TRANSPARENCY INTERNATIONAL BANGLADESH

Social movement against corruption

OPERATIONS & MANAGEMENT MANUAL

TRANSPARENCY INTERNATIONAL BANGLADESH EMPLOYEES' CONTRIBUTORY PROVIDENT FUND

This manual is prepared based on Deed of Trust and Rules of Transparency International Bangladesh (TIB) Employees' Contributory Provident Fund (CPF) which was approved by the National Board of Revenue on 31/12/2009, and has been effective since the creation of the CPF of TIB on 1st April 2009.

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Table of Contents

Introduction ..... - 4 -
SECTION I ..... - 5 -
1. Objective of this Fund ..... - 5 -
2. Commencement of the fund ..... - 5 -
3. Membership of the Fund ..... - 5 -
4. Withdraw of Membership ..... - 5 -
5. Nomination: Payment to Nominees in case of Death of a Member ..... - 5 -
Nomination of a Person: ..... - 5 -
Nomination of two persons: ..... - 5 -
Fresh Nomination: ..... - 6 -
Making the Nomination: ..... - 6 -
Failing to appoint Nominee: ..... - 6 -
Payment to Nominee(s): ..... - 6 -
Effective date of Nomination: ..... - 6 -
6. Member's Contribution ..... - 6 -
7. Organization's contribution ..... - 6 -
SECTION II ..... - 7 -
8. Board of Trustees ..... - 7 -
Tenure of the Board and Appointment of new Trustee(s): ..... - 7 -
Trustees Meeting & Chair: ..... - 7 -
Authority of the Board: ..... - 7 -
Duties of the Board: ..... - 7 -
Meeting of the Board: ..... - 8 -
Quorum: ..... - 8 -
Retirement of Trustees: ..... - 8 -
SECTION III ..... - 9 -
9. Authorization of Payments ..... - 9 -
Administrative Expenditure ..... - 9 -
Signing Matrix: Currently Approved ..... - 9 -
Advance/Loan payment to members ..... - 9 -
Signing Matrix: Currently Approved ..... - 9 -
Receiving Fund and Bank Account Operation: ..... - 10 -

Payment procedure: ..... - 10 -
10. Automation in Financial Activities of CPF ..... - 10 -
Purpose and Scope ..... - 10 -
Confidentiality: ..... - 10 -
Password Security ..... - 10 -
Installation of Accounting Software ..... - 11 -
Users of Accounting Software ..... - 11 -
Set-up of user groups of Accounting Software ..... - 11 -
Administration of Accounting Software ..... - 11 -
Storage of back up Files ..... - 11 -
Separate Chart of Accounts for CPF ..... - 11 -
11. Records of Payment ..... - 12 -
Bank Statement & Reconciliation: ..... - 12 -
Receivable Reconciliation with project: ..... - 12 -
Day to day Operations and Records: ..... - 12 -
Cash Flow Analysis: ..... - 12 -
SECTION IV ..... - 13 -
12. Compliance with Laws, Regulations, and Organization Policies ..... - 13 -
SECTION V ..... - 14 -
13. Area of Investments ..... - 14 -
14. Safe Custody of the Securities ..... - 14 -
SECTION VI ..... - 15 -
15. Application for Advance/loan ..... - 15 -
16. Lead time to disburse advance/loan ..... - 15 -
17. Ground of Advance/Loan to Members ..... - 15 -
18. Maximum Amount of Advance/Loan to the members ..... - 15 -
19. From which Bank A/C Advance/loan shall be disbursed? ..... - 15 -
20. Advance/Loan Refund time ..... - 15 -
21. Installment deduction ..... - 15 -
22. Rate of Interest on Advance/Loan ..... - 16 -
23. Second Advance/Loan to Members ..... - 16 -
24. Early settlement of Advance/Loan ..... - 16 -
25. Division of Net Income ..... - 16 -

26. Maintenance of the fund and Currency ..... - 16 -
27. Financial Year of TIB CPF ..... - 16 -
SECTION VII ..... - 17 -
28. Individual balance notification to Members ..... - 17 -
29. Payment to Retiring and Outgoing Members ..... - 17 -
30. Forfeiture of Organization Contribution ..... - 17 -
31. Accounts for of Provisional rate of interest and final rate of interest ..... - 18 -
SECTION VIII ..... - 19 -
32. Statements of Account ..... - 19 -
33. Annual Audit ..... - 19 -
Auditor Independence ..... - 19 -
How Often to Review the Selection of the Auditor ..... - 19 -
Selecting an Auditor ..... - 19 -
Standard Financial Statements of the TIB CPF for Audit ..... - 20 -
Reporting Requirements: ..... - 20 -
SECTION IX ..... - 21 -
34. Alteration & Modification of Rules ..... - 21 -
35. Termination of the Fund/Winding up of Fund ..... - 21 -
36. Liability of Trustees ..... - 21 -
37. Decision of Trustees ..... - 21 -
38. Conclusion ..... - 21 -
SECTION X ..... - 22 -
39. Appendix "A" ..... - 22 -
FORM OF APPLICATION TO BECOME A MEMBER ..... - 22 -
40. Appendix "B" ..... - 24 -
Nomination Form ..... - 24 -
41. Appendix "C" ..... - 25 -
APPLICATION FOR ADVANCE/LOAN ..... - 25 -
42. Appendix:"D" ..... - 27 -
Statement of Member's PF A/C ..... - 27 -

Introduction

Dear Colleagues,

Transparency International Bangladesh (TIB) began its activities as a Trust in 1996. In 1998, it obtained registration from the Government of Bangladesh as a Non-Governmental Organization (NGO). Transparency International Bangladesh Employees' Contributory Provident Fund was established on 1 April 2009 with the approval of the National Board of Revenue (NBR). The fund shall be treated as a recognized Provident Fund with the meaning provided in the Income Tax Ordinance 1984, for the benefit of the employees of the Organization.

With the felt need for detailed operational procedure of Transparency International Bangladesh Employees' Contributory Provident Fund, this manual has been prepared in the light of Deed of Trust and Rules of Transparency International Bangladesh Employees' Contributory Provident Fund. If any confusion about any clause of this manual arises, Transparency International Bangladesh Employees' Contributory Provident Fund's Deed of Trust and Rules would be the basis for taking decision on matters of confusion and in such case, the decision of the Board of Trustees would be considered final.

This manual shall be used as a brief guideline for dealing with matters concerning the Transparency International Bangladesh Employees' Contributory Provident Fund. The use of this manual will enable all members of the fund not only to get a better understanding of their rights and obligations, but also to find solutions to problems arising out of the day-to-day operations of this fund.

Operations & Management Manual has been approved by the Board of Trustees of TransparencyInternational Bangladesh Employees' Contributory Provident Fund at its 21st meeting held on 4th December 2017.

I would request all the staff to kindly read this manual thoroughly and carefully and thus draw maximum benefit from this manual.

Abdul Ahad FCMA
Chairman
Transparency International Bangladesh
Employees' Contributory Provident Fund
Date: 20 December 2017

SECTION I

1. Objective of this Fund

The objective of the Transparency International Bangladesh Employees' Contributory Provident Fund (hereinafter referred to as TIB CPF) is to constitute a compulsory Contributory Provident Fund for the employees, to which both the employees and the employer would contribute. After joining the Organization, all regular staff would be members of this fund and contribute a certain percentage of the basic salary. The employer would also contribute the same to this fund. After departure from the Organization, the staff will receive his/her amount as per policy or his/her nominee will receive his/her amount as per policy in case of death of a staff member. This fund is for the benefit of the employees of the Organization.

2. Commencement of the fund

TIB CPF commenced on the 1st DAY OF APRIL IN TWO THOUSAND NINE Christian Era. The staff who joined before 1st April 2009 shall be members of that fund from that date. The staff who joined/who will join after the commencement date will be members of that fund from the date of his/her joining at TIB.

3. Membership of the Fund

Staff who will be appointed for more than one year in a TIB project or Organization, will be a member of TIB CPF. Members, who will be appointed for more than two years in TIB project or organization, will be entitled to get the organization's contribution with profit. In other case, members will be entitled to only his/her own contribution with profit.

After joining the organization, the staff members shall apply for membership using prescribed application form (appendix –A) of this Fund and shall also fill up the nominee form (Appendix-B) for nomination to get his/her fund in case of his/her death.

4. Withdraw of Membership

Once an employee member joins the Fund as a Member, no Member shall have the right to resign from the Fund while remaining in the service of the Organization.

5. Nomination: Payment to Nominees in case of Death of a Member

Nomination of a Person:

Each member may on joining the Fund nominate a person or more than one person to receive the amount which may be due for payment from the Fund in the event of his/her death before that amount has become payable, or having become payable has not been paid. If any person thus nominated is a minor or under any disability to give a legal discharge for any payment, the member at the same time shall appoint a person who is of full age and capable of giving a legal discharge for the purpose of receiving payment on behalf of the minor or person under disability, so long as the minority or disability continues.

Nomination of two persons:

If a member nominates more than one person, he/she shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his/her credit in the Fund at any time.

Fresh Nomination:

In the event of the death of the nominee during the life time of the member, the member may nominate or appoint another person in the place of the nominee so dying.

Making the Nomination:

Every nomination made under this Rule, shall be in writing signed by the Member, whose signature must be attested by two witnesses, and shall be according to the format given in Appendix-B to this manual and shall remain in full force and effect until the death of the nominee or until the same be revoked in writing by the Member by whom the same was made and a fresh nomination be made in manner aforesaid.

Failing to appoint Nominee:

In the event of any Member failing to appoint a nominee (and if necessary a person to receive on behalf of the nominee) the amount to the credit of such Member shall at his/her death be paid to the executors or administrators of such deceased Member or to any relative or dependent of such deceased Member whose circumstances appear to the Trustees to warrant the concession.

Payment to Nominee(s):

Each Member must on becoming a contributor to the Fund forthwith nominate a person as the object of such trust on the terms that such person shall become the object of such trust only in the event of his/her death.

In the event of death of a Member, Payment shall be made upon claim by the person entitled for payment. If payment shall not be claimed within 3 years from the date of death, the amount to the credit of the Member shall lapse absolutely to the Fund and be carried to the Revenue Account.

Effective date of Nomination:

Every nomination made and every notice of revocation given, by a Member shall, to the extent that it is valid, take effect on the date on which it is received by the Trustees.

6. Member's Contribution

Each Member shall contribute to the Fund a sum equal to 10% (ten percent) of his/her basic salary or wages whilst in the service of the Organization just after joining as probation staff.

7. Organization's contribution

The Organization shall also contribute the same amount to the fund that is 10% (ten percent) of the basic salary or wages of the member contributing his/her portion to TIB CPF.

SECTION II

8. Board of Trustees

The Fund shall be managed by the Trustees, to be appointed by the Organization from time to time. There shall be not less than 07 (seven) and not more than 14 (fourteen) Trustees of the Fund. Composition of the Board of Trustees will be as follows:

Sl no.	Trustees	Designation	Representative of
a.	Executive Director	Member	Employer
b.	Director-Finance & Administration	Chairman	Employer
c.	Director-Outreach & Communication	Member	Employer
d.	Senior Manager-Finance & Administration	Member Secretary	Employees
E	Senior Programme Manager-Research & Policy	Treasurer	Employees
f.	Senior Manager-Human Resource	Member	Employees
g.	Senior Programme Manager-Civic Engagement	Member	Employees
h.	Programme Manager-Outreach & Communication	Member	Employees
i.	Programme Manager-Research & Policy	Member	Employees
j.	Deputy Programme Manager-Civic Engagement	Member	Employees
k.	Assistant Manager-Administration	Member	Employees
l.	Assistant Manager-Research & Policy	Member	Employees
m.	Office Assistant (Dhaka)	Member	Employees
n.	Driver	Member	Employees

Tenure of the Board and Appointment of new Trustee(s):

The tenure of the office of the Board of Trustees shall be 03 (three) years. If any Trustee dies, resigns, refuses to act or becomes incompetent or incapable of performing his/her duty as a Trustee or permanently leave the Organization, the continuing Trustees or Trustee, in order to fill up the vacancy/vacancies so occurring, may with the consent of the Organization appoint a new Trustee/Trustees as the case may be for the unexpired period of the term.

Trustees Meeting & Chair:

The Chairman will preside over all the meetings. In the absence of the nominated Chairman, the Employer's other representative shall preside over the meeting. In case of difference among the Trustees, the matter of any such difference shall be put into vote and the opinion of the majority shall prevail and in case of equity of the votes the Chairman shall have a casting vote.

Authority of the Board:

The Board will exercise full authority and carry out its responsibility with regard to the TIB CPF in accordance with the Rules laid down herein.

Duties of the Board:

To include all employees, who are so entitled, as members of the TIB CPF;
To make all arrangements to collect contributions to the Fund;
To maintain all accounts of the Fund;
To take decisions on profitable investment of the Fund; and
To take any other suitable measures in this connection, such as annual audit, and administration of payments and advances as provided in the Rules appearing hereinafter.

Meeting of the Board:

The Board will meet at least once in every 04 (four) months; Executive Members' Team (EMT) of TIB will be invited to the meeting.

The Chairman will preside over the meetings. In his/her absence any member nominated by the Board will preside. All decisions will be taken by simple majority;

The Member-Secretary will keep record of all decisions taken in the Board meeting and implement accordingly.

Quorum:

Seven of the Trustee shall form a quorum, and a meeting of the Trustees at which quorum is there shall be competent to exercise all powers, generally exercisable by the Trustees.

Retirement of Trustees:

Any Trustee hereof may at any time retire from the Trust ship by giving at least 01 (one) month prior notice, in writing, of his/her desire to retire. The Board of Trustees may at any time by resolution of its meeting can appoint a new Trustee of Trustees hereof, in place of any person or persons who shall have ceased to be a Trustee, or Trustees hereof, and may at any time by resolution remove any Trustee hereof. The Trustees shall be at liberty to act not withstanding any vacancy or vacancies for the time being in their body.

SECTION III

9. Authorization of Payments

Administrative Expenditure

For maintenance of the TIB CPF, some expenses will be incurred and such expenses involve setting up of accounting software, audit fee, purchase of stationery and supplies. TIB CPF-related all expenses will be borne by the fund. The amount required for initial expenses, particularly in the first two years, shall be provided by TIB.

The Trustees may from time to time employ any person to do any secretarial, legal, audit-related, clerical or other works in connection with the Fund and all costs, charges and expenses incurred thereto by the Trustees shall be borne by the Fund.

Before payment of the expenses it shall be approved by the Treasurer, the Member Secretary and finally the Chairman. The following Matrix shall be followed for authorization of expenditures:

Signing Matrix: Currently Approved

Cheques or other instruments Signing	
Any amount	Chairman or Executive Director (ED)/Deputy Executive Director (DED) + Member Secretary/Treasurer.
S2B and BEFTN	
Any amount	Chairman or Executive Director (ED)/Deputy Executive Director (DED) + Member Secretary/Treasurer.

Advance/Loan payment to members

After approval of advance/loan application by the Treasurer, the Member Secretary and the Chairman, the designated staff will process the advance/loan. Before sanctioning advance/loan from TIB CPF in favour of any member, the previous advance/loan status shall be checked.

The signing Matrix below will be applicable for payment of advance/loan/administrative expenses through BEFTN (Bangladesh Electronic Fund Transfer Network)/S2B (Straight to Bank)/Account Payee Cheque.

Signing Matrix: Currently Approved

Cheques or other instruments Signing	
Any amount	Chairman or Executive Director (ED)/Deputy Executive Director (DED) + Member Secretary/Treasurer.
S2B and BEFTN	

Any amount	Chairman or Executive Director (ED)/Deputy Executive Director (DED) + Member Secretary/Treasurer.

Receiving Fund and Bank Account Operation:

The Board of Trustee of TIB CPF shall maintain one bank account for operation of the Fund. After disbursement of Salary & Allowances to the staff members, the Members' own contribution and the Organization's contribution to TIB CPF shall be received at TIB CPF bank account (a/c) from project bank a/c. All money received from time to time by the Fund shall be deposited in the Fund's Bank Account maintained in any scheduled Bank in Bangladesh.

The bank accounts shall be used for receiving and withdrawal of funds for their financial transactions. Change of bank signatory will require approval of the Board of Trustees of TIB-CPF.

All bank deposits and withdrawals and bank interest earned shall be recorded in books of accounts and it shall be considered income of the fund.

Payment procedure:

Payment vouchers will be raised together with the note of authorization for expenses/payments, bills and acknowledgement of receipts, advance/loan request form in case of advance/loan etc. Payment of any amount shall be made through BEFTN/S2B/account payee cheque.

The assigned person shall be responsible for disbursement and keeping vouchers. The assigned person shall keep the cash book, general ledger and cheque book as well as other relevant financial records of TIB CPF under his/her custody.

Counterfoils of all cheques with the name of the payee and with the initials of the cheque signatories should be preserved. All transactions shall be recorded in the cashbook and general ledger. Used cheque book and cancelled cheque leaves, if any, shall be kept in office under the custody of the assigned person for at least six years.

In case of disbursement through BEFTN/S2B, payment advice shall be preserved with payment voucher. In such case, acknowledgments of the recipient will not be required.

10. Automation in Financial Activities of CPF

Purpose and Scope

Use of technology and automated system in financial activities is the need of time. Automated financial management system shall simplify processing procedure and save time and resources. Technology and automated system shall be used in financial management system in such a way that it would not hamper security and internal control mechanism of TIB CPF and shall not cause any loss of resources in any way.

Confidentiality:

The Board of Trustees shall set appropriate techniques to protect the confidentiality and integrity of electronic information and privacy of its users, to the extent required or allowed as may be decided by the Trustees. The Board also aims to ensure that the user of electronic communications shall comply with relevant policies of the Government of Bangladesh and also IT user guideline of TIB.

Password Security

The IT policy of TIB shall set such a procedure which shall ensure security of passwords of accounting system, formulators of financial information, and protect the server which contains financial data and offside data

storage etc. The IT policy of TIB shall be applicable for operation and management of TIB CPF in respective aspects.

Installation of Accounting Software

Accounting system of TIB CPF shall be an automated one. Accounting software shall be installed in the computer of designated staff of the fund. The software will also be installed in the computer of External Auditor for the purpose of audit. The Member Secretary of TIB CPF shall be the Administrator of TIB CPF software.

Users of Accounting Software

Users of Accounting Software would be designated staff of CPF. There may have other users depending on necessity. User-wise access to different modules should also be ensured to give access for data entry, reporting, analysis of data etc.

Set-up of user groups of Accounting Software

User groups such as data entry user, viewer and administrative user shall be formed after installation of Accounting Software.

Administration of Accounting Software

There shall have a designated staff member who shall act as administrator of the Accounting Software of TIB CPF. The Member Secretary will be the administrator of accounting software of TIB CPF. He/she shall post entry. The administrator shall also control user access to different modules and features within the modules, in view of set user groups.

Storage of back up Files

One copy of back-up files of electronic accounting data shall be stored in the server stored on the office premises daily. Another copy of back-up files of electronic accounting data shall be stored in an off-site data storage center periodically and that will be in a distant location of the office premise to avoid possibility of loss of all copies of back-up data in case of any unwanted event/incident.

Separate Chart of Accounts for CPF

Chart of Accounts Overview

Since computerization of accounting is in the offing, a chart of accounts (major heads of accounts) showing major splits of expenses, income, assets and liabilities needs to be prepared. This will, however, depend largely on the software used.

Distribution of Chart of Accounts

After preparation of a chart of accounts, this shall be distributed among the data entry operators, viewers and reviewers of the electronic accounting data.

Control of Chart of Accounts

The Chairman of TIB CPF shall remain in charge overall of computerization, designing and redesigning the chart, determining and numbering descriptions of transactions and the codes, and changing those, as deemed appropriate.

Account Definitions

Each account shall be defined in details to facilitate recording of expenses, income, assets and liabilities under each account head.

Changes to the Chart of Accounts

Any change or modification/editing in chart of accounts will require authorization of the Chairman. A filled-up format with information of existing chart and proposed change/modification shall be submitted to the

Chairman for authorization. Once authorization is done, the designated staff will modify chart keeping earlier accounting records unchanged.

11.Records of Payment

Monthly Financial Records i.e. Cash book, Receipt & Payment Accounts, Bank reconciliation statement, CPF Receivable Reconciliation with projects, general ledger etc shall be prepared and preserved.

Annual Financial statement i,e. Statement of Financial Position, Statement of comprehensive income, Statement of Cash flow, Receipt & Payment Account notes etc shall be prepared.

Bank Statement & Reconciliation:

All bank transactions taking place during a calendar month shall be reconciled with the bankbook within 15 days of the following month. A reconciliation statement shall be prepared by the concerned staff for the Chairman, the Treasurer and the Member Secretary for their perusal and observation before filing. Any anomaly, if found, shall be sorted out as soon as possible and reported to the Chairman of the fund. Bank Reconciliation shall be reviewed by the Member Secretary and approved by the Chairman.

Receivable Reconciliation with project:

CPF (monthly contribution of both employee and employer) will be received from the projects within the month. The designated staff will prepare project-wise monthly receivable statement and ensure all receipts according to statement. If any gap is found between receivable and received amount it shall be collected from the respective project immediately after identification of the gap.

Day to day Operations and Records:

All accounting work of deposit and withdrawal of fund, disbursement and recordkeeping of all transactions shall be the responsibility of the assigned person posted at the TIB Dhaka office, who will conduct the same under the supervision of the Senior Manager - Finance & Administration. Vouchers, cash book, general ledger, bank reconciliation statement, receipt & payment account, Investment schedule, loan schedule, payment record book etc shall be prepared and preserved.

Cash Flow Analysis:

Cash flow shall be analyzed from time to time to estimate the amount of cash that it will have at hand at any time, CPF trends in cash inflow and cash outflow shall be identified to ascertain whether a shortfall or surplus in cash could potentially occur. Cash flow shall be analyzed in each time of issuing cheque/transfer and the designated staff would report to the Chairman through the Member Secretary for the next investment.

SECTION IV

12. Compliance with Laws, Regulations, and Organization Policies

Relevant laws & regulations of the Government of Bangladesh and the Organization's policies would be complied in all aspects of TIB CPF.

The change/amendment in relevant laws and regulations of the Government of Bangladesh would immediately be in effect and no further authorization of the appropriate authority of TIB CPF would be required. Any change/amendment in TIB CPF Operations and Management procedure would require authorization of appropriate authority of TIB CPF before initiating compliance with the changed/amended policies.

In all financial transactions of TIB CPF, full compliance with the TIB CPF Trust Deed & Rules shall be ensured.

SECTION V

13. Area of Investments

As per rule of National Board of Revenue, the money of the fund not immediately required for the purpose of the fund and held in the bank account shall be invested in-

a) In any Securities for the time being authorized under the Income Tax Ordinance or other relevant laws.
b) Any investments from time to time authorized by the Law of Bangladesh investments for trust moneys.
c) Stock, Funds or Securities of Bangladesh.
d) Stocks, Fund Bonds or Securities the capital whereof or a minimum rate of interest or dividend whereon is guaranteed by the Government of Bangladesh.

All investment shall be in the name of Transparency International Bangladesh Employees' Provident Fund and shall be operated by not less than two trustees of the fund. The Trustees at their discretion may from time to time transfer and sell investments and purchase others of similar nature.

14. Safe Custody of the Securities

The trustees may deposit the Securities with the bankers of the fund for safe custody if the TIB Dhaka Office does not seem to be safe to the Trustees. All securities for the time being held by the Trustees and the same shall not be drawn from the safe custody except upon a written request signed by not less than seven Members of the Trustees. The Trustees shall produce to the Auditors of the Fund, at the time of Annual Audit of the accounts of the fund a certificate of the bankers of the fund detailing the securities held in safe custody at the end of the year to which such account relates.

In case of deposit of the Securities in the safe custody at the TIB Dhaka Office, the Chairman of the fund shall be the custodian of the Securities.

SECTION VI

15. Application for Advance/loan

A Member willing to receive advance/loan shall fill up Advance/Loan Requisition Format (Appendix D) and submit the signed copy to the designated staff responsible for processing advance/loan.

16. Lead time to disburse advance/loan

Advance/loan shall be disbursed in the bank account of the applicant within 05 (five) working days of receiving Advance/loan Application from the member.

17. Ground of Advance/Loan to Members

At the time of sanction advance to Members the following grounds will be considered and Members shall clearly define the ground of advance/loan in advance application form:

a) Medical treatment for self or family members;
b) Educational expenses for children or other family members;
c) Acquisition of property for personal living of the Member;
d) Construction of house for personal living of the Member;
e) Wedding expenses of the Member or any of his/her family members.

18. Maximum Amount of Advance/Loan to the members

Subject to the approval of the Board, up to 75% (seventy-five percent) of subscriber's own contribution plus income thereof can be granted as advance to an employee who has completed less than 2 years of service. An employee who has served 2 years or more in TIB can be granted maximum 75% (seventy-five percent) of his/her own contribution plus Organization's contribution and income thereof. (Amended on 19 September 2016).

19. From which Bank A/C Advance/loan shall be disbursed?

Advance/loan shall be disbursed to the Members from the bank account maintained for TIB CPF.

20. Advance/Loan Refund time

Amount taken as advance shall be deducted in 06 to 24 monthly installments beginning from the month immediately following the month in which advance was taken. The member taking advance will indicate in his/her application the number of installments by which the amount shall be reimbursed.

21. Installment deduction

Loan installment will be deducted/adjusted from the monthly salary of the members. If loan is taken within 15th of a month, recovery of loan will start in the same month. If loan is taken after 15th of a month, recovery of loan will start the next month.

22. Rate of Interest on Advance/Loan

An interest of 5% (five percent) per year will be payable if the amount is reimbursed within 12 months from the date of disbursement of such advance while interest at 7.5% (seven and half percent) per year shall be applicable if repayment takes place in more than 12 monthly installments. The interest amount shall be accrued when payment of such advance is made and will be realized proportionately with the amount of each installment.

23. Second Advance/Loan to Members

A Member cannot be granted a second advance before repayment of an advance already paid to him/her. In case of early settlement and taking further loan, at least one day will be required for collection of refund and confirmation of deposit of refund to TIB CPF bank account. After confirmation of deposit of refunded amount to TIB CPF bank a/c, next advance may be disbursed to members.

24. Early settlement of Advance/Loan

If any member wants to settle his/her PF advance before completion of six installments, in that case, he/she can settle his/her advance paying at least 6 months of interest for early settlement. However, if he/she wants to settle his/her advance after payment of six installments then 1% service charge will be added to the rest of the principal amount. In case of separation of a member from TIB on the grounds of disciplinary action, and if advance/loan remains outstanding after payment of less than 06 (six) installments, only 1% service charge shall be charged.

In case of early settlement of advance/loan, cheque from any bank account issued by the member in the name of "Transparency International Bangladesh Employees' Provident Fund" shall be granted.

25. Division of Net Income

The net income of the Fund for each year shall consist of income from investments together with any realized surplus received in that year from the sale of any of the funds securities, less all expenses other than those payable by the Organization and less depreciation in the market value of investments of the fund taken as a whole.

Such net income of the Fund for the year, including forfeiture and the balance brought forward from the previous year, if any, as the Trustees in their sole discretion decide, shall be distributed amongst the members in accordance with their individual balances on the 31st March of the current year on Pro-rata basis.

26. Maintenance of the fund and Currency

The Fund shall be maintained in Bangladesh in BDT.

27. Financial Year of TIB CPF

Financial year of TIB CPF shall be set in accounting database as per registration with the NBR that is from 1st April to 31 March.

SECTION VII

28. Individual balance notification to Members

Although TIB CPF accounting year is from 01st April to 31st March but Tax assessment year is from 01st July to 30th June. For individual tax assessment purpose, the designated staff will distribute the yearly balance that is from July to June to individual members through email. Balance of individual members will be generated from software so that signature of any Board Member is not required.

29. Payment to Retiring and Outgoing Members

a. An employee shall be entitled to receive all deposit to his/her credit including the contribution made by the Organization and profit thereof:
   - i) If a member resigns from his/her service upon due notice after he has completed 2 years of service;
   - ii) If a member resigns or retires on account of disablement, illness or old age if certified by the Organization's medical officers or by a qualified medical practitioner or for other reasons which seem adequate to the Trustees;
   - iii) If a member's service is dispensed with by the Organization on account of reduction of the Organization's establishment.

b. In case of dismissal on account of dishonesty, misconduct, defalcation or gross negligence, the member shall be entitled to a refund of his/her own contribution and the profit thereof and such member shall not be entitled to the portion of the Organization's contribution and profits thereof of the fund. The balance not paid to the member under this rule shall be forfeited to the fund.

c. An employee who resigns from his/her service upon the notice earlier than 2 years of service shall be entitled to receive his/her own contribution and profits thereof in full. The contribution made by the Organization to his/her account and profits thereof shall be payable in the following scale:

Less than 2 (two) years	Nil
Two years or Over 2 (two) years of service	100%

30. Forfeiture of Organization Contribution

At the end of each month the Organization, from its own resources, will contribute to the Fund, on non-refundable basis, an amount equal to the amount of contribution made by all the Members in the same month. The contribution so made by the Organization shall be distributed among the individual Members by crediting their respective accounts with the amounts equal to their respective contribution for that month.

An employee who resigns from his/her position submitting a notice earlier than 2 years of service but not for any reason mentioned in this manual shall be entitled to receiving his/her own contribution. and profits thereof in full.

Such member shall not be entitled to the amount of contribution made by the Organization. The amount shall be transferred to the Forfeiture Account, which shall be added with the net income and be distributed amongst the members on pro rata basis.

The net income of the Fund for each year shall consist of income from investments together with any realized surplus received in that year from the sale of any of the funds securities, less all expenses other than those payable by the Organization and less depreciation in the market value of investments of the fund taken as a

whole. Such net income of the Fund for the year, including forfeiture and the balance brought forward from the previous year, if any, as the Trustees in their sole discretion decide, shall be distributed amongst the members in accordance with their individual balances on the 31st March of the current year on Pro-rata basis.

31. Accounts for of Provisional rate of interest and final rate of interest

Before paying to any outgoing member, the month will be closed based on provisional rate of interest. At the end of the year or on maturity of investment securities, interest will be calculated on the basis of actual rate of interest. After completion of audit, if any amount is found payable to any member who left, the amount (considering actual rate of interest and provisional rate of interest) will be paid to the member.

Provision for future expenditure shall also be made in each month for the portion of distribution of annual expenditure to the outgoing member. After completion of audit, if any amount is found payable to the member who left, the amount (considering provisional expenditure and actual expenditure) will be paid to the member.

SECTION VIII

32. Statements of Account

The Trustees shall maintain proper books of accounts of the Fund at the Registered Office of the Organization or at such place as the Trustees may decide.

A separate account shall be kept for each member in the form prescribed by the National Board of Revenue for use for a recognized provident fund. As soon as possible after the end of each year following financial reports shall be prepared:

a. Balance Sheet showing the Assets and Liabilities of the Fund as at the end of the year;

b. Income and Appropriation Account showing the income of the Fund during that year and the manner in which it has been appropriated pursuant to these rules;

c. Statement showing the account balances in the books of the Fund of the account in the name of each member as at the end of that year.

33. Annual Audit

TIB CPF is registered with the National Board of Revenue (NBR). In compliance with relevant rules of the Government of Bangladesh and also in the interest of members of the fund, financial statements of TIB CPF have to be audited by Audit Firms to get independent opinion of Audit Firms on fair presentation of information in the financial statements.

There is also requirement of submission of Audited Accounts to the NBR as per terms of Registration. To comply with that requirement, the Board of Trustees shall also appoint Audit Firms for auditing financial statements of TIB CPF.

Financial statements of TIB CPF shall be the representation of fund's financial system maintained by the designated staff and supervised by the Board of Trustees. The statements shall be presented in such a manner that the user/reader of the statement can recognize that significant accounting estimates and judgments and most appropriate accounting principles from among several alternative accounting principles and methods have been followed. TIB CPF shall also present information in financial statements fairly.

Auditor Independence

Auditor shall be independent Chartered Accountants' firm

How Often to Review the Selection of the Auditor

There is no policy in the NBR regarding selection of audit firms for CPF, so TIB CPF will follow the NGOAB policy. An audit firm shall not be selected for more than five consecutive years for auditing the fund. However, performance of audit firms shall be reviewed in each year before signing contract for a year.

Selecting an Auditor

The Board of Trustees will appoint the External Auditor for auditing the TIB CPF. Before appointment of auditor the Chairman and the Secretary of TIB CPF will maintain the selection procedure of audit firm and develop Terms of Reference for the auditor. It is essential to make sure the audit firm is listed with the NGO Affairs Bureau.

Standard Financial Statements of the TIB CPF for Audit

The designated staff shall prepare financial statements for the external auditor for review. Before commencement of audit, the financial statements shall be submitted to the Member Secretary and the Chairmen for their review and approval.

The basic financial reports of TIB CPF that shall be included in Audit Report:

- **Balance Sheet:** This will summarize the assets, liabilities and net assets of the fund at a specified date. It will be a snapshot of financial position of TIB CPF on specific date.
- **Income Statement:** This will show aggregate income and expenses of the Fund.
- **Notes to the Accounts**: Line item-wise details within different account groups of Income & Expenditure Statement and Balance Sheet shall be prepared.
- **Cash Flow Statement /Receipt & Payment Account:** This will summarize the resources that will be available to the fund during the reporting period and the uses made of such resources within that period. It is especially useful in real time because it reports income that has been received and expenses that have been paid.
- **Trial Balance**: Trial balance shall be prepared to test whether the Debits and Credits in the accounts are equal.

Some basic schedule which will be included in Audit Report:

- Loan Schedule
- Investment Schedule
- Individual members Fund
- Forfeiture Schedule
- Receivable and Payable Schedule
- Payment to Retiring and Outgoing Members

- **Cumulative Individual balance**: It will show the staff wise last balance that is own contribution, organization contribution and profit.
- **Profit Distribution**: It will show current year profit distribution to the members.

Reporting Requirements:

Annual audited accounts shall be submitted to the NBR after approval from the Board of Trustees.
Annual audited accounts shall be uploaded in common folder of the IT Server for all members of TIB CPF.
Report to the Board of Trustees
Report to all the staff at Project Coordination Meeting (PCM)/All staff meeting.

SECTION IX

34. Alteration & Modification of Rules

The Trustees may at their discretion with the written consent of the Organization add to, modify, rescind, alter or repeal any of the provisions of these presents in the manner so that such modification, rescission or addition shall effect the rights of any Member with respect to all sums already accrued to his/her account at the hands of the Trustees or shall be inconsistent with Rules under Income Tax Ordinance 1984.

Provided always, that so long as the Fund shall continue as a recognized Fund within the meaning of the Income Tax Ordinance, no such modification, rescission or addition shall be effected without the previous approval of the Commissioner of Taxes for the time being having jurisdiction over the Fund.

35.Termination of the Fund/Winding up of Fund

The Trustees may, after approval of the National Board of Revenue (NBR) and with the consent of all the beneficiaries of the Fund at any time on giving at least six months' notice in writing to each members or by posting such written notice in a prominent place in the office of the Organization wind up and distribute the Fund by paying to each member the sum then standing to his/her credit in his/her individual account in the Fund and any surplus after payment of all expenses shall be divided proportionately amongst the members of the Fund at the date of the expiration of such notice. Provided nevertheless that if on liquidation all the investment and assets of the Fund, shall (owing to depreciation of investment or expenses or Management or for any other reason) prove insufficient to meet the claims of all members fully such claim, shall abate proportionately.

36. Liability of Trustees

Each of the Trustees and every attorney of any Trustee shall be indemnified out of the Fund against all proceedings, charges, expenses, claims, demand, losses and liabilities arising in connection with the Fund or for the management or administration thereof any dealings connected therewith including depreciation in the value of the securities of the Fund except in respect of any loss to the Fund arising by reason of willful neglect or willful of such trustees or attorney thereof.

37. Decision of Trustees

Upon all questions and matter arising under or in consequence of the Rules of the Trust Deed, the decision of the Trustees, after consultation with the Organization, shall be final and it is a pre-condition of membership of the Fund that the member shall accept such decision as binding and conclusive.

38. Conclusion

Transparency International Bangladesh Employees' Contributory Provident Fund's Deed of Trust and Rules shall be the basis of any decision on all matters related to CPF of TIB. If any confusion arises about interpretation of any clause(s) of this manual, decision or interpretation provided by the Board of Trustees of Transparency International Bangladesh Employees' Contributory Provident Fund shall be considered final.

This amended version of Manual of CPF of TIB produced on the basis of updated provisions with the due approval of the National Board of Revenue has been adopted by the Board Trustees of the CPF of TIB on 4th December 2017 and shall be effective immediately. Any further amendment or updating of the manual shall be made in the same process as and when applicable.

SECTION X

39. Appendix "A"

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

EMPLOYEES' CONTRIBUTORY PROVIDEND FUND

FORM OF APPLICATION TO BECOME A MEMBER

(Pursuant to Rule 6 of the above Fund)

To : The Trustees,

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB) Employees' Contributory Provident Fund

I……s/o……hereby declare that I have read and understood the Rules of the above Fund and agree to become a member thereof and to be bound in all respects by the rules of the same for the time being in force and subsequent alterations, amendments and/or modifications thereof.

I hereby authorize and request you to deduct from my salary such subscription with effect from…… as I may from time to time be liable to pay under and in accordance with the rules, copy of which has been furnished to me and to pay the same to the Trustees of the said Fund.

Name in full (In Block Letters) _____

Present Address _____

Permanent Address _____

Date of Birth _____

Designation _____

Date of Joining Service _____

Department/Section _____

Present Salary (Basic) _____

Signature of the Applicant

Witness of the Signature of the applicant:

(1)Name……. Address……
Designation…….

(2)Name……. Address……
Designation…….

Forwarded to the Trustees

Applicant joined service on……..and is eligible to become a member. Deduction from his/her salary may be made according to his/her request.

Dated……..

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)
EMPLOYEES' CONTRIBUTORY PROVIDEND FUND

Admitted to the benefits of the Fund on…… Membership#.....

Dated…… Secretary

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)
EMPLOYEES' CONTRIBUTORY PROVIDEND FUND

40. Appendix "B"

TRANSPARENCY INTERNATIONAL BANGLADESH (TIB)

EMPLOYEES' CONTRIBUTORY PROVIDEND FUND

Nomination Form

(Pursuant to Rule 17 of the above Fund)

For use only where the person nominated is of full age

I ……

hereby nominate …… of ……

born on……..to receive the amount due by the Fund on my death.

Dated……..…….day of …….20 .

_____

Signature of Member

For use only where the person nominated is a minor

I ……

hereby nominate ……

born on……of ……..to receive the amount due by the Fund on my death

and if the said nominee shall then be a minor I hereby appoint …… of ……...born on……..……..to receive the amount on his/her behalf.

Dated……..…….day of …….20 .

_____

Signature of Member

Two witnesses to sign in presence of Member

1 Name & signature: ……

Address : ……

Designation : ……..

2 Name & signature : ……

Address : ……..

Designation : ……

41. Appendix "C"

EMPLOYEES' CONTRIBUTORY PROVIDEND FUND

APPLICATION FOR ADVANCE/LOAN

(To be filled by applicant)
Full Name (In Block Letters)
Designation Division/Unit:
Date of Joining at TIB: ID No
Present Salary Basic: Gross:
Did you receive any advance before Yes or No
If yes then what is the present status Refunded or On-going
Reason for need of current advance :
What amount do you need Taka:
You want to refund advance in how many installments:
Signature of the Applicant

(To be filled by officer in charge)
Balance of self-contribution
Balance of TIB's contribution
Balance of Interest, if any
Total Balance of PF fund
Add: Gratuity, if accrued
Less: outstanding advance, if any
Net collateral
Applied for advance
How much advance may be granted
Rate if Interest Total amount to be paid Installment amount

No. of Installment	Installment starts from	Installments ends
Signature of the Officer		

Treasurer **Member Secretary** **Chairman**

42. Appendix:"D"

Transparency International Bangladesh (TIB)
Employees Contributory Provident Fund

Statement of Member's PF A/C

From…….to…….

Employee ID	:	
Name of Employee:		
Designation	:	
Date of Joining	:	
Date of Membership	:	
Opening balance of Employee Principal		
Opening balance of Company Principal		
Opening balance of Employee Profit		
Opening balance of Company Profit		
Employee Contribution during the period		
Company Contribution during the period		
Employee Share of profit during the period		
Company Share of profit during the period		
Sub Total		
Outstanding balance of loan		
Closing balance		

Secretary, the Board of Trustees

Chairman, the Board of Trustees

END