



JANAKALYAN INVESTMENT POLICY 2011

Resolved on 6.3.2011 by the Governing Board

The Governing Board of Janakalyan considered 4 drafts of the investment policies placed before it and approved the following as JANAKALYAN INVESTMENT POLICY 2011:

1. Section R (12) of the Byelaws of Janakalyan deal with the accounts, fund management and investment of funds, which shall remain as prime rules; the following is approved as additional details/ guides to manage the funds of the society.
2. All investments shall be made in such a way that they entail minimum risk & opt for scheduled banks and cooperative banks other things being equal.
3. To invest surplus fund with any of the nationalized banks or/and co-operative banks in accordance with rules & regulations laid down in the Income Tax Act, 1961 or subsequent alterations, amendments or additions of the said act which deal with investment of trust fund.
4. Investment of idle funds lying in savings/current account being in excess of budgeted requirement for expenses & surpluses at the year end which is within the permissible limits i.e. within 15% of total receipts.
5. To be kept in short term fixed deposits and/or floaters in scheduled banks / cooperative banks offering the best terms & conditions. The Executive Director is authorized to make the deposit based on cash flow & organizational requirements to achieve best use of available resources.
6. Investment of surplus at the year end which is over & above the permissible limit i.e. above 15% of total receipts and which the Governing Board has resolved to accumulate for a specific purpose.

As per modes prescribed under Section 13 (1) d read with section 11(5) of the Income Tax Act, 1961, more specifically in any of the following-

- Deposit in any account with Post Office Savings Bank
- Deposit in any account with scheduled bank or co-operative society engaged in banking.
- Investment or deposit in any public sector company.
- Investment in immovable property other than plant & machinery.
- Investment in units of mutual funds specifies u/s 10 (23D)
- OR such modes as may be prescribed by any subsequent alteration, amendment or addition to the said Act dealing with investment of Society Fund



JANAKALYAN SOCIETY

The mode of investment will be decided by the Governing Board & reflected in the resolution.

7. **Investment of earmarked funds:** In separate Fixed Deposits as recommended by the Governing Board.
8. **Investment of funds specifically received as corpus:** In long term Fixed Deposits or Immovable property as approved by Governing Board.
9. Investment in foreign contributions during the interim period before they can be utilized as per FCRA, foreign contribution is to remain invested in the savings account specifically earmarked for it. All deposits shall also be made in the same bank where Janakalyan has FCRA account.

Administration of Investments

10. Authority to open & close bank accounts lies with the Board of Directors
11. Authority to receive & expend contribution/donation for the purpose of the society lies with the Board of Directors and is delegated to the Executive Director
12. The operation of the bank accounts to be delegated to those specially authorized (Executive Director being mandatory signatory) by resolution of the Governing Board for each account. Mode of operation to be jointly by any two of 3 authorized signatories.
13. Executive Director to be responsible for managing the bank accounts and their safe operation.
14. Authority and responsibility to execute the decision taken regarding choice of investment lies in Executive Director.
15. Responsibility to ensure safe custody of investments and accounting for interest lies with the Executive Director. Original receipts of Fixed Deposits should lie in a separate file which is to be kept under lock & key.