fostering a safe, pleasant and supportive work environment where all individuals are treated with respect, professionalism and courtesy. It prohibits any kind of harassment or abuse to any of its employees by any fellow employee or by any policies, rules, procedures or practices of its own.

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5.6.2 MRDI recognizes that sexual or any other harassment or abuse is a serious offence. It ensures that such activities will not be tolerated and appropriate disciplinary actions will be taken against the perpetrator.

5.6.3 Harassment or abuse to any person includes

- Corporal punishment or physical discipline
- Strip search
- Verbal threats
- Withdrawal of basic privileges
- Misbehavior such as yelling or insulting a fellow employee
- Requests of sexual favor in exchange of actual or promised job benefits
- Coerced sexual acts
- Unwelcome sexual advances
- Sexual gestures
- Language considered inappropriate by the person it is aimed at
- Comments on clothing or physical appearance
- Unwelcome leering
- Whistling
- Teasing etc.

5.6.4 If any employee is exposed to any such harassment or abuse he/she has the right to complain to the MRDI authority through the prescribed grievance procedure and seek redress.

5.6.5 If MRDI gets any complaint from any of its employees in this regard, it will conduct a proper investigation. It ensures that all allegations will be considered seriously, investigated objectively and responded appropriately, irrespective of the accused person.

5.6.6 If any accused employee is found to be guilty of such conduct, MRDI will take appropriate disciplinary actions immediately in compliance with law.

[Signatures]
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Development Initiative (MRDI)

Chairman
Management and Resources
Development Initiative (MRDI)
5.7 Prohibition of nepotism

5.7.1 MRDI intends to avoid situations that create conflict of interest or favoritism.

5.7.2 It will not employ anyone in a position where he/she might have a reporting or supervising relationship with an immediate family member, close relative or someone with dating relationship.

5.7.3 Immediate family members and close relatives include husband, wife, domestic partner, father, mother, father-in-law, mother-in-law, grandfather, grandmother, son, son-in-law, daughter, daughter-in-law, uncle, aunt, nephew, niece, brother, sister, brother-in-law, sister-in-law, step relatives, cousins and domestic partner’s relatives.

5.7.4 If employees of MRDI who have reporting or supervising relationship among themselves engage in a dating relationship or become immediate family members or close relatives, such employees are obligated to formally inform the management and HR and Administration Department about the relationship.

5.7.5 MRDI reserves the right to move any employee having familial or dating relationship with any other employee with direct reporting relationship to any suitable position in order to eliminate the conflict of interest.

5.8 Restriction to employ any foreign national

5.8.1 MRDI will not employ any person who is not a citizen of Bangladesh.

5.8.2 Employees will be required to sign a Declaration Form while joining, which requires declaration regarding his/her nationality.

5.8.3 However, the Board of Directors may allow exception to this condition based on job requirement or suitability of a candidate, subject to fulfilling legal requirements of employing a foreign national.
5.9 Prohibition to employ any person charged with conducted felony

5.9.1 MRDI will not employ any person who is or has been charged or convicted for any criminal offence, even if he/she has served the sentence. However this will not apply in case of convictions for minor charges which does not pose a risk towards the organization.

5.9.2 Employees will be required to sign a Declaration Form while joining, which requires declaration regarding whether he/she is or has been charged or convicted for any criminal offence.
6.0 Conditions of employment

6.1 Probation period

6.1.1 An employee joining MRDI will have to serve a probation (probation period may be relaxed) period of 6 months after joining. If such an employee delivers satisfactory performance during probation period, he/she will be made a permanent employee, otherwise will be terminated from the job.

MRDI may waive the Probation period in case of any experienced hire/case.

6.1.2 On successful completion of the probation period, MRDI will confirm the employment within the probation period. In case for any reason the organization fails to take decision about confirmation of the employment of a probationer after the probation period has expired, the employment of the probationer will deem to be confirmed.

6.2 Working hours

6.2.1 The regular office hours for MRDI are 9:00 am to 5:00 pm (with a break of one hour for lunch from 1:00 pm to 2 pm), Sunday through Thursday excluding public holidays. The operational hours for every employee will be eight (8) hours a day and during the operational hours employees are supposed to be available for service unless he/she is assigned outside work for any official purposes. MRDI management may increase weekly working hours for its organizational development / growth and accordingly may reconsider / re-fix the working hour in coordination with the employees, but shall not exceed 48 hours in a week.

6.2.2 However, employees may be expected to work such other hours in excess of the core operational hours outside regular office timing, as may be requested or required by respective supervisors from time to time for official requirements.
6.2.3 The employees will be given an interval of an hour within the work hour for the purpose of meal and such period will not be included in the calculation of working hours.

6.2.4 Any female employee will not be required to work between the hours of 10:00 pm to 6:00 am without her consent.

6.3 Employee ID cards

6.3.1 MRDI will provide each of its employees with electronic ID cards embedded with unique employee ID number, at its own cost at the time of their employment. The responsibility of issuing ID Cards lies on the MRDI authority.

6.3.2 MRDI would provide an employee the permanent ID card within 15 working days of joining. A newly employed employee will sign the attendance register at the reception to manually keep attendance record till he/she is provided with the permanent ID card.

6.3.3 Every employee must wear the ID card during his/her stay in the premise.

6.3.4 If an employee loses his/her ID card, he/she must immediately inform the MRDI authority. He/she will also have to report the incident to the local police station, collect the General Diary (GD) copy and submit it to the authority along with an application for a new ID card. The authority will immediately lock such ID card in the system and issue a temporary ID card to the concerned employee. If the authority does not provide a temporary ID card to the concerned employee. If the authority does not provide a temporary ID card to the concerned employee, the concerned employee will sign the attendance register at the reception to manually keep attendance record till he/she is provided with the new permanent ID card. The authority will arrange for a new permanent ID card within 15 working days of such application. The concerned employee will have to reimburse the company with the actual cost of issuing a new card.

6.3.5 If an employee damages his/her ID card, he/she must immediately inform the authority and apply for a new ID card via e-mail. He/she will also have to submit the damaged card to the HR Department. The authority will immediately lock such ID card in the system and issue a
temporary ID card to the concerned employee. If the authority does not provide a temporary ID card, the concerned employee will sign the attendance Register at the reception to manually keep attendance record till he/she is provided with the new permanent ID card. The authority will arrange for a new permanent ID card within 15 working days of such application.

6.3.6 If an employee leaves or remains absent for a long period (10 days or above) without informing the authority, his/her ID card will be locked in the system to restrict any unauthorized access.

Until the electronic ID card is implemented, the manual attendance register will be maintained.
7.0 Attendance policy

7.0.1 The electronic ID card (proximity card) provided to employees will be used to record all information regarding attendance which includes arrival time, departure time, short break, early leave, overtime, absence etc. Beside the proximity card MRDI might introduce biometric devices (for example fingerprint scans, iris scans, and voice recognition) for this purpose.

7.0.2 An employee must swipe his/her ID card to the card reader every time he/she enters or exits the premise in order to record the attendance information.

7.0.3 If an employee forgets to bring ID card on any day, he/she will directly contact the Reception Desk and manually record attendance information with the permission of the concerned Department Head. He/she will have to log the information regarding the time he/she enters or exits the premises for that day.

7.0.4 An employee will be considered late for work on a day if he/she fails to reach own workplace and record his attendance within 15 minutes from the start of the regular office time.

7.0.5 If an employee arrives late at work beyond 15 minutes for 3 days in a month, it will be treated as one day’s absence and will be deducted from his/her casual leave.

7.0.6 If an employee comes late at work for more than 3 days in a month, it will be considered as a Level -1 Misconduct under the Disciplinary Code and disciplinary actions will be taken against him/her accordingly. (Reference: 16.1 Level - 1 Misconduct)

7.0.7 If an employee is unable to join his/her duty on any day due to any emergency, he/she will inform the concerned reporting officer within 3 hours from starting of regular office hour. The reporting officer will inform the HR and Administration Department in this regard.

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7.0.8 Such an employee will apply for casual or sick leave as the case may be after returning to work and the absence will be adjusted with such leave upon approval of respective reporting officer.

7.0.9 If an employee remains absent from work on any day and does not inform the concerned reporting officer within the stipulated time, such absence will be considered as unauthorized absence.

7.0.10 Such unauthorized absence will be adjusted against any annual leave.

7.0.11 If an employee absents himself/herself from work without authorization, it will be considered as a Level - 1 Misconduct under Disciplinary Code and actions will be taken against him/her accordingly. (Reference: 16.1 Level - 1 Misconduct)

7.0.12 An employee may leave work before the completion of his/her core operational hour due to any emergency. In case of early leave for any emergency, the reporting officer will have the authority to allow such leave to an employee. The acceptance of the emergency to allow such leave will depend on the severity of such emergency and discretion of the reporting officer.
8.0 Holiday policy

8.1 Weekly holidays
8.1.1 MRDI will observe two days of weekly holiday (Friday and Saturday). However, the management may change the days on which to observe weekly holidays, if it is required for the benefit of the organization.

8.2 Festival holidays
8.2.1 MRDI will follow the Government Holiday Calendar for festival holidays.

8.3 National holidays
MRDI shall observe the national holidays (NOT optional holidays) as declared by the Government.

8.4 Compensatory holidays
8.4.1 If an employee is required to work on any weekly holiday he/she will be provided with a compensatory holiday as soon as the circumstances permit.
8.4.2 If any employee is required to work on any festival holiday, he/she will be entitled to two days of compensatory holidays along with a substitute holiday, with full pay. The concerned employee can avail such compensatory and substitute holiday as per his/her convenience.

8.5 Strikes and other events
8.5.1 In the event of any declared national or local strike, hartal, protest, demonstration etc. the Executive Director will assess the safety and security issues of the employees joining the office and decide whether to keep the office open.
8.5.2 If office is kept closed in such event, such days will not be counted as a leave availed by the employees and their entitled leaves will not be affected.
8.5.3 If office is kept open in such an event all staff are expected to attend. If an employee fails to join office on such days, equivalent number of days will be deducted from the respective employee’s casual leave.
9.0 Leave policy

9.0.1 The employees of MRDI will be entitled to the following leaves -

i. Casual leave
ii. Sick Leave
iii. Annual Leave
iv. Maternity Leave
v. Paternity leave

9.0.2 In addition to these categories of leaves, MRDI may allow at its own discretion the following types of leaves without pay in exceptional cases for the benefit of its employees

i. Extraordinary leave without pay
ii. Study leave without pay

9.0.3 Leave entitlement will be calculated on the basis of Calendar Year.

9.0.4 Leave approval authority: Any leave of an employee will have to be approved by proper authority. The authority to approve leave of any employee lies on the respective Department Heads. The authority to approve leave of Department Heads will lie upon the Executive Director. The authority to approve leave of the Executive Director will lie upon the Chairman. The respective Supervisor will recommend the leave and Executive Director will approve the leave.

9.0.5 An employee who remains absent for any period in excess of the period of leave originally sanctioned or subsequently extended will be liable to disciplinary action unless he/she is able to explain his/her overstay in a satisfactory manner to the authority. Such absence without satisfactory explanation will be considered as a Level - 1 Misconduct under the Disciplinary Code and disciplinary actions will be taken against him/her accordingly. (Reference: 16.1 Level - 1 Misconduct)
9.1 Casual leave

9.1.1 Casual leave refers to leave availed by an employee for a short period due to emergency or urgent private affairs. Such leave can be taken for any pressing personal reasons such as death of a relative, doctor’s appointment for self and relatives who need support, home emergencies etc.

9.1.2 Every employee (except probationer) will be entitled to 12 (twelve) working days of casual leave in a calendar year with full pay.

9.1.3 Probationary employees may be allowed casual leave on a pro rata basis.

9.1.4 Casual leave will not be granted for more than 3 (three) days at a time. In case of any casual leave requirement that continues for more than 3 days, it can be approved at the discretion of the Executive Director in consultation with respective Department Heads.

9.1.5 An employee willing to avail casual leave will have to apply one day prior to the expected date of such leave. However, in case of an emergency, notifying the concerned reporting officer on the date of such leave availed will be allowed.

9.1.6 Unutilized casual leave cannot be carried forward to the succeeding years and accumulated.

9.2 Sick Leave

9.2.1 Every employee (except probationer) will be entitled to sick leave for maximum 14 (fourteen) days in a calendar year with full pay.

9.2.2 Probationary employees will be entitled to sick leave on a pro rata basis.

9.2.3 Unutilized sick leave cannot be carried forward to the succeeding years and accumulated.
9.2.4 If an employee is unable to attend office due to sickness he/she will inform the concerned reporting officer verbally and apply for approval of the leave immediately after rejoining work. A medical certificate of such illness issued by a registered medical practitioner along with the Doctor’s Prescription must be submitted with the leave application for a sick leave of more than 5 days.

9.2.5 If an employee fails to submit such medical certificate along with the Doctor’s Prescription for sick leave availed exceeding 5 days, the days of absence will be deducted from the concerned employee’s annual leave.

9.2.6 Medical certificate should prescribe a probable period during which the employee will be unfit for duty. If the actual absence is longer than the period covered by the medical certificate, his/her salary will be deducted for the period of excess utilization of leave.

9.2.7 However, the excess utilization of leave on medical ground may be charged to his/her annual leave with the approval of the Executive Director.

9.2.8 If an employee requires more than 14 days’ of sick leave to recover and join work, the additional days of leave required by him/her will be deducted from the respective employee’s annual leave (if any left). In the event where sickness continues beyond entitled sick leave and annual leave, the management may allow leave without pay.

9.3 Annual leave

9.3.1 Every employee (except probationer) will be entitled to annual leave according to the following manner, with full pay.

9.3.2 Annual leave entitlement will be calculated at the rate of 1 day for every 18 days work. MRDI employees enjoy 16 days mandatory annual leave in a year in 2 trances (maximum 10 days in one trance). The employees shall make an
annual leave plan at the beginning of the year and submit the same to his/her supervisor.

9.3.3 Calculation of months of completed service will include probation period of an employee. The annual leave on the first year will be calculated on a pro rata basis.

9.3.4 Annual leave will not be granted for more than 10(ten) days at a time, inclusive of weekends and holidays. In case of any annual leave requirement that continues for more than 10 days, it can be approved at the discretion of the Executive Director in consultation with respective Department Heads.

9.3.5 An employee willing to avail annual leave will have to apply one week prior to the expected date of commencement of such leave.

9.3.6 Any other leave (casual leave and sick leave) taken in conjunction with annual leave will be treated as annual leave.

9.3.7 The authority will not refuse any application of annual leave of an employee unless there is a requirement of service. If an application of annual leave is refused by the authority for official requirements, such leave shall be carried forward to his/her credit.

9.3.8 If an employee wishes to extend his/her annual leave while already enjoying an annual leave period, he/she will have to forward an application via email to the concerned Department Head before expiry of the leave previously approved. Such employee can avail an extended leave only after receiving approval from such authority.

9.3.9 Employees are encouraged to take their leave within the period in which it is earned, in so far as is compatible with the requirements of the service.

9.3.10 Un-availed annual leave of an employee will be carried forward to the succeeding years provided that the total accumulation of annual leave cannot exceed 60 days at any point of time.
9.4 Maternity leave and Benefit

9.4.1 MRDI supports the policy of promoting maternal health during pregnancy and after childbirth.

9.4.2 Maternity benefit refers to 6 (six) months of paid maternity leave provided to female employees.

9.4.3 Every female employee who has completed at least twelve months of her employment with MRDI immediately preceding the expected date of her delivery will be entitled to maternity benefit.

9.4.4 However, a female employee will be entitled to 6 (six) months of unpaid maternity leave (entitlement to only 6 (six) months’ leave but no payment for such period) if at the time of her confinement she already has two or more surviving children.

9.4.5 Each employee entitled to maternity leave is given the flexibility by MRDI to select the time frame of 6 (six) months around her delivery time that she wants to avail as maternity leave, as per her convenience. However such an employee has to specify in writing her desired starting date of the leave in the application for leave.

9.4.6 A female employee willing to avail maternity leave will have to apply one month prior to the expected date of commencement of such leave.

9.4.7 An expecting female employee will give notice in writing to the authority stipulating her expected confinement time and request for leave approval. The notice must be accompanied by a certificate signed by a registered medical practitioner stating the expected date of the employee’s confinement. Such employee will be approved a leave for 6 (six) months starting from her desired date as specified in the notice.

9.4.8 While submitting notice for availing maternity leave, an expecting female employee will have to nominate a person

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for the purpose of receiving maternity benefit payment in case of her death.

9.4.9 A female employee will not be subject to termination or any disciplinary action during the period of her maternity leave.

9.4.10 If a female employee is discharged, dismissed, removed or terminated from employment by MRDI within six months before or eight weeks after her delivery without showing sufficient cause in the notice of such separation, she will still be entitled to the monetary maternity benefit (equivalent to the amount payable for 4 months) under usual circumstance.

9.4.11 A female employee will be required to submit proof of delivery to MRDI within 3 months of delivery. The authority will preserve such document of proof in respective personnel file. The following document will be considered as proof in this regard:

- A certified extract from a birth register under Birth and Death Registration Act, 2004
- A certificate signed by a registered medical practitioner
- Such other proof as may be accepted by the authority of MRDI

9.4.12 Payment of maternity benefit

The payment for the maternity leave period will be disbursed to the concerned employee at the end of each month in the usual salary disbursement process.

9.4.13 Payment of maternity benefit in case of death of female employee or the expected child
A. If a female employee entitled to maternity benefit dies at the time of her delivery or during the next 2 (two) months of delivery, the amount of maternity benefit due to her will be paid to -

- The person who undertakes the care of the child, in case the child survives
- The person whom the female employee nominated (in case the child does not survive) or to her legal representative (where she did not nominate anyone and the child does not survive)

B. If an expecting employee dies during the period of her entitled maternity leave but before giving birth to a child, maternity benefit due only up to the date of her death will be paid to the person whom she nominated or to her legal representative where she did not nominate anyone. However, any sum already paid to the employee in excess of such liability will not be recoverable from her legal representative.

C. If the expected child dies during childbirth but the mother survives, the female employee will be entitled to the remaining maternity benefit due to her.

9.5 Paternity leave

9.5.1 A male employee is entitled to 8 (Eight) days of paid paternity leave around the date of his childbirth. Any weekly holiday or public holiday falling between the approved paternity leave will be inclusive in calculating the leave period.

9.5.2 An employee willing to avail paternity leave will have to apply one week prior to the expected date of commencement of such leave.

9.6 Leave without pay

9.6.1 The Executive Director or Board of Directors of MRDI, upon discretion, may approve leave to an employee apart from the leaves stated above, for any reason it deems
appropriate such as an emergency, advanced study or research in the interest of the organization, extended period of illness beyond the period of sick leave or maternity leave, family reasons (such as serious illness of immediate family members) etc.

9.6.2 Such a leave will be approved only if an employee has availed his/her entire annual leave and casual leave entitlement or if the required period of leave exceeds the total entitlement of casual and annual leave.

9.6.3 An employee who has been granted such leave will not be entitled to any salary and benefits for the period of such leave.

9.6.4 For emergencies, a leave without pay for a period extending up to 6 days may be granted to an employee upon discretion of the Executive Director. Such leave can be allowed only for 2 times in a year.

9.6.5 For extended period of illness beyond the period of sick leave or maternity leave, a leave without pay for a period extending up to 6 months may be granted to an employee upon discretion of the Board of Directors.

9.6.6 For advanced study or research in the interest of the organization, a leave without pay may be granted to an employee upon discretion of the Board of Directors.

9.6.7 For any academic, professional or Government recognized examinations, a leave without pay may be granted to an employee for the day(s) of examination(s) upon discretion of the Executive Director.

If such examination is related to a course of study that is considered beneficial for the organization, the Executive Director may allow paid leave for the day(s) of examination(s).
9.7 Procedure for applying for leave

9.7.1 The following procedure will be followed by the employees to avail any entitled leave. This procedure also applies for application for granting of casual and sick leave already availed without prior approval.

i. Step - 1: The concerned employee will submit an application for leave to his/her Supervisor via email or hardcopy with a copy to the HR and Administration Department. The Supervisor shall then forward the leave application to the Executive Director with his/her recommendation.

The concerned employee will also inform the address where he/she will be staying during the leave applied for, for the purpose of emergency contact by the organization.

ii. Step - 2: The HR and Administration Department will inform the concerned leave approval authority regarding the leave status of the applicant via email.

iii. Step - 3: The concerned leave approval authority will decide in consultation with the concerned reporting officer whether to approve / disapprove the applied leave to the concerned employee and inform the concerned employee via email with a copy to HR and Administration Department.

The concerned leave approval authority may disapprove any leave only on the ground of requirement of the service of
the concerned employee on the dates for which leave is applied for.

iv. Step 4: The HR and Administration Department will preserve copies of the emails in the personal file of the concerned employee and update the database of leave status.

9.8 Recall from leave

9.8.1 MRDI reserves the right to call back an employee from any leave availed for any official exigency such as sudden illness of any key employee, national emergency etc.

9.8.2 MRDI will not take undue advantage of this option and will make every possible effort avoid such call back from leave.

9.8.3 In cases where an employee is called back from a leave, he/she will be provided with the remaining days of originally approved leave as soon as the official exigency is resolved.
10.0 Recruitment and selection policy

10.0.1 MRDI adheres to the following recruitment goals -

- Always recruit the most suitable, qualified and experienced candidate for any vacant position to ensure highest possible levels of efficiency, professionalism and achievement for the organization
- Follow fair, transparent and standard recruitment and selection process
- Adhere to the employment policies with special focus on ensuring equal employment opportunity for all and promoting gender equality

10.0.2 The Board of Directors will be responsible for selection and appointment of the Executive Director and such recruitment decision will be recorded in the resolution of the relevant Board of Director's Meeting.

10.0.3 The Executive Director will be responsible for initiating recruitment process for any other position within the organization and a 3 (three) member recruitment committee will be responsible for selection and appointment for such positions. The Department Heads or Project Heads can also place a recruitment request to the Executive Director for any position within his/her respective department or project.

10.0.4 The recruitment matrix of the organization will be as follows

<table>
<thead>
<tr>
<th>Position to be filled</th>
<th>Initiator</th>
<th>Recruitment authority</th>
<th>Composition of recruitment authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>Board of Directors</td>
<td>Board of Directors</td>
<td>Board of Director</td>
</tr>
<tr>
<td>Grade - II to Grade III</td>
<td>Executive Director</td>
<td>3 member Recruitment Committee</td>
<td>Executive Director and 2 representatives, as may be selected by</td>
</tr>
</tbody>
</table>
Position to be filled | Initiator | Recruitment authority | Composition of recruitment authority
--- | --- | --- | ---
Grade - IV to Grade - VIII | Executive Director | 2 member Recruitment Committee | Executive Director and 1 representative from Grade - II / Grade III

10.0.5 The HR and Administration Department will be responsible for organizing the recruitment and selection process. The HR and Administration Department will be responsible for preparing job description based on job specification for every existing and new position within MRDI in consultation with the respective Department Heads / Project Head / Executive Director.

10.0.6 The respective Recruitment Authority will decide the combination of appropriate media such as national and local newspapers, social media, online job portals, head-hunters etc. for the vacancy to be advertised. Moreover, a circular regarding the vacancy will be posted on the MRDI notice board for internal applications or referrals.

10.0.7 The respective Recruitment Authority will decide the combination of selection processes such as interview, written test, leaderless group discussion etc. applicable for filling any specific position.

10.0.8 After selecting a final candidate for a vacancy, the HR and Administration Department would conduct background and reference check of the candidate.

10.0.9 If the results of the background and reference check is satisfactory, the HR and Administration Department will make a formal job offer to the candidate and issue the Employment Contract/letter of appointment. The Employment Contract with job description will be personally handed over to the candidate.

10.0.10 The candidate will have three days to accept or reject the offer. The next three days of handing over the Employment Contract will be considered in this regard.

10.0.11 Upon accepting the Employment Contract, the candidate will have to submit the following documents at the time of joining for
verification:
- Original educational and professional certificates
- Original previous employment certificate / experience certificate
- Clearance letter from previous employer
- Signed copy of employment contract

10.0.12 Upon joining of the candidate and submission of the required documents, the Executive Director will issue the Appointment Letter specifying the new employee’s position, job responsibility and employment category.

10.0.13 As per Section - 45 of The Bangladesh Labor Act, 2006, MRDI will not employ any potential female employee within eight weeks immediately following her date of delivery. Such a practice will not be considered discrimination toward female candidates as it is a requirement of law. In order to ensure compliance with this policy, a newly recruited female employee will have to sign a Declaration Form stating that she has not given delivery to a child within the immediate preceding 8 weeks period.

10.0.14 As it is a policy of MRDI not to employ any person who is or has been charged or convicted for any criminal offence, a newly recruited employee will have to sign a Declaration Form stating whether he/she is or has been charged or convicted for any criminal offence. (Reference: 5.9 Prohibition to employ any person charged with conducted felony)

10.0.15 As it is a policy of MRDI not to employ anyone in a position where he/she might have a reporting or supervising relationship with an immediate family member, close relative or someone with dating relationship, a newly recruited employee will have to sign a Declaration Form stating whether he/she has any familial or dating relationship with any existing employee of MRDI. (Reference: 5.7 Prohibition of nepotism)

10.0.16 After completion of recruitment and selection process for any position, the HR Department will create a personal file for the newly joined employee and preserve the following relevant documents -
- 4 copies of passport size photograph

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• Photocopy of National ID card
• Proof of age (Reference: 5.4 Prohibition of child and adolescent labor)
• Photocopy of educational and professional certificates
• Photocopy of previous employment certificate
• Clearance letter from previous employer
• Application for the position and resume
• Results of selection processes
• Background and reference check report
• Employment contract
• Appointment letter
• Declaration forms
• Job description
• Personal information including names and particulars of parents, spouse and children
• Name of beneficiary on death with ratio as nominated by the employee

10.0.17 As the employment an employee goes on, relevant documents and information will be added and preserved in the respective personal file.

10.0.18 The personal files of employees will be maintained and updated by the HR and Administration Department. Such files are considered confidential and concerned reporting officer, Department Head and Executive Director may only have access to information in personal file of an employee on a need-to-know basis.

10.0.19 The HR and Administration Department will be responsible for maintaining the personal files of the employees with appropriate security system installed to ensure confidentiality and safekeeping.

10.0.20 The HR and Administration Department will be responsible for organizing orientation programs for the newly joined employees.

10.0.21 MRDI may outsource the entire recruitment process to some credible consulting firm to get the recruitment done.
10.1 MRDI DISABILITY POLICY

10.1.1 Definition of Disability:

A disability is an impairment that may be cognitive, developmental, intellectual, mental, physical, sensory, or some combination of these. It substantially affects a person’s life activities and may be present from birth or occur during a person’s lifetime. Disability is thus not just only a health problem.

A person has a disability if he/she has a physical or mental impairment, and the impairment has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities. The term is used to refer to individual functioning, including physical impairment, sensory impairment, cognitive impairment, intellectual impairment, mental illness, and various types of chronic disease.

Disability is conceptualized as being a multidimensional experience for the person involved. There may be effects on organs or body parts and there may be effects on a person’s participation in areas of life such as-

- Vision
- Hearing
- Thinking
- Learning
- Movement
- Mental health
- Remembering
- Communicating
- Social relationships

10.1.2 MRDI’s Aim:

- MRDI aims to recruit and retain talent, skills and experience and ensure disabled staff - as far as
reasonably practicable - can fulfill their employment potential.

- To continue the service of existing staff who became disable by accident of diseases, but have experience and practicable to fulfill their employment potential.

- To provide so far as is reasonably practicable, equity in access to the full range of recruitment, career development, promotion, training and other employment opportunities for all staff.

- To ensure that there is no unfair discrimination on grounds of disability and that access to employment and promotion in the University is based on merit.

10.1.3 **MRDI’s Roles and Responsibilities:**

The MRDI management has overall responsibility for equality and diversity in the organization and all staff members are responsible for promoting equality, valuing diversity and contributing to an inclusive culture. The management has a duty to make reasonable adjustments to MRDI practices and premises to accommodate disabled people and staff(s), where any arrangements or physical features of premises cause a substantial disadvantage. Examples of reasonable adjustment may include:

- Giving or arranging training for practicable work
- Providing more flexible working hours or arrangements
- Assigning the person to a different/suitable workplace
- Acquiring or modifying equipment
- Making adjustments to premises
- Adjustment to work or working practices (where reasonably practicable)
- Motivate all staff members for creating a friendly & cooperative working environment with the disable staff
- Time off for treatment, specialist reviews and disability related sickness absence will be taken into consideration
in the organization’s ill health and sickness absence procedure. (To be added in the Leave Procedure)

10.1.4 MRDI’s Responsibilities for impracticable disables:

If any existing staff member(s) become disable and impracticable, the MRDI management may decide to extend its cooperation considering the financial ability of the persons. The Cooperation may be in different ways like
- engagement of any eligible member of the family in the MRDI service
- bear the educational expenses of immature children up to a certain level
- provide monthly financial benefits/onetime lump sum financial benefits
- provide treatment expenses up to a certain level
- Necessary insurance policy may be made for the staff members

10.1.5 MRDI’s preparation for the impracticable disables:

MRDI can create a fund against the future expenditure mentioned above in the clause 4. The fund can be created from charging 5% contribution on the project personnel cost which will be kept in a separate interest bearing account and any expenditure needed will be made on approval of the MRDI board.
11.0 Remuneration policy

11.0.1 MRDI commits to provide market competitive salary and benefits and facilities to the employees in alignment with the industry practice.

11.0.2 The Board of Directors of MRDI will determine a salary and benefit structure, identifying a salary range for every Grade of employees. Each employee will be allocated a salary grade upon employment as per Appendix: A

11.0.3 The salary and benefit structure will be reviewed and revised by the Board of Directors as and when necessary

11.0.4 The monthly salary & benefits will be composed of basic salary, house rent allowance, conveyance allowance, medical allowance and other benefits in alignment of Income Tax Ordinance, 1984.

11.0.5 The following table shows the different components of salary allowed to regular employees of MRDI.

<table>
<thead>
<tr>
<th>Component of salary</th>
<th>Allowed amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Salary</td>
<td>As per MRDI pay structure</td>
</tr>
<tr>
<td>House rent allowance</td>
<td>50% of basic salary</td>
</tr>
<tr>
<td></td>
<td>If employee resides in MRDI arranged accommodation, applicable amount will be deducted from house rent allowance</td>
</tr>
<tr>
<td>Conveyance allowance</td>
<td>10% of the basic salary, subject to minimum of Tk. 2,500</td>
</tr>
<tr>
<td>Medical allowance</td>
<td>10% of the basic salary, subject to minimum of Tk. 2,000</td>
</tr>
<tr>
<td>PF Contribution</td>
<td>10% of Basic Salary</td>
</tr>
</tbody>
</table>
| Festival allowance  | As detailed under MRDI pay structure, Appendix: A, subject to minimum of Tk. 5,000 per annum. Temporary or probationer employees are not entitled to any festival allowance. However, the
<table>
<thead>
<tr>
<th>Component of salary</th>
<th>Allowed amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Salary</td>
<td>As per MRDI pay structure</td>
</tr>
<tr>
<td></td>
<td>ED will have the discretionary power to approve a lump sum amount of such allowance, if he deems fit.</td>
</tr>
</tbody>
</table>

11.0.6 MRDI will pay its employees the gross remuneration for a month within the period of 25th day of the respective month to 5th day of the following month.

11.0.7 The payment schedule of festival allowance will be as follows -

- Muslim employees will be paid the festival allowances 15 days before the Eid-ul-Fitr and Eid-ul-Azha festivals.
- Hindu employees will be paid the two festival allowances together 15 days before the Durga puja.
- Christian or Buddhist employees will be paid the two festival allowances together 15 days before the Christmas or Buddha Purnima respectively.
- Employees of any other religion will be paid festival allowances 15 days before their main religious festival.

11.0.8 All employees are required to have bank account with a bank nominated by the organization. Monthly gross salaries & benefits, after deduction of applicable tax and other deductibles, of employees will be credited to such employees’ bank accounts through bank transfer.

11.0.9 The monthly gross salary will be adjusted for the following deductions -

- Income tax to be deducted at source
- Employee’s contribution to provident fund
- Any amount as recovery of any advance or over-payment or loan
- Any fine imposed for any misconduct or disciplinary cause
- Any amount for damage to or loss of goods or loss of money, the custody of which was expressly entrusted to the employee, caused by negligence or default

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12.0 Benefit policy

12.1 Transportation

Subject to the availability of organization’s transport, hired or owned, all executives will be given transport facilities for carrying out official work. Where MRDI transport will not be available, the employees will use public transport, as may be appropriate, to discharge his/her duties and responsibilities.

12.2 Group insurance

MRDI will provide Group Health Insurance Policy (GHIP) to all core employees of the Company. The MRDI management will decide on the coverage of GHIP for every individual employee.

12.3 Provident fund

12.3.1 MRDI will introduce and administer a contributory Provident Fund scheme for each of its regular employees according to the Trust Act, 1882 and Bangladesh Labour Act, 2006.

12.3.2 A Provident Fund Trust will be formed with the representatives of both employer and employees to administer the provident fund. The Board of Trustees will administer the fund according to the provisions of the respective trust Deed and Rules.

12.3.3 MRDI will arrange for registration with and approval of relevant government Authorities for the provident fund.

12.3.4 All regular employees will have the right to become the member of the MRDI’s provident fund by submitting an application to the Trust.

12.3.5 The monthly PF contribution of each employee will be 10% of the basic salary each. Accordingly, MRDI will contribute the equal amount to the PF Trust.

12.3.6 The company shall transfer the amount of employees’ and employers’ contributions to the PF Trust Bank Account within 7 (seven) days of disbursement of monthly salary.

12.3.7 Every Member of the Provident Fund scheme must submit
duly filled-in Nomination Form signed by him/her at the time of becoming Member of the PF to avoid any future ambiguity. Payments of PF benefits of a deceased member shall be made to the Nominee of the deceased member.

12.4 Loan against service
The company discourages any sort of organizational loan to the employees.

13.0 Performance appraisal, increment and promotion policy

MRDI shall ensure performance appraisal of its employees in a most professional manner. While making appraisal, the management will take into cognizance of the employees knowledge, punctuality, quality of work, integrity & ethics, pro-activeness, problem solving skill, communication skill, writing skill, leadership, etc. A purpose-build evaluation template is enclosed under Appendix: C for evaluation of employees’ performance including scoring matrix to follow in this regard.

13.1 Performance appraisal

13.1.1 The procedure of performance appraisal for all the employees will be conducted at the end of every service year.

13.1.2 The concerned reporting officer will be responsible for evaluating the performance of an employee under his/her supervision. The Department Heads and Project Heads will be evaluated by the Executive Director.

13.1.3 The authority will circulate the Performance Appraisal Form to the appraisers in the last month of the service year. After completion of the appraisal, the forms will be forwarded to the Executive Director for review. After completion of the review, the forms will be preserved in respective personnel files.
13.2 Increment

13.2.1 The annual increment of an employee will be based on satisfactory performance reflected in his/her annual performance appraisal. However, in case of extra-ordinary performance, additional increment (than normal level) may be awarded to an employee.

13.2.2 The authority to decide on additional increment for Grade - II to Grade - VIII lies with the Executive Director. The authority to decide on additional increment for Grade - I lies with the Board of Directors.

13.2.3 The annual increment for an employee will be effective from of the first day of the next service year.

13.3 Promotion

13.3.1 All promotions in MRDI will be made on the basis of merit. Promotion cannot be claimed by any employee as a matter of right or by virtue of seniority.

13.3.2 The following criteria will be considered while deciding on the promotion of an employee

- Performance appraisal report
- Trainings received
- Years of experience
- Qualifications and extra ordinary capabilities that can contribute to the organization such as leadership capability, management capability, communication and interpersonal skills, commitment towards the job and organization etc.
- Other service records such as misconducts performed or disciplinary actions against him
- Other Promotion criteria to be framed by the Board of Directors
14.0 Development and training Policy

14.0.1 MRDI is committed to enhance the capacity and efficiency of its entire staff by way of providing adequate training under Staff Capacity Building Activities (SCBA) to all levels at regular intervals.

14.0.2 MRDI will organize different formal or informal staff capacity building trainings and development activities of varied durations, both within the country or abroad.

14.0.3 MRDI will organize SCBA on need basis. SCBA may be targeted to any particular employee or a group of employees. MRDI management will conduct a yearly assessment of employee capacity building needs and make an annual Staff Capacity Building Plan. Executive director will be responsible for approval and execution of the plan depending on fund position.

14.0.4 The first and foremost principle of staff capacity building is to focus on the benefit of the organization. Any SCBA that does not serve the purpose of the organization will not be encouraged or approved.

14.1 Local trainings

Employees undergoing local (within the country) trainings will be reimbursed actual expenses such as accommodation expense, transport expense and so on. Furthermore such employees will be provided with a daily allowance for the period of training.

14.2 Overseas trainings

14.2.1 Employees undergoing overseas (outside the country) trainings will be reimbursed actual expenses such as accommodation expense, transport expense, visa fees and so on. The cost of issuing passport will be at the respective employee’s own account. Furthermore such employees will be provided with a daily allowance for the period of training.
14.2.2 If an employee is resigns from MRDI, he/she will have to reimburse the organization the cost of all overseas trainings received in the preceding one year from the date of separation.

14.2.3 If an employee is selected for any overseas training extending over a period of 3 months or more, such employee will have to sign an agreement with MRDI stating that the employee will continue his/her service with MRDI for a minimum of 2 years from the date of returning from such training. However if the employee intends to resign from MRDI within the stipulated period of 2 years, he/she will have to reimburse the organization the cost of the concerned overseas training and pay a penalty of Tk. 100,000. These payments will be in addition to reimbursement required under the above clause.

14.3 Orientation program

14.3.1 MRDI will organize a 3 - 4 days long orientation program for every newly joined employee. The objective of such orientation will be to make the new employee acquaint with the following:

- Organization vision, mission, goals, functions, activities and culture
- Policies and procedures
- Respective job responsibilities
- Reporting officer and colleagues
15.0 Separation policy

15.0.1 An employee may be separated from the employment of the MRDI through one of the following methods -

- Termination by organization
- Resignation by employee
- Discharge
- Dismissal
- Retrenchment
- Retirement
- Death

15.1 Termination by the organization

15.1.1 MRDI reserves the right to terminate any of its employees otherwise than in the manner provided elsewhere in this Manual, for reasons it deems fit.

15.1.2 In case of termination of employee by the MRDI, the organization will follow the following policies -

a. **REGULAR / PERMANENT EMPLOYEE**
   i. MRDI will give 60 days’ written notice or pay in lieu of such notice to an employee.

b. **TEMPORARY / PROJECT EMPLOYEE**
   The organization will give 30 days’ notice or pay in lieu of such notice to an employee.

15.2 Resignation by employee

15.2.1 An employee may wish to discontinue his/her service with MRDI. In such cases following rules will be applicable -

a. **PERMANENT EMPLOYEE**
   i. A permanent employee may resign from his/her service by giving 30 (thirty) days’ notice in writing to the organization.
   
   ii. Where an employee intends to resign from the
service of the company without any notice, he/she may do so by paying salaries to the company in lieu of such notice.

b. **Temporary / PROJECT EMPLOYEE**

A temporary employee may resign from his/her service by giving 30 (thirty) days’ notice in writing or payment in lieu such notice to the organization.

15.2.2 If an employee remains absent without notice or permission for a continuous period exceeding 10 days, MRDI will serve a notice upon him/her asking to re-join with satisfactory explanation for such absence within next 10 days. If such employee fails to re-join and provide explanation within such period, MRDI will extend the period for further 7 days. If such employee fails to re-join and provide explanation within the extended time, he/she will be considered to have resigned from the day of absence. This is also applicable for employees under probation and temporary employees.

### 15.3 Discharge

15.3.1 Discharge is a means of termination of service by MRDI for reasons of physical or mental incapacity or continued ill-health of an employee.

15.3.2 The organization may decide to discharge any employee from the service for reasons of physical or mental incapacity or continued ill-health certified by a registered medical practitioner.

### 15.4 Dismissal

15.4.1 An employee may be dismissed without prior notice or pay in lieu thereof, if he/she is -

- convicted for any criminal offence
- found guilty of misconduct as stated in Section 16.0 *Disciplinary code*

Executive Director
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Chairman
Management and Resources Development Initiative (MRDI)
15.4.2 If an employee is dismissed on the ground of theft, misappropriation, fraud or dishonesty in connection with organization’s business or property, disorderliness, riot, arson or breakage in the establishment, the concerned employee will be entitled to other dues as per law such as arrear salary, maternity benefit, provident fund, gratuity fund, reimbursement for expenses etc.

15.5 Retrenchment

15.5.1 An employee employed in the MRDI may be retrenched from the service on the ground of redundancy. Organizational restructuring may cause any job ceasing to exist with no alternative employment available or alternative employment available but the affected employee not interested in it. Such situation may lead to redundancy.

15.5.2 An employee who has been employed by MRDI for one year or more shall be given one month’s notice in writing stating reasons for retrenchment or payment in lieu of such notice.

15.5.3 Where any particular category of employees is to be retrenched, the organization will retrench the employee who was the last person to be employed in that category.

15.5.4 If the organization intends to hire within one year of retrenchment of any employee in the same category, it will offer such employment to the retrenched employees. If such retrenched employees are interested in re-employment, they will get preference in employment based on their previous period of service.

15.6 Retirement

15.6.1 An employee will go for retirement in the year he/she reaches the age of 60 (Sixty) years. For the purpose of determining the age of an employee, the date of birth recorded while employing will be considered.

15.6.2 If MRDI thinks appropriate, it can extend the tenure of an
employee reaching the age of 60 (sixty) under contract, subject to mutual consent.

15.7 Death

15.7.1 If an employee dies while employed in MRDI, his/her employment will be discontinued.

15.8 Final settlement procedure of a separated employee

i. Step - 1: The separated employee will submit his/her ID card, keys, office stationeries and other properties provided by MRDI to the HR and Administration Department.

He/she will also submit his/her official documents, passwords, etc. to the concerned Department Head.

ii. Step - 2: If the concerned employee has no obligation left, the concerned Department Head will send a clearance certificate to the HR and Administration Department via email.

iii. Step - 3: After getting clearance from the concerned Department Head, the HR and Administration Department will issue Final Settlement Memo to the Executive Director.

iv. Step - 4: The Executive Director will review the memo, approve it and forward it to the Accounts Department.

v. Step - 5: The Accounts Department will make the final payment to the concerned employee within 15 working days of separation.

vi. Step - 6: The HR and Administration Department will issue a Certificate of Service at MRDI along with a clearance certificate during the final payment to the separated employee.
16.0 Disciplinary code

16.0.1 MRDI puts extreme significance on discipline of its employees.

16.0.2 If an employee is convicted for any criminal offence, he/she may be dismissed immediately without any prior notice or pay in lieu thereof.

16.0.3 To maintain discipline and control in the organization, MRDI will take necessary disciplinary actions against any employee who is found to be guilty of any misconduct.

16.0.4 MRDI has divided the type of misconducts of employees into two categories according to their characteristics and severity. Separate procedure of disciplinary actions will be taken for these two categories of misconduct.

16.0.5 In case of issuance of notice, letter, charge sheet, order or any other related documents of any kind against an employee, such documents will be handed over to the employee personally where possible. If an employee refuses to accept any of such documents, a copy of it will be sent to the address of the employee by registered post. Doing so would be considered as communication of such document to the employee.

16.0.6 In awarding any punishment, the previous record of the concerned employee, the gravity of the misconduct and his/her achievement and contribution during employment will be considered.

16.0.7 In case of a proceeding involving suspension, the proceeding must be completed within such period so that the period of suspension will not exceed 60 (sixty) days.

16.0.8 If an employee, accused of any misconduct, is suspended during the proceeding he/she will be provided with subsistence allowance for such period of suspension while he/she will be entitled to other allowances in full. Subsistence allowance is equivalent to half of the monthly gross salary of the concerned employee.
16.1 Level - 1 Misconduct

i. Absence without authorized leave

ii. Late attendance (late attendance for more than 3 days in a month)

iii. Negligence or neglect of work

16.2 Disciplinary action against Level - 1 Misconducts

i. Step - 1: If an employee conducts the mentioned acts for the first time, the concerned Reporting Officer will give verbal warning to the employee.

ii. Step - 2: If the employee conducts the mentioned acts twice, the Reporting Officer will inform the HR and Administration Department. The HR and Administration Department will issue a warning letter to the concerned employee.

A copy of the warning letter will be sent to the concerned Department Head, Executive Director and another copy will be preserved in the personal file of the employee.

iii. Step - 3: If the employee conducts these acts more than twice, it will be considered habitual. In such case the Reporting Officer will inform the HR and Administration Department.

The HR and Administration Department will issue a warning letter on such occurrences.

A board will be arranged which will consist of the concerned Department Head, Executive Director and a representative of the Board of Directors.

The Board will fix a date for hearing after 7 days. If the board is not satisfied with the
explanation provided by the employee it will decide on any of the following punitive measures as deemed appropriate to be imposed along with the warning letter -

- Reduction to a lower post, grade or scale of pay for a period not exceeding one year
- Withholding of increment for a period not exceeding one year.
- Suspension without wages and subsistence allowance for a period not exceeding seven days
- Fine

In case of imposition of any penalty, a letter evidencing imposition of such penalty will be issued by MRDI to the concerned employee.

iv. Step - 4: The HR and Administration Department will preserve such warning letters and Letter of Penalty in the personal file of the respective employee.

16.3 Level - 2 Misconduct

i. Willful insubordination or disobedience, whether alone or as a part of a group, to any lawful or reasonable order of superior

ii. Theft, misappropriation, fraud or dishonesty in connection with company’s business or property

iii. Taking or giving bribes in connection with his/her or any other employee’s employment under MRDI

iv. Habitual breach of any law or rule or regulation applicable to the organization

v. Disorderliness, riot, arson or ransacking the establishment

vi. Falsifying, tampering with, damaging or causing loss of organization’s official records
vii. Absence without leave for more than 10 days (discrete or continuous manner, but employee intends to continue employment with MRDI)

viii. Breach of any rule of employment, conduct or discipline as stated anywhere in this Manual

16.4 Disciplinary actions against Level - 2 Misconducts

i. Step - 1: An employee may be immediately suspended if he/she is involved in any of the misconduct categorized under level - 2. A Suspension Letter will be issued against such employee by registered post or by hand delivery or through e-mail. Besides communicating in the conventional method, the order of suspension will be posted on the notice board.

ii. Step - 2: A panel will be made consisting of the Executive Director, concerned Department Head and a representative of the Board of Directors.

The panel will make an investigation team whose responsibility would be to investigate the incidence in depth and will provide a fair report based on the facts.

The panel will fix a date of hearing on which the investigation team will submit their report and the accused employee will be given chance to be heard. The hearing date will be fixed giving scope of minimum seven days for investigation and the accused employee to prepare himself/herself.

However the maximum time limit allowed for investigation will be 60 days.

iii. Step - 3: On the day of hearing, the accused employee will be enquired based on the investigation report.

The accused employee will be given a full chance
to present his/her case in own defence. In this process, the accused employee may be guided by a fellow employee of MRDI nominated by him/her.

If the evidence presented in the hearing is not conclusive, then the judge panel may decide to fix another hearing date in the same process described above.

iv. Step - 4: After the hearing, the judge panel will decide whether the accused employee is guilty of the charges or not based on the case presented.

If the accused employee is found to be guilty, he/she may be dismissed immediately. The HR and Administration Department will take necessary steps to carry out the final settlement of the dismissed employee.

If the accused employee is found not to be guilty, then the board will withdraw the suspension order and ask him to rejoin his/her duty.

v. Step - 5: A notice of the verdict of the enquiry will be provided to the concerned employee. A notice of verdict will also be posted on the notice board.

vi. Step - 6: The HR and Administration Department will preserve all the documents related to the proceedings in the personal file of the concerned employee.

vii. Step - 7: If the accused employee is found to be not guilty, then he/she will be deemed to have been on duty for the period of suspension and the HR and Administration Department will reimburse the salary adjusted with the subsistence allowance of the concerned employee while payment of next month’s salary.

[Signatures]
17.0 Grievance handling procedure

i. **Step - 1:** The concerned employee will inform the Executive Director regarding his/her grievances via email with a copy to the HR and Administration Department.

   In case of grievance against the Executive Director, the concerned employee will inform the Board of Directors regarding his/her grievances via email with a copy to the HR and Administration Department.

ii. **Step - 2:** The Executive Director or Board of Directors will start proceedings within 3 days of receiving such complaint to investigate the grievances, consult with the respective Department Head and take necessary actions.

iii. **Step - 3:** The HR and Administration Department will record the actions taken and preserve it in the personal file of the concerned employee.
18.0 Staff movement policy

18.1 Out of station travel on official duty

18.1.1 An employee may be assigned to any official duty outside his/her work station by his/her reporting officer or any other superior. Such assigned duty must be related to the requirement of the office.

18.1.2 If the duty is within the same district, the employee will perform the assignment at his/her own expense and submit the bill along with evidence of expense (if applicable) to the Accounts Department after returning. The Accounts Department will reimburse the employee accordingly.

18.1.3 If the place of the assignment is outside the district, then the employee will be provided with an advance of reasonable amount. After the employee returns from the assignment, he/she will submit the bill along with evidence of expense (if applicable) to the Accounts Department and give back any advance not spent. If the actual expense is higher than the advance provided, the Accounts Department will reimburse such deficiency.

18.2 Overseas trips

18.2.1 An employee may be sent for an overseas assignment. Only the management has the authority to assign an employee to an overseas responsibility.

18.2.2 In such case, MRDI will bear the travel and hotel expense and will provide a travel allowance to the employee. It will also arrange for VISA, ticket, accommodation and other requirements.

18.2.3 Upon returning back from the overseas trip, the concerned employee will submit the travel bill with supporting to the Accounts Department along with the
refundable amount due, if any. If the actual expense is higher than the advance provided, the Accounts Department will reimburse such deficiency.

18.3 Transfer or deputation

18.3.1 MRDI work exigencies may require an employee to be transferred or deputized from one department to another, one section to another, one place to another or from core to project and/or project to core.

18.3.2 While considering an employee for transfer or deputation to a different place, sincere consideration will be made for reasonable inconveniences to be caused by the transfer or deputation such as concerned employee’s locality of residence, children’s schooling and exam etc. The management will try to accommodate for such inconveniences in the best possible way.

18.3.3 An employee subject to transfer or deputation at a different place will be entitled to the following benefits -

- Leave with pay for seven working days (in addition to other admissible leaves) around the time of transfer to ensure effective transition

- Travel allowance for the concerned employee and his/her family members as per MRDI policy. Family members for this purpose include spouse, dependent children, dependent step-children and dependent parents.

- Other admissible allowances (if any) at the discretion of the management of MRDI
19.0 Health, safety and security policy

19 MRDI’s safety and Security Policy

19.01 Definition of security

In the NGO context security is achieved when all staffs are safe and perceive themselves as being safe, relative to an assessment of the risks to staffs and the organization in a particular location.

NGO security is achieved when organizational assets are safe and when the organizations name and reputation are maintained with a high degree of integrity.

19.02 Scope

MRDI’s safety and Security Policy covers the Health and physical Safety & Security, management and volunteers. It ensures safe and secure engagement of person concerned and premises & serviceable assets of MRDI. This policy will ensure safe and secured stay and positioning of a person deployed by MRDI

19.03 Health, safety and security policy

19.03.01 MRDI is committed to maintain a work environment that protects and promotes the health and hygiene of its employees. It also gives high significance and priority to the safety and security of its employees.

19.03.02 The HR and Administration Department will be responsible for maintaining healthy and safe work environment for the employees by developing, implementing and administering a Health, Safety and Security Policy.

19.03.03 The HR and Administration Department will organize periodic awareness and training sessions on Health, Safety and Security Policy of the organization, fire safety procedures, drills during an incident of fire, handling of office
equipment, hazards of prolonged use of office equipment and other aspects as it deems fit.

19.03.04 If an employee notices anything that poses any danger to the health, safety and security of the employees of MRDI, he/she is responsible to inform it to the HR and Administration Department immediately.

19.03.05 Adequate number of first aid boxes will be provided at the premises. The first aid boxes will be readily accessible by the employees during all working hours.

19.03.06 Adequate numbers of fire safety equipment will be provided at the premises. The fire safety equipment will be readily accessible by the employees during all working hours. Fire exits at the premises will be identified and maintained with such exits being appropriately marked.

19.03.07 A visitor will only be permitted to enter the premises after getting approval from the staff with whom he/she wants to meet. The concerned staff will be aware of hospitality and avoidance of any inconvenience.

19.03.08 A specific employee will be identified by the Executive Director and such employee will be vested with the responsibility of opening and closing of the office premises and will be provided with the keys. A set of spare keys will also be maintained at a different safe place identified by the Executive Director. The persons vested with the responsibility of handling the office keys should maintain utmost caution to ensure safe-keeping of the keys.

19.03.09 The HR and Administration Department will be responsible for ensuring that access to various area of the office premises (except for common facilities) are restricted to only authorize personnel who require such access for the purpose of their duties. Appropriate access control and other security measures will be installed to prevent unauthorized access to any restricted place.

19.03.10 The IT Department will be responsible for maintaining data backup at a safe off-site location for the purpose of recovery at an event of catastrophe. The back-up may be kept in electronic or hard copy form as appropriate. However IT Department will be responsible to instill security systems ensuring safe-keeping and confidentiality of such back-up.

19.03.11 If an employee is required to stay at office beyond normal working hour for official exigency, he/she will inform the HR.
and Administration Department ahead. The HR and Administration Department will arrange for an attendant and other required assistance for such events.

19.03.12 Smoking is prohibited in the office premises of MRDI except for respective enclosed office room of an employee with proper ventilation provision. An employee willing to smoke otherwise can do so outside the premises of MRDI. If an employee is found to be involved in violation of this policy, disciplinary actions will be taken against him/her.

19.03.13 Drug abuse in or out of the company and the consumption of alcohol before or during the work that might hamper work performance will be treated as violation of company ethics. If an employee is found to be involved in such abuse, disciplinary actions will be taken against him/her.

19.03.14 Ensure that the Safety and Security Policy & Guidelines are followed and practiced by all the members of MRDI’s General Committee, Executive Committee, staff, volunteers, interns, consultants and beneficiaries MRDI comes directly to contact with.

19.03.15 Ensure that all the MRDI staff, volunteers and other category of personnel deployed for development programs is provided with safety instrument/gear.

19.03.16 Vehicles used for program implementation should be subjected to the highest scrutiny for safety compliance and to avoid vehicle accidents. Vehicles should be of a recent model year, be licensed, properly maintained and regularly inspected and well equipped by safety instruments like fire ushers, first aid box etc.

19.03.17 While travelling in vehicle or air using sit belt is mandatory and abides by the security instructions. While travelling in water boat life jacket must be used. While riding on motor bike using helmet is must.

19.03.18 MRDI staffs/concern person must not make official travel at night without emergency situation. They will not plan any travel in the stormy weather

19.03.19 Maintain cooperation with the members of law enforcing authorities, people representatives and other concerned parties while on duty in field operation.

19.03.20 Provide appropriate safety instrument, logistics and transport for its staff during turmoil situation like civil unrest, Hartal, blockage, etc.
20.0 Duties and obligations of employees

20.1 Ethics and compliance

20.1.1 Every employee of MRDi is obligated to perform their job responsibility sincerely and efficiently in compliance with all the applicable laws, rules and regulations as well as strong ethical and moral value.

20.1.2 It is the duty of every employee to -

   i. Comply with all the relevant laws, rules, and regulations of the country
   ii. Conform to and abide by the policies, rules, regulations and procedures of MRDI
   iii. Observe, comply with and obey all lawful orders and directions related to job responsibility given by the reporting officer and other superiors who has the authority to give such orders and directions
   iv. Serve the organization honestly and faithfully
   v. Refrain from engaging in any kind of corruption, bribery or unethical practices

20.2 Confidentiality

20.2.1 Every employee has an obligation to conserve all information pertinent to work place. An employee cannot disclose to any external or internal person any information known to him/her by reason of employment with MRDI, except if authorized to do so in the course of his/her duties.

20.2.2 Any violation of this policy will be considered as Level - 2 Misconduct under the Disciplinary code and disciplinary action will be taken against such employee accordingly. (Reference: 16.3 Level - 2 Misconduct)
20.3 Conflict of interest

20.3.1 Conflict of interest of an employee is any interest, financial or otherwise, direct or indirect, participation in any business, transaction or professional activity for financial gains or incurring any obligation of any nature, which is or appears to be in substantial conflict with the proper discharge of duties in relation to MRDI.

20.3.2 The following areas in respect of any transaction/business will be treated as conflict of interest:

- Business/transaction with any relative or friend
- A situation in which professional actions or decisions might become questionable.
- Appointment of any person having personal relationship with any of the executive and management staff.
- Use of any assets/properties of the organization for personal benefit
- Assigning any sub-ordinate employee in performing any personal work.

20.3.3 Handling Conflicts of Interest

It is vitally important that any new or acting board member learn how to identify such conflicts of interest and how to deal with the situation. Handling such conflicts of interest for the organization may be resolved in the following manner in relation to the conflict:

a. Business/transaction with any relative or friend. The situation may be overcome and conflict of interest be avoided through:

- The board member should disclose the relationship and should withdraw from his/her membership from the board and refrain from putting any decision.
- An independent procurement committee may be formed with two members from outside the organization
- And procurement should be justified through procurement analyst.
b. A situation in which professional actions of decision might become questionable:

The executive or any other persons who may become questionable must not be involved in the procurement and the procurement may be handled by independent procurement persons as indicated in the above situation through appointment of outsiders and justification by procurement analyst.

c. Appointment of any person having personal relationship with any of the executive and management staff:

The same procedure as above may be applied as well persons with relationship should totally become inactive and refrain from providing any sorts of decision. However, all procedure as mentioned above is equally applicable in this situation.

d. Use of any assets/properties of the organization for personal benefits:

The executive members as well as the other staff of the organization should consider the fact that the organization belongs to all and the persons in question are involved to run the organization for organizational benefits and so must refrain from any involvement in personal gain & benefits.

e. Assigning any sub-ordinate employees in performing any personal work:

The Board of Directors and other officials should keep in mind that all subordinates and staffs are being appointed for carrying out works or tasks of the organization for organizational benefit and progress and they are employees of the organization, and not of any persons. This mentality will prevent them to order for personal works. All employees should be made aware of the conflict of interest policy so that they know the norms & rules.

f. Conflict of interest regarding related party transaction:

Conflict of interest may arise through transactions with sister concerns and such other related party for any gain. Such conflict of interest may be resolved in the following manner:
• Disclosure of sister concern/related party
• Different and independent board of executives
• Individual identity of the sister concern/related party
• Individual financial and administrative policy and set up of each such institutions.
• Independent management
• Unbiased financial transaction within the arm’s length

20.3.4 Employees must avoid any relationship or activity that might impair, or even appear to impair, their ability to make objective and fair decisions when performing their jobs at MRDI.

20.3.5 An employee cannot engage in any outside business or activity of financial interest which conflicts with the interests of MRDI, or which interferes with the employee’s ability to perform job responsibilities fully.

20.3.6 Employees facing with a conflict of interest question must seek advice from the Executive Director or Board of Directors.

20.3.7 Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from the Executive Director or Board of Directors.

20.3.8 The MRDI staff member should disclose the conflict of interest through registering the conflict of interest register and mention the action taken to avoid the conflict.

Name of the Organization
Name of the Project
Register of Conflict of Interest

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<tr>
<th>SL. No</th>
<th>Name</th>
<th>Designation</th>
<th>Employee no.</th>
<th>Date of Joining</th>
<th>Date Advised</th>
<th>Nature of Interest and where</th>
<th>Any Action to Avoid Conflict</th>
<th>Remarks</th>
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Executive Director
Management and Resources Development Initiative (MRDI)

Chairman
Management and Resources Development Initiative (MRDI)
20.4 MRDI Child Protection Policy

Definition:

The United Nations Convention on the Rights of the Child defines a ‘child’ as a person below the age of 18, unless the laws of a particular country set the legal age for adulthood younger.

Bangladesh Child Act 2013 defines a child, “Notwithstanding anything contained in any other law for the time being in force, all persons up to the age of 18 (eighteen) years shall be regarded as children for the purposes of this Act”.

Child protection is the process of protecting individual children identified as either suffering, or likely to suffer, significant harm as a result of abuse or neglect.

MRDI Commitment to Ensure Child Protection:

MRDI is committed to ensure protection for all children regardless of their nationality, religion, race or gender. It is performing all its activities according to the principle of the United Nations Convention on the Rights of the Child (UNCRC). In the Convention, it has been stated that every child should be protected from all forms of physical or mental violence, injury and abuse, neglect or negligent treatment, maltreatment or exploitation, including sexual abuse. To fulfil the commitment, MRDI will be careful regarding the child rights.

MRDI will also abide by every section and clause which is instructed in Bangladesh Children Act 2013.

Objective of Child Protection Policy:

- Reducing risk of incidents of violence against children within the organization.
- Organizational procedures that prevent and identify/detect incidents of child rights violation as well as facilitate early and fearless reporting.
- Investigate into, and take corrective action against incidences of child assault/maltreatment/exploitation be it physical, sexual or in any other form.

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• Making the employees and other stakeholders understand their responsibilities to ensure child protection and establish a child friendly environment

MRDI and its stakeholders Child protection code of Conduct:

• Treat children and young people with care, respect and dignity regardless of their class, caste, race, creed, parentage, lineage, religion, faith, sex, disability, ethnic origin and sexual orientation

• Secure a safe, spontaneous and friendly environment for all children, their parents, staff and the volunteers

• Avoid physical contact with children and young people except for reasons of training, health and safety

• Refrain from physical punishment of children

• Immediately report concerns or allegations of child maltreatment in accordance with appropriate procedures

• Comply with all relevant local, national and international legislations, including labour laws in relation to child protection

• Wherever possible, ensure the present of another adult when working in the proximity of children

• Immediately disclose all charges, convictions and other outcomes of an offence that relates to child exploitation and abuse, including those under traditional law, which occurred before or occurs during the association with MRDI

• Be aware of behaviour and avoid actions or behaviours that could be perceived by others as child exploitation and abuse

• Not use language or gestures towards children that are inappropriate, harassing, sexually provocative, abusive, demeaning, belittling, or culturally inappropriate

• Not marry any girl or boy who are not eligible for marriage (girls under 18 years and boys under 21 years old)

• Not engage children in any form of sexual activity or acts, including paying for sexual services or acts

• Not touch any child in inappropriate manure

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- Not invite unaccompanied children into private home, unless they are at immediate risk of injury or in physical danger
- Not show any discriminatory attitude to any child without any official or important reason, not spend time with any child (not applicable for own children)
- Not hire children for domestic or other labour which is inappropriate given their age or developmental stage, which interferes with their time available for education and recreational activities, or which places them at significant risk of injury
- Not perform any activity that hampers child’s education and amusement
- Not be involved in the activities which can be done by children like using toilet, wearing cloths etc. (except Child with Disability)
- Not sleep close to unsupervised children unless absolutely necessary, in which case authorities permission is must, and ensure that another adult is present if possible (not applicable for own children)
- In images, children should always be dressed appropriately and should never be depicted in any poses that could be interpreted as sexually provocative
- Never use technology such as computers, mobile phones, or video and digital cameras inappropriately, and never to exploit or harass children or to access child pornography through any medium
- Not take or post or publish any photograph without any oral or written permission from the child or parents or guardian
- Not expose any information that could be used to identify a child or put them at risk
- Not smoke, drink alcohol, take drugs, and consume paan/ghutka/misri in the presence of the children
- Not indulge in littering, spitting, defacing plants and the physical environment in any

When photographing or filming a child or using children’s images for work-related purpose, MRDI and its stake holders will

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• Obtain informed consent from the child and parent of guardian of the child before photographing or filming a child. An explanation of how the photograph or film will be used must be provided.

• Ensure photographs, films, videos and DVDs present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Children should be adequately clothed and not in poses that could be seen as sexually suggestive.

• Ensure images are honest representations of the context and facts.

• Ensure file level, meta data or text descriptions do not reveal identifying information about a child when sending images electronically or publishing images in any form.

Applicable for whom:

The Policy will be applicable for the following stakeholders:

• MRDI Staffs
• Board members
• Local coordinators, Volunteers, programme participants
• Resource persons, Consultants
• Partner organizations
• The representatives of government and non-government organizations with whom regular communications have to be maintained.

Action against Accused:

• Preparing and submitting obligatory report against the people who are accused or suspicious for any incident of child abuse. After investigation, appropriate action will be taken according to state laws i.e “Women and Children Repression Prevention Act 2000 (Amended in 2003)”, “The Children Act 2013” and other related acts. In that case, the judgment will be unbiased and strict confidentiality will be maintained.

• If any staff accuses a person intentionally for such a crime, disciplinary action will be taken against him/her.

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Child Protection Code of Conduct

I, ________________________________ [insert name], acknowledge that I have read and understand MRDI’s Child Protection Policy, [date of child protection policy], and agree that in the course of my association with MRDI, I must:

- treat children with respect regardless of race, colour, gender, language, religion, political or other opinion, national, ethnic or social origin, property, disability, birth or other status
- not use language or behaviour towards children that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate
- not engage children under the age of 18 in any form of sexual intercourse or sexual activity, including paying for sexual services or acts
- wherever possible, ensure that another adult is present when working in the proximity of children
- not invite unaccompanied children into my home, unless they are at immediate risk of injury or in physical danger
- not sleep close to unsupervised children unless absolutely necessary, in which case I must obtain my supervisor’s permission, and ensure that another adult is present if possible
- use any computers, mobile phones, video cameras, cameras or social media appropriately, and never to exploit or harass children or access child exploitation material through any medium
- not use physical punishment on children
- not hire children for domestic or other labour which is inappropriate given their age or developmental stage, which interferes with their time available for education and recreational activities, or which places them at significant risk of injury
- comply with all relevant legislation, including labour laws in relation to child labour
- immediately report concerns or allegations of child exploitation and abuse and policy noncompliance in accordance with appropriate procedures
- immediately disclose all charges, convictions and other outcomes of an offence, which occurred before or occurs during my association with MRDI that relate to child exploitation and abuse.

When photographing or filming a child or using children’s images for work-related purposes, I must:
- assess and endeavour to comply with local traditions or restrictions for reproducing personal images before photographing or filming a child
• obtain informed consent from the child and parent or guardian of the child before photographing or filming a child. As part of this I must explain how the photograph or film will be used

• ensure photographs, films, videos and DVDs present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Children should be adequately clothed and not in poses that could be seen as sexually suggestive

• ensure images are honest representations of the context and the facts

• ensure file labels, meta data or text descriptions do not reveal identifying information about a child when sending images electronically or publishing images in any form.

• I understand that the obligation is on me, as a person associated with MRDI, to use common sense and avoid actions or behaviors that could be construed as child exploitation and abuse.

Signed:
Date:
Attendance and punctuality

Regular attendance and punctuality are vital for the smooth and uninterrupted operation of an organization. Every employee is required to conform to the attendance policy of MRDI. Any violation to this policy such as tardiness, un-authorized absence or failure to report as required will be considered as Level - 1 or Level - 2 Misconduct (as the case may be) under disciplinary code and disciplinary actions will be taken against such employee accordingly. (Reference: **16.1 Level - 1 Misconduct** and **16.3 Level - 2 Misconduct**) 

20.5 Attire and grooming

20.6.1 It is important for all employees to project a professional image while at work by being appropriately attired.

20.6.2 MRDI employees are expected to be neat, clean and well-groomed while on the job. Clothing must be consistent with the standards for an official environment and must be appropriate to the type of work being performed.

20.6.3 MRDI is confident that employees will use their best judgment regarding attire and appearance. However management reserves the right to determine appropriateness.

20.6.4 Any employee who is improperly dressed will be counseled or in severe cases may be sent home to change clothes. Continued disregard of this policy may lead to disciplinary actions which may result in termination.

20.6 Usage of office property

20.7.1 It is the duty of every employee to use any property that belongs to MRDI with due care. An employee should not use any property provided by MRDI for personal use unless such property is provided for personal use.

20.7.2 An employee cannot take any office property out of the premise unless he/she is authorized to do so.

20.7.3 An employee cannot copy any copyright protected software from any of the office computers.

20.7.4 An employee cannot copy or delete any software in the office computer.
20.7.5 If an employee comes to know about any official or personal property to be missing he/she must report it to the respective Department Head as well as the HR and Administration Department.

20.7.6 An employee cannot use office vehicles for personal use. In cases of exigency (such as marriage of self, immediate family members or close relatives, hospitalization of self, immediate family members and close relatives, funeral of immediate family members and close relatives and so on), an employee may be allowed to avail office vehicle upon approval of the Executive Director. However, such an employee will be responsible to reimburse the fuel cost and other relevant costs as determined by the HR and Administration Department. Moreover in such cases, utmost care should be taken by the concerned employee to ensure no damage to the vehicle happens.

20.7 Electronic communication and internet use

20.8.1 The employees should use the internet, company-provided cell phones and e-mail in an appropriate, ethical and professional manner.

20.8.2 Internet, equipment (cell phone, laptop, computer etc.) and services provided by MRDI should not be used for transmitting, retrieving or storing any communications of a defamatory, discriminatory, harassing or pornographic nature.

20.8.3 Use of internet and equipment (cell phones, laptops, computers, etc.) provided by MRDI for illegal activities including piracy, cracking, extortion, blackmail, copyright infringement, and unauthorized access is prohibited.

20.8.4 Employees must refrain from using any disparaging, abusive, profane or offensive language in official communications.

20.8.5 Employees must refrain from creating, viewing or displaying materials that might adversely or negatively reflect upon MRDI or be contrary to the best interests MRDI.

20.8.6 Employees must not use the system in a way that disrupts its use by others. Employees must not send or receive large files that
could be saved / transferred via thumb drives. Employees are prohibited from sending or receiving files that are not related to work.

20.8.7 Employees should not open suspicious e-mails, pop-ups or downloads. If posed with any such incident, employees should immediately contact the IT Department.

20.8.8 Internal and external e-mails using office e-mail accounts are considered business records and may be subject to discovery in the event of litigation. Employees should be aware of this possibility when sending e-mail within and outside the company.

20.8.9 All technology supplied by company and company related work records belong to the company and not to the employee. MRDI reserves the right to monitor the use of company supplied technology by any employee. Inappropriate or illegal use or communications may be subject to disciplinary actions which may lead to termination of employment.

20.8 Acceptable use of social media

20.9.1 Employees are prohibited from posting any financial, confidential, sensitive or proprietary information about MRDI or any of its partners, employees or applicants in any social media.

20.9.2 Employees cannot any post obscenities, slurs or personal attacks in any social media that can damage the reputation of MRDI or any of its partners, employees or applicants.

20.9.3 When posting on any social media site discussing job-related matters employees must use the disclaimer that “The opinions expressed on this site are my own and do not necessarily represent the views of MRDI.”

20.9 Responsibility to disclose any charge of conviction

20.10.1 If an employee is charged or convicted of any offence or is fined, arrested or imprisoned for any offence other than a minor traffic violation, he/she must immediately inform the management about the fact.

20.10.2 The management may terminate such employee under Section 23 of The Bangladesh Labor Act, 2006.

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20.10 Financial obligation of employees

20.11.1 If an employee causes MRDI to involve in any unnecessary liability by means of malice or culpable negligence or by failure to observe any law, rules, regulations, administrative procedure of the organization, he/she will be responsible for making good of such loss(es).

20.11 Prohibited activities

20.12.1 Employees are prohibited to engage in any of the following activities

i. Engage in any activity or work with a competing organization

ii. Associate with any political demonstration or activity or with such other demonstrations and activities which are disruptive to work performance. Employees may exercise the right to vote as a matter of their democratic right

iii. Take privilege or immunity of any facility accruing from employment with MRDI, to avoid any private obligation or to violate any law or rules and regulations

iv. Accept any honor, decoration, favor, gift or remuneration offered by any vendor, supplier, service provider, partner, donor or any other source external to MRDI

    If an employee receives any such offer, he/she must inform the management through his/her reporting officer. If the management deems such offer does not pose any threat to the interest of the company and approves the employee to accept it, only then the concerned employee can do so.

v. Be absent from duty or leave station without obtaining prior permission from the reporting officer or without giving prior intimation to the organization

vi. Engage in any outside employment, whether remunerative or honorary, without prior approval of the management

vii. Pursue or attempt to pursue any political or other outside
influence on any fellow employee or management in support of any claim in connection with his/her employment, promotion, increment, transfer or for any other personal gain

viii. Communicate with or make appearance in any media such as press, radio or television regarding any affairs related to the organization without prior approval

ix. Engage in any activity which is incompatible with the proper discharge of own duties toward the company or which contradicts with their obligation of integrity, independence or impartiality

20.12 Involvement in outside activities

20.13.1 If an employee wishes to engage in any outside activity (other than activities prescribed above) of continuous or recurring nature and which does not pose any threat to the interest of MRDI or reasonable discharge of own duty, he/she must get approval from the management. If such activity is of discrete nature, the employee does not need to take approval from the management.

20.13.2 Providing approval to such activities completely depends on management discretion. However, if such activity is not approved the management will inform the employee of such decision as well as the reasons for such decision.
21.0 Code of Conduct of Management and Resources Development Initiative (MRDI)

INTRODUCTION

Management and Resources Development Initiative (MRDI) is a multidisciplinary not-for-profit, non-Government organization engaged in a wide spectrum of social development activities. It is working in partnership with the International, National and Local donors to improve the well-being of poor and marginalised communities, through increasing their voices, capacities and realisation of their fundamental rights and demand-driven institutional responsiveness. MRDI believes in equal rights of all human beings and is therefore working for upholding the dignity of socially excluded and marginalised people. In accordance with vision, mission and core values, MRDI is committed to maintaining maximum standards of ethical conducts among all of MRDI employees, and expects that all staff members act in a professional manner, considering the core values of respect, integrity, modesty, commitment and excellence while performing their organisational roles and responsibilities. This code of conduct is based on the very vision, mission and values of MRDI. It provides a framework of MRDI’s expectations of employees in several important situations, as well as narrates general descriptions of all the major points mentioned in the document. This manual is a living document, meaning subject to change over time. Its practical value and importance lies in the ability and communication of each and everyone involved with MRDI - members of the Board, employees, committees, volunteers - in applying these codes in their work.

21.1 CONDUCT OF STAFF MEMBERS

a. Work Manner: By accepting appointment with MRDI all employees agree to work in a responsible, respectful, productive and dignified manner. All employees should be loyal to the organisation and stay active to accomplish the organisational objectives.

b. Corrective Measures: MRDI shall use some corrective measures to motivate its staff members to improve the behaviour as well as their performance.

c. Minor Offense: For a minor offense or for deterioration of any employee’s performance level or behavioural integrity level, a
meeting between the employee and the relevant supervisor or a designated person will be conducted to resolve the situation informally as soon as possible. In some cases when documentation may be necessary, the supervisor with consultation of second supervisors of the concerned employee, will issue an advisory letter and send a copy to personnel file with HR. Other actions can be taken in case of minor offense, such as, temporarily withheld increment, or recover from pay any pecuniary loss caused to MRDI by the negligence or breach of discipline/conduct.

d. Major Misconducts: Any of the following acts on the part of an employee will amount to major misconduct:

- Wilful insubordination or disobedience to any lawful and reasonable order of the supervisors.
- Participation in strikes or abetting, inciting, instigating violence or adopt a go-slow work model.
- Theft or fraud or dishonesty in connection with MRDI’s property or property of another.
- Taking or giving bribes or illegal gratification.
- Habitual late attendance for a long time without taking permission or giving reasons.
- Breach of any terms and conditions of service rules or employment or any law applicable to MRDI or any rules made there under.
- Without proper approval, collection or receiving any MRDI money except as sanctioned by policies or rules of MRDI or authorised by Executive Director - MRDI.
- Without proper approval by Executive Director - MRDI, doing consultancy for or employment with other organisation/s.
- Riotous, disorderly, aggressive, indecent or vulgar behaviour by the employee within MRDI premises and encouraging such activities by others.
- Breach of any rules or instructions, for the maintenance or running of the office.
- Habitual neglect of work, or wilfully lying or neglecting office work, deceiving office or MRDI staff members.
- Doing secret discussion, fabrication or plan for harming or degrading any staff members of MRDI.
• Deceiving office by doing uninformed/unapproved personal work either in MRDI or outside MRDI - in the name of doing official work (such as meeting, workshop, seminar, etc..) or a short break for personal work outside (such as banking matter, tax matter, etc..).

21.2 GROUNDS FOR DISCIPLINARY ACTION

Without prejudice to the other provisions contained in these rules, a staff member who commits any or more of the following will be subject to disciplinary action:

• Commits a breach of these rules/disciplines contained herein.
• Is found to be negligent, inefficient or corrupt at work and in performing assigned responsibilities.
• Is threatening, intimidating or assaulting to any other staff member of MRDI.
• Knowingly does anything prejudicial to the interest of the organisation.
• Contravenes instructions issued to him/her in connection with official work.
• Is guilty of any other act of misconduct or insubordination.
• Is convicted of a criminal offence by a court.
• Is engaged, or reasonably suspected of being associated with others engaged in subversive activities and whose retention in service is, therefore, considered prejudicial to national security.
• Is habitually absent without leave request or intimation for more than 5 (five) consecutive working days.
• Is habitually late attendant for a long period of time.
• Is involved in falsifying or tampering with, damaging or carrying loss of MRDI’s official.
• Is engaged in organisational political for damaging other staff member’s career.

21.3 PENALTIES/DISCIPLINARY ACTION

There shall be two kinds of penalties, which may be imposed under these regulations, namely: minor penalties and major penalties.
Minor Penalties - The following are the minor penalties:

- Censure;
- Withholding of increment or promotion for a certain period of time as decide by the SMT;
- Recovery from pay of the whole or part of any loss caused to the organisation by negligence or breach of rules.

Major penalties - The following are the major penalties:

- Demotion to a lower post or grade;
- Termination from service;
- Recovery from pay any pecuniary loss caused to MRDI by negligence or breach of contract;
- Removal/Dismissal from service;
- Compulsory retirement.

21.4 ANTI-FRAUD & CORRUPTION CONDUCT

Employees are expected to:

- Act with integrity, honesty and propriety in all their dealings as an MRDI representative and lead by example.

- Carry out their duties to the best of their ability for the interest of MRDI and not to take advantage of any situation for personal gain, for themselves, members of their family or friends.

- Take the risk of both internal and external fraud seriously and to follow systems and procedures designed to prevent or detect fraudulent activities.

- Secure all passwords, information, documents, money, equipment etc. in their control which can be stolen or used to perpetrate fraud.

As part of its culture, MRDI will provide clear routes by which concerns can be raised by both employees and management in regard to fraud and corruption and necessary actions against them as per rules.

Senior management is expected to deal swiftly and firmly with those who defraud MRDI and who are corrupt in their act and behaviour. MRDI, including members and senior management, should be robust in
dealing with financial malpractices, exploitation of the organisation and suppression of fellow staff members. MRDI has in place both the internal and external audits and due diligence practices, which review overall activities including reports of any significant investigations and the management responses to the recommendations having been put forward.

21.5 USE OF ORGANISATION’S ASSETS AND AVAILABLE FUNDS

MRDI employees are responsible for the proper management of all MRDI assets, funds or other property entrusted to them. MRDI equipment and property, including files, documents and software, etc. are provided for MRDI work and may not be removed from office premises, or accessed, except in the regular course of business. All are expected to treat the organisational property with the same care and respect as a person would do for his/her own, and are required to return MRDI property in good condition prior to his/her separation from the organisation. While ordinary wear and tear is expected, any damage or loss of MRDI property should be reported promptly to the supervisor. Any damage due to negligence is not acceptable to MRDI and the organisation may ask for compensation against such damage. It is strictly prohibited that MRDI staff members will not use any office equipment, property or vehicles for personal use. In case of emergency need for personal use, permission has to be sought from the Authority.

21.6 CONFLICT OF INTEREST CONDUCT

In work, conflict may arise between individual and/or group interests of MRDI. The staff members need to disclose and discuss such conflict and resolve in a manner in keeping with the interest of MRDI. For the purposes of this manual, a staff member’s family includes a spouse, brother or sister, parents, child or live-in partner. A conflict of interest may arise in a variety of situations wherever MRDI interests, such as relying on staff duties of loyalty and confidentiality, compete with the personal or other professional activities or engagements of any MRDI staff member. A clear conflict of interest arises when an employee or a member of his/her family directly or indirectly:
a. Gets monetary or other commercial benefit or is in a position of authority, regulator, influence or governance as to any party doing business with MRDI, programmes or related entities and as an MRDI staff member a person is involved or potentially influence that transaction.

b. Participates in MRDI or related entity in recruitment, evaluation, award or administration of a contract, loan, purchase, sale, investment order, donation or other transaction that will directly or indirectly benefit employee or his/her family.

c. Stands to gain personally or individually from any transaction in which MRDI, a MRDI programme or a MRDI related entity is a party.

d. Accepts gifts, favours or anything of monetary value from MRDI donors or vendors, including contractors, (except for unsolicited gifts of a nominal value, training, travel, materials, or other items provided for the benefit of MRDI with supervisor approval).

In that case a neutral person or committee may be appointed to review the situation including conflicts of interest if appropriate or necessary.

The staff members are not permitted to solicit, obtain, accept, or retain any personal benefit from any supplier, vendor, staff of partners, beneficiaries or any individual or organisation doing or seeking business with MRDI. No staff member of MRDI shall maintain an outside business or financial interest, or engage in any outside business or financial activity, which conflicts with the interests of MRDI, or which interferes with the staff member’s ability to perform job responsibilities fully. Nor any staff member may benefit directly or indirectly from a third party, that furnishes products, materials, or services to MRDI. In this regard personal Interest and relationship interest to be declared in the Register of Interest by the concerned staff and to be maintained by MRDI.

21.7 CONFIDENTIALITY AND TRANSPARENCY CONDUCT

All MRDI employees must treat and register information obtained in the service of MRDI with confidentiality, when its nature calls for it or when this is explicitly requested, and will not use any such information and materials to further a private interest. This refers to all verbal or written communication including, but not limited to, work created as part of your job, financial data, computer files, contracts,
procurement materials (vendor lists, purchase orders, etc.), marketing and donor information (donor names, mailing lists, contributions, etc.), programme materials (project reports, fund applications, etc.), personnel or staff information (personnel files, salary information, etc.), and general organisational (corporate) documents (internal policies, procedures, meetings minutes, documents, notes, files). All are expected to protect and keep applicable information in strict confidence and practice a reasonable degree of care to prevent disclosure of any information regarding MRDI in any manner adverse to the interest of or detrimental to MRDI, or those with MRDI works for. The staff members are strictly prohibited from reproducing any confidential information for use inside or outside of MRDI for any purpose whatsoever other than the performance of his/her duties at MRDI. It is also expected that all staff members will be transparent in any dealings which require transparent conducts without hiding anything. Any staff member, violating confidentially and transparency, will be subject to appropriate disciplinary action, up to punishable level and including dismissal, for knowingly or unknowingly revealing information of a confidential nature. The staff members are expected to undertake to remain faithful to this commitment even after separation from MRDI.

21.8 STAFF RELATIONS CONDUCT

MRDI staff members will treat each other with respect, modesty, recognition and consideration, with special emphasis on gender equality and equality of each other irrespective of sex, faith, identity, status, professional category and any other criteria. They will communicate and consult with each other openly, honestly, modestly and collegially and in a manner that assists each of the staff members to fulfil their duties and responsibilities faithfully, effectively and efficiently, and with commitment. If any staff member behaves roughly, rudely and/or with disrespect, then he/she would be warned by the administration, if necessary, repeatedly. A constant behaviour of such kind may set the grounds for dismissal from the organisation.

MRDI staff members should respect the privacy and private lives of other colleagues when dealing with/discussing personal matters/information. All staff members should be committed to
ensuring fullest possible participation of all staff members irrespective of status and position - in planning and implementation of our work. Before making any decision regarding any staff member, if it may impact upon that staff member, an adequate consultation must be done before reaching any conclusion.

MRDI staff members are also requested not to gossip about or show interest in private affairs at office premises. It should be borne in mind that gossip about private affairs may jeopardise one’s personal life the impact of which may be detrimental to others. Therefore, gossip is absolutely prohibited. It is also expected that no staff member will try to impose his/her belief, learning, idea or taboo on others. Moreover, no staff member should make any gesture, sound and mimicking that may disregard, disrespect, irritate, disturb or undermine anyone.

All senior staff members are encouraged to show sympathy and affection towards the junior staff members and reversibly the junior staff members will show respect and modesty towards the senior staff members. Modesty should be the basis for such relationship.

MRDI staff members are discouraged to discuss or whisper in pair or in group any unfounded or fabricated issues that may hamper the prestige and reputation of any employee. It is also strictly prohibited for all staff members to fabricate or construct any unfair issues or plans against any employee and communicate the same to others with the purpose of degrading or suppressing the employee for fulfilling someone’s own individual interest. If such practice is detected and continues even after warning it will be deemed as setting the grounds for the dismissal of the personnel doing such act. MRDI management also ensures that any attempt of placing unfounded or fabricated issues will be reprimanded and dealt with strongly forthwith.

21.9 USE OF MRDI MACHINERY AND VEHICLES

MRDI staff members should optimise the best utilisation of all machineries (photocopier and printer). Regarding proper use of vehicles the staff members should avoid inefficient travel to and from MRDI office to any place of events or field areas and keep the number of field/programme visits to the optimal level. All concerned are requested to try to accomplish a number of tasks by a single visit and
make the best use of time and money, doing realistic plan ahead. The staff members are encouraged to coordinate their plans and programmes with other projects/departments/units through proper internal communication.

Employees must not drive MRDI vehicles or their own vehicles while on MRDI business, or operate machinery or other equipment, while under the influence of alcohol or prescription drugs that may cause drowsiness, or otherwise impair their ability to drive safely. To do so may set the grounds for dismissal from the organisation.

21.10 COMMUNICATIONS AND TELEPHONE USE CONDUCT

All of MRDI’s communication systems are owned by MRDI and provided to employee for official business use only. MRDI will monitor and may disclose the contents of an employee’s electronic and telephone communications whenever necessary for the purpose of any organisational matter.

All employees are requested not be loud in-person on telephone conversations when they are taking calls while on work station. MRDI encourages not to use the phone speaker for calls while staff are on own desk. The staff members are requested to keep telephone/mobile phone ringtone volume in minimum level or vibrating (etiquette) mode. They are also requested not to leave mobile phone on desk while they are away from their desk even for a while, as any unattended ringing calls may disturb others. If anyone wants to leave their mobiles on their desks, they should keep it on silent mode. The staff members are also discouraged to carry long conversation at desk. If anyone needs a long conversation they may do it at the tea corner or at the stair-lobby.

21.11 INDIVIDUAL BEHAVIOUR IN THE WORKPLACE

All staff members are required to practice the following behaviour at office seriously:

Individual desk management: MRDI staff members are required to keep their desks and work stations neat and clean. They are requested not to keep unnecessary things on the desk, not to post notes on the partitions, walls/glasses for an extended time period. In case of absolute requirement, one can keep paper files in own file cabinets or
drawers. Staff members are also requested not to ask Office Helpers to organise employee’s desk or work station. Every employee is responsible for managing his/her respective desk, files and office spaces. Usage of other’s office desks, work stations, floors around individuals’ desks and other parts of the office space as storage is strongly discouraged. In case of project or other required materials, the staff members are requested to coordinate with Admin to assist them.

**Sound level:** It is imperative that no disruptive sounds are made by MRDI staff members that may cause disturbance to others’ work. It must be borne in mind that a big chunk of MRDI’s work needs silent environment for its workers and therefore MRDI staff members always need to maintain a quiet environment strictly in the office premises. To reduce the extent of disruption due to open space environment in the office, every staff member is required to keep their voice to a minimum level and to refrain from doing any loud activities. As part of our job one may use his/her desk for having a short low noise discussion with any colleague for a while, but this should not be long and regular practice in any way. If anyone needs a long discussion with someone or a group or team then they have to use the tea corner or any meeting rooms following the guidelines as practised at MRDI. Loud one-to-one or over phone discussion is strictly prohibited. Moreover, if anyone wants to listen to song and watch video they should use headphones for suppressing the sound level.

Importantly, everyone’s privacy and confidentiality of information must be respected as per the relevant guidelines of MRDI, hence not be uttered openly.

Food at desk: The staff members are encouraged to take food at the canteen. However, if food is taken at individual’s desk or in any adjacent room, the concerned staff member/s will be responsible to keep the area clean. It is important to note that food may attract insects and thus contaminate the office premises. Office-provided foods will be allowed at meeting or dining rooms for the specific meeting/workshop participants only.

**Work at night/weekend/holidays:** MRDI staff members can access the office from Sunday to Thursday from 08:00 - 18:00. Everyone is expected not to come to office too early and do not stay in the office
after office hours. It is also strongly discouraged to attend office on weekends and holidays unless it is absolutely necessary. It is not only unhealthy but also requires huge utility and other administrative costs to keep the office open on/during non-office hours/days. In case of extreme requirement, pre-approval in writing from Admin Section and relevant supervisor will be required with copies to concerned project/programme/dept./unit head and supervisor with charging codes. Moreover, for safety and security reasons, Security Guards are instructed not to open the main gates and not permit any staff member to enter the office on weekends/holidays without such written pre-approval.

**Light, fan and air conditioner (AC) use:** To save energy and proper utilisation of natural day light, staff members are required to keep the electric lights off as much as possible. Temperature of ACs will also be kept at a certain level recommended (24-25 degrees), and for efficient use and safety of the machines and consistency staff members are discouraged to increase/decrease ACs temperature by themselves. If needed any technical support for AC, staff members are requested to contact with concerned staff member/s of Administration. Fans can be switched on, when required. The staff members are requested to switch off all electronic devices used by him/her before leaving office every day to avoid any hazardous incident and wastage of power and to save cost.

**Tea corner:** Office Helpers will ensure availability of tea making materials at each tea corners. The staff members are encouraged to make their own tea/coffee. If you have any official guest (1-2), it is encouraged to serve tea by yourselves or otherwise, seek support from the Office Helpers. It is requested to keep the tea bags, spoons, cups and other tea materials etc. at the right place after using the tea corners. All are also requested not use Office Helpers for collecting foods from the kitchen, unless it has become extremely necessary.

**Card punch:** All staff members are requested to punch ID card for in and out of office. It is also expected that any staff member going out for personal work will punch card, and re-punch when coming back to work.
21.12 SAFETY AND SECURITY OF STAFF

The staff members are always required to keep and carry ID cards with them while in office and visiting any office/other places for official purpose. For travelling in office vehicles by the staff members MRDI Admin will ensure that the drivers are maintaining utmost safety and security while driving, respecting all traffic rules. On the part of travelling staff members it is expected that they will strictly maintain vehicle use policy of MRDI and will refrain from any act that may cause the safety of the passengers. To violate so by the drivers or staff members may set the grounds for dismissal from the organisation.

21.13 BRIBERY AND GIFT POLICY

MRDI is committed to ensuring the highest standards of conduct in all that it does. MRDI must respect donor practices around the world.

Bribery is termed as corrupt practice which violates the public trust, threatens economic and social development. Gifts and hospitality can put MRDI at risk if it is used to facilitate unethical practice. Thus, MRDI employees when deal with suppliers, vendors and partner NGOs are expected to conduct themselves with honesty, fairness and high ethical standards.

MRDI recognises that gifts and entertainment is occasionally used to leverage relationship. Giving gifts is a way to express gratitude and appreciation. In certain circumstances, accepting gifts may further MRDI’s interest. While gifts are often given as a gesture of courtesy, overly generous gifts where professional obligation exists, tend to put pressure on the recipient to extend more than just courtesy to the giver. Thus, surprisingly the line between sincere giving and intentional gift is becoming increasingly distorted. Gifts even those of nominal value, can create the perception of undue influence. Therefore, it is unethical and in some cases illegal to accept gifts or taking hospitality where the intent is to get favour.

As per MRDI policy, bribery is strictly prohibited and action will be taken in line with MRDI disciplinary policy.

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We do not accept and offer gifts and hospitality if:

- Accepting a gift or having hospitality undermines our credibility or creates the appearance of impropriety.
- Gift and hospitality is offered with actual or apparent intent to influence our official decisions.
- Acceptance of gift and hospitality might be perceived to compromise our personal judgment or integrity.
- Where professional and authoritative relationship exists, gifts and hospitality can occasionally be offered to celebrate special occasions (such as religious holidays or festivals or birth of a child) provided such gifts do not affect adversely our decision-making and do not exceed BDT 2,000/- in values.
- Within our official capacity, all staff must declare and record all gifts and hospitality whether accepted or declined that is value of BDT 2,000 and more.
- If anyone fail to declare a conflict of interest (actual, potential or perceived) through the offer of a Gift or Hospitality (accepted or declined), appropriate action will be taken in line with MRDI disciplinary policy.

It is discouraged to give an expensive gift to or receive a gift from a person within MRDI with whom there is either a superior or subordinate relationship, unless the gift is of nominal value. Giving a gift in group to a fellow staff member arising spontaneously and voluntarily from employees, is permitted. The MRDI staff members will not accept directly or indirectly any discount, gift, entertainment, or favours from others outside of the organisation that may influence or perceived to influence the exercise of his/her function or the performance of duties or judgment.

21.14 OUTSIDE ACTIVITIES AND EMPLOYMENT

While conducting MRDI business and other affiliations outside MRDI, all staff members are required to comply with all laws, policies and acts of the land; to be essentially fair with respect to rights, interests and responsibilities of others; and to protect MRDI’s reputation through accountable conduct.
MRDI staff members will not be engaged in any activity or transaction or acquire any position or function, whether paid or unpaid, that is incompatible with or detracts from the proper performance of his/her duties, and that may bring MRDI as a whole into disrepute. In case of doing consultancy a staff member will need to go through proper approval process.

21.15 VISITORS AT THE WORKPLACE

Official visitors at office are allowed, but personal visitors are discouraged. However, occasionally staff members may receive personal visitors at office or at workstation. A staff member should make sure that his/her visitor does not disturb the work of others. He/she will be responsible for the conduct of the visitor while the latter is at MRDI premises. The staff member receiving the visitor/s for both official and personal is responsible for the visitor’s conduct and to make sure that s/he does not move around in any direction/work stations other than the intended location.

The staff members may sometimes need to bring their children to the office. Out of respect for other colleagues, employees are requested to keep this to minimum events. Children should be kept in the presence of their guardians at all times while he/she will be in the office premises.

21.16 CHILD PROTECTION POLICY

Since ideas about child care vary, all staff members should be required to sign a code of conduct regarding the protection of children, the behaviour expected of them and their responsibilities in relation to the children they come into contact with as a result of their work with the MRDI. Individual partner NGO should develop this code of conduct to fit their local operating context.

The code of conduct should include:

- Agreement to work under the Child Protection Policy as a condition of involvement with MRDI.
- Provisions regarding acceptable behaviour in the workplace - for example, not to use physical punishment or chastisement, however acceptable or moderate it may seem, not to use language intended
to belittle or humiliate children and not to abuse children in any way (including not to engage in any sexual activity with anyone below the legal age of sexual consent).

- To report any concerns they may have about the protection of children, in accordance with this policy.
- To observe confidentiality and not talk about any situations of actual or suspected abuse that occurs except in accordance with this policy. This is necessary to protect the privacy of those involved.
- Not to pay for sexual services, of any kind, with anyone under the age of 18 years old, even if the age of sexual consent is under 18 years.

21.17 RESPONSIBILITIES

All staff members of MRDI will be responsible to follow the manual and cooperate with Admin department and their colleagues in other units for smooth operation of the office. Any intentional breach of and negligence in observing this manual will be taken very seriously by the management authority and necessary measures or actions will be taken in line with the existing relevant policy manuals of MRDI. All are encouraged and requested to follow the code of conduct articulated herein and avoid any unpleasant consequences by intentionally or unintentionally violating it.
22.0 Safeguarding Policy

22.1 Purpose

This Policy aims to set out approaches and procedures to safeguarding and promoting the welfare of children and vulnerable adults by MRDI. It applies to all aspects of MRDI’s works and to everyone working for it, including permanent and temporary employees, consultants, members of the board, staff members of the partner organizations, beneficiaries, contractors and vendors.

22.2 Strategic Context

MRDI is committed to provide an environment free from discrimination and harassment, where all individuals, partner organizations and other stakeholders are treated with respect and dignity and have equal opportunities at all level. MRDI supports the principles contained in the Universal Declaration of Human Rights (UDHR) and in the Constitution of Bangladesh. These clearly state that no one can be discriminated on the ground of class, gender, caste, religion, profession, ethnicity and sexual orientation.

Safeguarding does safe MRDI’s approach, practice and culture to a comprehensively safe environment for all people that the organization engages with. It has a comprehensive set of policies and procedures, i.e., Human Resources Management and Development, Procurement, Financial Management, Child Protection, Gender etc.

Although MRDI does not have a separate Safeguarding Policy, however, some of the related issues are covered in the above-stated polices.

This will be covered policies and procedures on safeguarding, human resources, whistleblowing, child protection, code of conduct and governance.

Therefore, this Safeguarding Policy is adopted for providing and environment free from discrimination and harassment along with the recommendations of the donor.
### 22.3 Definitions

MRDI adopted following definitions for the purpose of this policy:

<table>
<thead>
<tr>
<th>Issues</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Bullying</td>
<td>Bullying is when an individual or a group of people with more power, repeatedly and intentionally cause hurt or harm to another person or group of people who feel helpless to respond. Bullying can continue over time, is often hidden from others, and will probably continue if no action is taken. Bullying can occur in a variety of environments.</td>
</tr>
<tr>
<td>Child</td>
<td>Every human being below the age of 18 years.</td>
</tr>
</tbody>
</table>
| Persons with disabilities  | Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.  
People with disabilities have rights equal to all citizens, including fundamental basic human rights that are mentioned in Persons with Disabilities’ Rights and the Protection Act, 2013 and other related laws of Bangladesh. |
| Safeguarding               | Taking all reasonable steps to prevent harm, particularly sexual exploitation, abuse and harassment from occurring; to protect people, especially vulnerable adults and children, from that harm; and to respond appropriately when harm does occur.  
This definition draws from MRDI values and principles. It pays specific attention to preventing and responding to harm from any potential, actual or attempted abuse of power, trust, or vulnerability, especially for sexual purposes.  
Safeguarding applies consistently and without exception across MRDI programmes, partners and staff thereof. It requires proactively |
<table>
<thead>
<tr>
<th>Issues</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Safeguarding children</td>
<td>identifying, preventing and guarding against all risks of harm, exploitation and abuse and having mature, accountable and transparent systems for response, reporting and learning when risks materialize. Those systems must be survivor-centered and also protect those accused until proven guilty. Safeguarding puts beneficiaries and affected persons at the center of all.</td>
</tr>
</tbody>
</table>
| Safeguarding vulnerable adults | • Protect children from maltreatment;  
• Prevent impairment of children’s health or development;  
• Ensure that children are growing up in circumstances consistent with the provision of safe and effective; care;  
• Take actions to enable all children to have the best outcomes; |
| Sexual Exploitation | • Protect rights of adults to live in safety, free from abuse and neglect;  
• Work together to prevent and stop both the risks and experience of abuse or neglect;  
• Make sure that the adult’s wellbeing is promoted including, where appropriate, taking fully into account their views, wishes, feelings and beliefs in deciding on any action;  
• Recognize that adults sometimes have complex interpersonal relationships and may be ambivalent, unclear or unrealistic about their personal circumstances and therefore potential risks to their safety or well-being; |
| Sexual Exploitation | Any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another. It defines the term “sexual abuse” as the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or |

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Chairman  
Management and Resources  
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<tr>
<th>Issues</th>
<th>Definition</th>
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<tr>
<td>coercive conditions.</td>
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<tr>
<td>Sexual Harassment</td>
<td>Any action or comment known to be offensive, embarrassing, humiliating, demeaning or unwelcome to the recipient with sexual overtones either direct or indirect notions.</td>
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<tr>
<td></td>
<td>Sexual harassment includes</td>
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<td></td>
<td>a. Unwelcome sexually determined behaviour (whether directly or by implication) as physical contact and advances;</td>
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<tr>
<td></td>
<td>b. Attempts or efforts to establish physical relation having sexual implication by abuse of administrative, authoritative or professional powers;</td>
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<td></td>
<td>c. Sexually coloured verbal representation;</td>
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<td></td>
<td>d. Demand or request for sexual favours;</td>
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<td></td>
<td>e. Showing pornography;</td>
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<td></td>
<td>f. Sexually coloured remark or gesture;</td>
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<td></td>
<td>g. Indecent gesture, teasing through abusive language, stalking, joking having sexual implication;</td>
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<td></td>
<td>h. Insult through letters, telephone calls, cell phone calls, SMS, pottering, notice, cartoon, writing on bench, chair, table, notice boards,</td>
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<td></td>
<td>notice boards, walls of office, factory, classroom, washroom having sexual implication;</td>
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<td></td>
<td>i. Taking still or video photographs for the purpose of blackmailing and character assassination;</td>
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<td></td>
<td>j. Preventing participation in sports, cultural, organizational and academic activities on the ground of sex and/or for the purpose of sexual</td>
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<tr>
<td></td>
<td>harassment;</td>
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<tr>
<td></td>
<td>k. Making love proposal and exerting pressure or posing threats in case of refusal to love proposal;</td>
</tr>
<tr>
<td></td>
<td>l. Attempt to establish sexual relation by intimidation, deception or false assurance.</td>
</tr>
<tr>
<td>Issues</td>
<td>Definition</td>
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<tr>
<td>Staff</td>
<td>Anyone who works for MRDI. This is to include directly or indirectly employed staff, Board members, contractors, consultants, volunteers and interns. Also to cover downstream implementing &amp; cooperation partners. These downstream partners are expected to agree to work under the policy as a condition of their involvement with MRDI.</td>
</tr>
<tr>
<td>Survivor</td>
<td>The person who has been abused or exploited. The term ‘survivor’ is often used in preference to ‘victim’ as it implies strength, resilience and the capacity to survive, however it is the individual’s choice how they wish to identify themselves.</td>
</tr>
<tr>
<td>Vulnerable Adults</td>
<td>Women, persons with disabilities, dalit’s, people from ethnic communities, senior citizens, sick, refugees and whoever else may be recognized as vulnerable in any local, national or international context</td>
</tr>
</tbody>
</table>

22.4 Recruitment

MRDI undertakes specific background check for candidates for employment. As per the Human Resources and Development Policy, reference checks are obtained from previous employers and reference indicated in the personal history are kept in the respective staff’s personal file. However, MRDI is not authorized to carry out criminal background check of the candidates for any recruitment.

From now on, any one interviewed for a post with MRDI, either internally or from outside the organization, will need to show an understanding of safeguarding that is relevant to the role that they are applying for.

22.5 Expectations from Employees

Everyone working for MRDI has a responsibilities to familiarize themselves with this safeguarding policy and the procedures thereof. They are...
expected to maintain a proper focus on the safety and welfare of children and vulnerable adults in all aspects of their work.

Anyone who works for the organization must inform their respective Supervisor/Manager if they or any adult living in their household become(s) the subject of an allegation involving a safeguarding concern or abuse against a child or vulnerable adult. In case of any confusion, they should seek advice from the respective Supervisor or Manager.

Any allegations of misconduct towards children and/or vulnerable adults by those working for MRDI will be managed using the procedure thereof.

22.6 Safeguarding Training

MRDI is committed to ensuring that everyone who works for the organization does understand their safeguarding responsibilities and do keep their knowledge up to date. All employees shall be provided safeguarding training within three months of joining. There will also be regular and refresher training for designated staff members on safeguarding children and vulnerable adults, including on specific areas of risk and safeguarding practice.

22.7 Safeguarding Officer

MRDI, from its senior staff members, will designate one or more Safeguarding Officer. The Safeguarding Officer shall be responsible for implementation of this policy and related operational plan, and maintaining of the register of safeguarding.

22.8 Prevention of Abuse

MRDI’s responsibilities

MRDI will:

- Ensure all staff members have access to, are familiar with, and know their responsibilities within the framework of this policy;

- Design and undertake all its programmes and activities in a way that protects people from any risk of harm that may arise from their coming into contact with MRDI. This includes the way in which information about individuals in our programmes is gathered and communicated;
• Implement stringent safeguarding procedures when recruiting, managing and deploying staff and associated personnel;

• Ensure staff members receive training on safeguarding at a level commensurate with their role in the organization;

• Follow-up on reports of safeguarding concerns promptly and according to due process;

Staff Responsibilities

Safeguarding of Children

MRDI staff and associated personnel shall not:

• Engage in sexual activity with anyone under the age of 18;

• Sexually abuse or exploit any child;

• Subject a child to physical, emotional or psychological abuse, or neglect;

• Engage in any commercially exploitative activities with children including child labour or trafficking;

Safeguarding of Adult

MRDI staff and associated personnel shall not:

• Sexually abuse or exploit the adults who is at risk

• Subject an adult who is at risk to physical, emotional or psychological abuse, or neglect.

22.9 Protection from Sexual Exploitation and Abuse

MRDI staff and associated personnel shall not:

• Exchange money, employment, goods or services for sexual activity. This includes any exchange of assistance that is due to beneficiaries of assistance;

• Engage in any sexual relationships with beneficiaries of assistance, since they are based on inherently unequal power dynamics;

Additionally, MRDI staff and associated personnel are obliged to:
• Contribute to creating and maintaining an environment that prevents safeguarding violations and promotes the implementation of the Safeguarding Policy;

• Report any concerns or suspicions regarding safeguarding violations by an MRDI staff member or associated personnel to the appropriate staff member.

22.10 Commitment

As part of the safeguarding policy MRDI and all partner organizations will-

• Designate a Safeguarding Officer/Safeguarding Focal Person from senior staff members;

• Promote and prioritise the safety and wellbeing of children, women and persons with disabilities;

• Ensure that all of the staff members are properly oriented on MRDI’s Safeguarding Policy. Orientation on this policy will also be a part of capacity building of the staffs. This policy is required to be explained to every new staff member as part of their induction and they must confirm receipt and compliance with the policy with their signature (Please refer to Annex A for the acknowledgement form);

• Ensure everyone understands their roles and responsibilities in respect of safeguarding and is provided with appropriate learning opportunities to recognise, identify and respond to signs of abuse, neglect and other safeguarding concerns relating to children, women and persons with disabilities;

• Ensure appropriate action is taken in the event of incidents/concerns of abuse and support provided to the individual/s who raise or disclose the concern;

• Ensure that confidential, detailed and accurate records of all safeguarding concerns are maintained and securely stored;

• Prevent the employment/deployment of unsuitable individuals;

• Ensure robust safeguarding arrangements and procedures are in operation;

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- Keep a detailed register of safeguarding issues raised and process of dealing with them;

- Not tolerate possession or access to any material that is abusive towards children, women and persons with disabilities;

- Not engage children, women or persons with disabilities, in any form of sexual activity or acts, including paying for sexual services or acts, where under the law(s) applicable to the child, the child is below the age of consent or the act(s) are an offence under relevant laws;

- Wherever possible, ensure that another adult is present with concerned staff member when working in the proximity of children;

- Not allow any of the staff members to invite unaccompanied children into their home, unless they are at immediate risk of injury or in physical danger;

- Refrain staff members from physical punishment or discipline of children and from hiring children for domestic or other labour which is inappropriate given their age or developmental stage, which interferes with their time available for education and recreational activities, or which places them at significant risk of injury.

The policy and procedures will be widely disseminated and are mandatory for everyone involved with the MRDI and its partner organizations. Failure to comply with this policy and procedures will be addressed without delay and may ultimately result in dismissal/exclusion from the organisation. In appropriate case, funding may be suspended and/or partnership may be cancelled with concerned organization.

22.11 Reporting and Responding Procedures

Reporting

Reports may reach MRDI through various means and routes. This may be in a structured format such as a letter, e-mail, text or message via social media. It may also be in the form of informal discussion or rumor. If a staff member hears something in an informal discussion or chat that they think is a safeguarding concern, they should report this to MRDI’s Safeguarding Officer.
Concerns

If a safeguarding concern is disclosed directly to a staff member, the person receiving the report should bear the following in mind:

- Listen
- Empathize with the person
- Ask who, when, where, what but not why
- Repeat/ check the understanding of the situation
- Report to the appropriate staff member

Documentation

The person receiving the report should then document the following information, using an Incident Report Form if there is one:

- Name of person making report
- Name(s) of alleged survivor(s) of safeguarding incident(s) if different from above
- Name(s) of alleged perpetrator(s)
- Description of incident(s)
- Dates(s), times(s) and location(s) of incident

Forwarding

Any staff member receiving or coming across any information or alleged incident of abuse shall report to the Safeguarding Officer immediately or within 24 hours at the latest.

Confidentiality

Due to the sensitive nature of safeguarding concerns, confidentiality must be maintained during all stages of the reporting process, and information shared on a limited ‘need to know’ basis only. This includes senior management who might otherwise be appraised of a serious incident.

22.12 Roles and Responsibilities for Case Management

The Safeguarding Officer will be the key person in managing the case.
If the report alleges a serious safeguarding violation, the Safeguarding Officer may wish to hold a case conference. This should include:

- Senior Management Team
- HR Manager/Coordinator

The case conference should decide the next steps to take, including any protection concerns and support needs for the survivor and other stakeholders.

22.13 Provide Support to Survivor where needed/requested

The Safeguarding Officer, in consultation with the senior management, will provide appropriate support to survivor(s) of safeguarding incidents, if requested. This will be in line with the operational plan.

Assessing protection or security risks to stakeholders

For reports relating to serious incidents: Safeguarding Officer will undertake an immediate risk assessment to determine whether there are any current or potential risks to any stakeholders involved in the case, and develop a mitigation plan if required. Safeguarding Officer will continue to update the risk assessment and plan on a regular basis throughout and after the case as required.

22.14 Decision on the Next Steps

Safeguarding Officer decides the next steps. These could be (but not limited to)

- No further action (for example if there is insufficient information to follow up, or the report refers to incidents outside the organization’s remit)
- Investigation is required to gather further information
- Immediate disciplinary action if no further information needed
- Referral to SMT

If the report concerns associated personnel (for example contractors, consultants or suppliers), the decision making process will be different. Although associated personnel are not staff members, however, the MRDI has a duty of care to protect anyone who comes into contact with any aspect of our programme from harm. MRDI cannot follow disciplinary processes with individuals outside the organization,
however, decisions may be made for example to terminate a contract with a supplier based on the actions of their staff.

If an investigation is required and the organization does not have internal capacity, MRDI will identify resources to conduct the investigation.

22.15 Decision on Outcome of Investigation Report
Senior Management Team (SMT) will make a decision based on the information provided in the investigation report. Decisions relating to the Subject of Concern should be made in accordance with existing policies and procedures for staff misconduct.

If at this or in any stage in the process criminal activity is suspected, the case should be referred to the relevant authorities unless this may pose a risk to anyone involved in the case. In this case, the SMT together with other senior staff will need to decide on how to proceed. This decision should be made bearing in mind a risk assessment of potential protection risks to all concerned, including the survivor and the Subject of Concern.

In case of failure to act upon suspected or reported the victim will directly contact with the Ombudsperson.

The Safeguarding Officer will document all decisions made resulting from the case clearly and confidentially.

22.16 Learning and Improving
MRDI, through implementation of this policy, is determined to keep improving knowledge and understanding of how best to protect children and vulnerable adults. It is to review related practices to check whether it was effectively preventing and managing safeguarding in the work. The purpose of the reviews is to reflect on lessons about when the systems need to improve to protect children and adult in risk better in future.

The policy will be reviewed a year after development and then every two years, or in the following circumstances:

- Changes in legislation and/or government guidance
- As a result of any other significant change or event.

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Annex - A

MRDI Human Resources Management and Development Policy -

Acknowledgement Form

Name of the Employee or Intern: ________________________________

Position: _____________________________________________________

Department/Unit: _____________________________________________

I have received, read and I fully understand all policies, guidelines and procedures included in the MRDI Human Resources Manual.

In particular:

I have read the MRDI Safeguarding Policy and I fully understand its contents. I do hereby confirm that I am in complete compliance with all provisions of the policy and that I will continue to observe the spirit of the commitment in all my activities on behalf of MRDI. I will comply with the guidelines set out in these policies and understand that failure to do so might result in disciplinary or legal action.

Date: __________________ Signature: __________________________

Please sign and return to the HR Team. This document will be filed in the employee’s or intern’s personal file.
Terms of Reference for
MRDI Safeguarding Officer/Safeguard Focal Person

Background

MRDI has developed the Safeguarding Policy for the employees of MRDI and its partner organizations. MRDI believes that all individuals have right to live without fear, live free from sexual harassment and abuse, sexual violence, exploitation, and any abuse of power regardless of age, gender, sexuality, disability, religion and ethnicity. MRDI is determined on zero tolerance policy for sexual abuse, exploitation and harassment by any of its employees, volunteers, consultants, partners or any other representatives associated with the delivery of its work carrying out any form of. This type of behaviour is against MRDI’s beliefs, values and mission; and safeguarding is a priority of MRDI.

MRDI has decided to designate a Safeguard Focal Person to ensure implementation of the Safeguarding Policy.

Roles and Responsibilities

Roles and responsibilities of the MRDI Safeguard Focal Person is to support MRDI in day-to-day implementation of the MRDI Safeguarding Policy with technical support from the Senior Management Team.

Specific duties include:

- To act as the main point of contact within MRDI for safeguarding;
- To ensure that staff members and partners are aware of the MRDI Safeguarding Policy and their responsibilities under it (for example by providing training and guidance);
- To advise and support staff members and partners with the implementation of the safeguarding policy, including risk assessments;
- To ensure that all the staff members of MRDI and partner organizations are properly oriented on the Safeguarding Policy;
- To ensure that everyone understands their roles and responsibilities in respect of the safeguarding policy and is provided with appropriate learning opportunities to recognize, identify and respond to signs of abuse, neglect and other safeguarding concerns relating to children, women and vulnerable people;
- To ensure that the name and contact details of the Safeguard Focal Person(s) are made available so that people know how to raise a concern/where to seek advice;

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• To act as first point of contact for concerns regarding protection incidents of children, women and vulnerable people and to raise those concerns to the Senior Management team as appropriate;

• To ensure that confidential, detailed and accurate records of all safeguarding concerns are maintained and securely stored;

• To undertake an immediate risk assessment for reports relating to serious incidents to determine whether there are any current or potential risks to any stakeholders involved in the case, and develop a mitigation plan if required;

• To update the risk assessment and plan on a regular basis throughout and after the case as required;

• To document all decisions made resulting from the case clearly and confidentially;

• To support the implementation and monitoring of the Safeguarding Policy by providing an annual progress report to the Senior Management Team together with a plan for further action required to implement the Safeguarding Policy at all levels.

Skills and Characteristics

• Have knowledge and experience about safeguarding and protection of children, women and vulnerable people;

• Have respect and authority within the office so that her/his opinions are valued;

• Be approachable, with good communication skills with adults and children;

• Be able to keep calm when a concern is raised, especially if anyone needs assistance;

• Be able to work with others to ensure that the policy is implemented, and respond where an incident related to protection of children, women and vulnerable people occurs;

• Commitment to safeguarding children, women and vulnerable people and upholding their rights - together with the ability to advocate for and defend safeguarding;

• Training and presentation skills;

• Be able to keep information confidential.
23.0 MRDI Whistle Blower Policy

23.1 Preface

- MRDI believes in conducting its day to day affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and comply with all applicable laws and regulations.

- MRDI is committed to developing a culture where it is safe for all Board members, employees or related parties to raise concerns about any poor or unacceptable practice and any event of misconduct.

23.2 Purpose of the Whistle Blowing Policy

- The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects board members and employees or related parties wishing to raise legitimate concern about any malpractice, fraud, negligence, illegality or serious irregularities within the organization in an open and honest way without any fear.

23.3 Coverage of the Whistle Blowing Policy

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger/loss /safety/security
- Manipulation of organization data/records
- Financial irregularities, including fraud, or suspected fraud, theft, bribery, money laundering and abetting terrorist activities
- Criminal offence
- Pilferation of confidential information
- Deliberate violation of law/regulation
- Sexual misconduct, including sexual abuse, harassment or exploitation
- Abuse or exploitation of children, vulnerable adults or beneficiaries
- Wastage/misappropriation of organization funds/assets
- Breach of employee Code of Conduct/Ethics Policy or Rules
- Any other unethical, biased, favored, imprudent event
23.4 Reporting Responsibility

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that MRDI authority can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and stakeholders to report concerns about violations of MRDI’s code of ethics or suspected violations of law or regulations that govern MRDI’s operations.

23.5 Whistle Blower Committee

- MDRI will form a Whistleblower Committee which will be responsible for addressing any issues or allegation of misconduct or improper activities raised by any person within MRDI.

- The Whistleblower Committee will consist of 4 persons with one representative from the Board of Directors, the Executive Director and two representatives from the Grade - II and Grade - III employees.

  - The existing Executive Director will always be a member of the committee. The representatives from the Board of Directors and Grade - II and Grade-III employees will be replaced by new ones every 2 years.

  - The representative from the Board of Directors will be nominated by the Board.

  - The representatives from the Grade - II and Grade - III employees will be selected by the Executive Director and the Board of Directors.

  - The representative from the Board of Directors will chair the Whistleblower Committee.

- The committee will determine a common contact address, being an email address, for the purpose of reporting allegations and such common contact address will be communicated to all the persons within MRDI.

- The committee will also communicate individual phone number and official contact address of its members to facilitate whistle blowing.
23.6 Reporting Allegations of Misconduct or Improper Activities /Process of whistleblowing

- Any person within MRDI may report allegations of suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the organization as well as its board members, employees, donors, beneficiaries or the public at large.

- All reports should be sent directly to any of the members of the Whistleblower Committee.

- Acts of misconduct or improper activities may be disclosed in writing (hard copy or email to the common contact address), telephonically or in person to any of the members of the Whistleblower Committee. However, all reports are encouraged to be made in writing, so as to assure a clear understanding of the issues raised.

- Individuals reporting the allegations may do so by identifying himself / herself or may by remaining anonymous. However individuals are recommended to self-identify.

23.7 Investigating Alleged Misconduct or Improper Activities

- In cases where an individual member of the Whistleblower Committee receives a report, he / she will immediately notify the committee of such allegation.

- The committee will notify the reporter and acknowledge the receipt of the reported violation or suspected violation within three business days using the same communication method used by the reporter.

- The members of the committee will meet within five working days of receiving the complaint to discuss about the actions or investigations required on the reports received from the whistleblower.
If the allegation made is against any of the members of the Whistleblower Committee, the Committee will exclude such member from all its meetings and proceedings regarding such issue. The Committee will notify such decision to the concerned member through a notice.

The Committee may exclude any of its members or any person of MRDI it deems appropriate from any meeting, investigation or other proceedings, depending on the nature of the complaint or if any conflict of interest arises.

The Committee will launch an investigation addressing the allegation. The Committee itself may conduct such investigation or it may appoint other appropriate parties, internal or external, for conducting the investigations if deemed required.

- The Committee will be responsible to ensure that the investigation is carried out using appropriate channels, resources and expertise

- The Committee will issue an authorization letter to the investigation participants to disclose any information required by the investigators for the investigation purpose.

### 23.8 Actions to be taken

- For the purpose of this section relevant party refers to either the suspect or the whistleblower

- Actions may be taken against the relevant party if
  - In case of the suspect, the reported act of misconduct or improper activity has been proven
  - In case of a whistleblower, act of reporting an incident in bad faith and with malicious intent has been proven

- The Committee will conclude the investigation and decide regarding the appropriate actions to be taken within three months of receiving the report. However for complicated cases, the timeline can be extended up to further three months as deemed required by the Committee.

- After the Committee has decided on the appropriate actions, a detailed report along with actions to be taken regarding the alleged
misconduct or improper activities will be presented in front of the Board of Directors.

- Upon consensus of the Whistleblower Committee and the Board of Directors, the actions will be implemented against the relevant party. However if there is no consensus among the Whistleblower Committee and the Board of Directors regarding the actions to be taken, a voting process will be conducted and the actions with the majority vote will be implemented against the relevant party.

- The relevant party will be communicated regarding the allegation, findings of the investigation and actions against him / her through a formal notice.

- The identity of the relevant party will remain confidential and will only be disclosed among the Whistleblower Committee and the Board of Directors until the investigation process has been completed and actions to be taken has been decided. The Whistleblower Committee may decide to disclose the identity of the relevant party after such proceedings are completed where the claims against the suspect are proven or if it is proven that the whistleblower acted in bad faith and with malicious intent. The purpose of such disclosure is to create awareness and set examples within the organization.

23.9 Roles and Responsibilities

- **Whistleblowers**
  - Whistleblowers should act in good faith and should not make false accusations when reporting of any misconduct or improper activities by anyone of MRDI.

- **Suspects**
  - Suspects have a duty to cooperate with investigators in the investigation process

- **Investigators**
  - Investigators should handle all matters seriously, confidentially and promptly. Investigators should also act independently and remain unbiased both in fact and appearance.

- **Investigation participants**
  - Employees who are interviewed or asked to provide information in the process of investigation have a duty to fully cooperate with the investigators. Participants should refrain from discussing or disclosing matters concerning the investigations to any other person within or outside MRDI.
23.10 Whistle Blower Retaliation

- Retaliation is defined as any direct or indirect detrimental action recommended, threatened, or taken towards an individual who has reported a complaint under the whistle blowing policy.
- MJF will not accept any retaliation against person(s) who have made complaints under this policy.
- MJF will take appropriate measures to protect complaints from any form of retaliation, disadvantage or discrimination at the workplace linked to or resulting from his/her report.
- MJF will enforce mandatory discipline against staff members and associates where retaliation is proven to have taken place.
- Anyone who makes false and malicious accusations or who raises concerns for personal gain will also be the subject of disciplinary action.
Appendix-A

24.0 MRDI Organogram

BOARD OF DIRECTORS

EXECUTIVE DIRECTOR

Head of Programme & Communications

Manager, Programme/Communications

Deputy Manager, Programme/Communications

Senior Programme officer

Programme officer

Assistant Programme officer

Head of Capacity Building

Manager, Capacity Building

Deputy Manager, Capacity Building

Senior Programme officer, Capacity Building

Programme officer, Monitoring & Evaluation

Head of Finance & Administration

Manager, Finance

Deputy Manager, Finance

Senior Accounts officer

Accounts officer

Cashier

Store Keeper

Manager, HR & Administration

Senior officer, HR & Administration

Officer Junior

Security Guard

Driver & Cleaner

Gardener

Executive Director

Management and Resources Development Initiative (MRDI)

Chairman

Management and Resources Development Initiative (MRDI)
24.1 Employees Status in Organogram

<table>
<thead>
<tr>
<th>Grade</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade I</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Grade II</td>
<td>Head of Programme &amp; Communications; Head of Finance &amp; Administration; Head of Capacity Building</td>
</tr>
<tr>
<td>Grade III</td>
<td>Manager, Programme/communications; Manager, Capacity Building; Manager, Finance; Manager, HR &amp; Administration</td>
</tr>
<tr>
<td>Grade IV</td>
<td>Deputy Manager, Programme/communications; Deputy Manager, Capacity Building; Deputy Manager, Accounts; Deputy Manager, Finance</td>
</tr>
<tr>
<td>Grade V</td>
<td>Senior Programme officer; Senior Programme officer, Capacity Building; Senior Accounts Officer; Senior officer, HR &amp; Administration</td>
</tr>
<tr>
<td>Grade VI</td>
<td>Programme officer; Programme officer, Monitoring &amp; Evaluation; Accounts officer</td>
</tr>
<tr>
<td>Grade VII</td>
<td>Assistant Programme officer; Cashier; Store Keeper</td>
</tr>
<tr>
<td>Grade VIII</td>
<td>Office Juniors; Driver; Security Guard; Cleaner; Gardener</td>
</tr>
</tbody>
</table>

24.2 Salary scale

24.2.1 Approval

The personnel’s who will be appointed by the Board of Directors in any post of the organization/project, the board will decide their remuneration & benefits with Segregation.

24.2.2 Salary Scale

MRDI shall maintain the following salary scale for its employees appointed by the Executive Director if there is no change:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Existing Scale</th>
<th>Revised Scale</th>
<th>Position/Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>The board will decide their remuneration &amp; benefits with Segregation.</td>
<td>The board will decide their remuneration &amp; benefits with Segregation.</td>
<td>CEO/Executive director &amp; same level (The Board of Directors will appoint in this Post)</td>
</tr>
<tr>
<td>II</td>
<td>68,000-3,500 x 6-89,000-EB 4,000 x 5-109,000</td>
<td>68,000-3,500 x 6-89,000-EB 4,000 x 5-109,000</td>
<td>Head of Programme &amp; Communications; Head of Finance &amp; Administration; Head of Capacity Building</td>
</tr>
<tr>
<td>Level</td>
<td>Basic Salary Range</td>
<td>Position</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>--------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>38,000-2,250 x 6-65,250</td>
<td>Manager, Programme/Communications; Manager, Capacity Building; Manager, Finance; Manager, HR &amp; Administration</td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>30,000-2,000 x 6-54,500</td>
<td>Deputy Manager, Programme/communications; Deputy Manager, Capacity Building; Deputy Manager, Accounts; Deputy Manager, Finance</td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>23,000-1,750 x 6-44,750</td>
<td>Senior Programme officer, Senior Programme officer, Capacity Building; Senior Accounts Officer; Senior officer, HR &amp; Administration</td>
<td></td>
</tr>
<tr>
<td>VI</td>
<td>15,000-1,500 x 6-34,000</td>
<td>Programme officer; Programme officer, Monitoring &amp; Evaluation; Accounts officer</td>
<td></td>
</tr>
<tr>
<td>VII</td>
<td>12,000-1,200 x 6-27,700</td>
<td>Assistant Programme officer; Cashier; Store Keeper</td>
<td></td>
</tr>
<tr>
<td>VIII</td>
<td>5,000-500 x 6-11,750</td>
<td>Office Juniors/Support staffs; Driver; Security Guard; Cleaner; Gardener</td>
<td></td>
</tr>
</tbody>
</table>

Note: In case of appointing any advisor or expert for any knowledge support, the Executive Director will determine the salary & benefits on negotiation with them. The salary & benefits will be inclusive of all facilities like house rent allowance, medical allowance and conveyance allowance as per following break up:

- Basic 60%, house rent 30%, Medical allowance 5% and Conveyance allowance 5%

Apart from the monthly salary, they will entitle two festival allowance in a year equivalent 60% of gross salary.

The yearly increment will be @ 5% of gross Salary.

24.3 Allowances

24.3.1.1 House Rent Allowance

- All employees of MRDI shall be paid monthly house rent allowance at a fixed rate as mentioned below:
- All regular staff: 50% of basic salary
- Deduction of salary will be negotiable of any staff if occupying MRDI accommodation.

[Signatures]
Executive Director
Management and Resources
Development Initiative (MRDI)

Chairman
Management and Resources
Development Initiative (MRDI)
24.3.1.2 Conveyance allowances

Regular staff of all grades shall be entitled to monthly Conveyance allowance @ 10% of basic salary, not less than Tk. 2,500.00

24.3.1.3 Medical Allowance

Regular staff of all grades shall be entitled to monthly medical allowance 10% of basic salary, not less than Tk. 2,000.00

24.3.1.4 Organization Contribution to Contributory Provident fund

Regular staff of all grades (Staff who take salary as per approved pay structure of MRDI) shall be under the coverage to Contributory Provident fund and he/she shall be entitled to receive employer’s contribution equivalent to 10% of his/her basic salary which is equal to his/her own contribution.

24.3.1.5 Festival Allowance

- Every confirmed staff of MRDI is allowed to receive festival allowances equivalent to two months’ basic salary in a year.
- Contractual & probationary staffs are allowed to receive festival allowances equivalent to one month’s gross salary in a year.
- Proportionate festival allowances will be paid to the employees employed less than one year of service length. Exceptional may take place at the discretion of the Executive Director.

The Festival allowance will be paid as per following schedule:

- The Muslims will be paid the festival allowances 15 days before the Eid-ul-fitr and Eid-ul-azha festivals.
- The Hindus will be paid the two festival allowances together 15 days before the Durga puja.
- The Christians & Buddhists will be paid the two festival allowances together 15 days before the Christmas & Buddha Purnima respectively.
- If there is any other religion, festival allowances will be paid 15 days before their main religious festival.