



Communication of the Central Committee

FINANCIAL AND ADMINISTRATION RECOMMENDATIONS No 11
FOR SAHAJA YOGA ORGANISATIONS

Introduction

We kindly invite your attention on these financial guidelines. Please also read the recommendations for money collected in Sahaja Yoga that have been approved by Shri Mataji in India on 14th October 2004 (see annex)

Donations of money by Sahaja Yogis need to be offered with surrender, purity of desire and a deep understanding that this is to facilitate our Holy Mother's Vision. Conditions must be established for the complete confidence in the contributing collective that their brothers and sisters who have been entrusted with the administration are indeed acting with the same purity and depth of integrity. Obviously, we should avoid competitive, ego engaging styles of donating or appealing for funds.

We would also recommend that we all listen to what Shri Mataji has said about the protocol of money in Sahaja Yoga as it will insure that donating, receiving, spending and accounting of this money are done in an appropriate manner,

In general any yogini or yogi collecting money in the name of Sahaja Yoga for any purpose needs to have collective sanction and full transparency by providing proper accounts to the collective. We are providing some basic guidelines on financial regulation in Sahaja Yoga. Money is there to express love and should not hinder love to be expressed.

Regulatory and Organizational Guideline

We need to respect law and regulations and report to authorities outside of the Sahaja organization such as tax authorities, accounting authorities, mortgage corporations, banks etc and it is our duty to never bring Shri Mataji nor Sahaja Yoga into disrepute.

Financial matters should be entrusted to an independent finance committee that should be responsible for receiving donations, approving the expenses, disbursing the funds, and accounting for all these transactions and reporting the financial results to the collective on a periodic basis.



Best Practice Recommendations

Where practical Sahaja Yoga should be constituted or registered in accordance with the law of each country and governed in an appropriate manner in line with Our Divine Mothers teachings. As the Sahaja Yoga organisation expands and opens schools, health centres, musical academies, orphanages, or other NGO's it is important that these financial best practice recommendations bring us to the required level of trust and administrative excellence.

Below we refer to the administrators or custodians or Council members of Sahaja Yoga in each country as TRUSTEES and for this purpose we set out a list of best practice recommendations that should be followed. There are many obligations placed on persons acting as Trustees and make them personally liable in certain circumstances for example a breach of duty and it is one of the reasons that we make these recommendations.

It is the Trustees responsibility to safeguard the assets of Sahaja Yoga on behalf of the collective and to ensure their proper application. This responsibility can be met by a simple system of transparent and internal controls which in turn will prevent and detect error, fraud and other irregularities.

Defining priorities and expense lines should be the fruit of consultations as such matters can be discussed collectively with the concerned yogis. Those funds and expense allocated for a specific purpose on a specific budget line should not be arbitrarily redirected to another designated budget line.

It is impossible to be prescriptive as to what controls should be put in place but each individual country should review its operations and assess the risks involved and take appropriate action to mitigate those risks through the use of appropriate controls in the light of local circumstances.

The recommendations spelled in this document can be implemented in an ideal world. In reality Sahaja Yoga is conducted on a voluntary basis, generally with insufficient funds. Small collectives may not have the necessary skills to operate financial procedures. Some may conclude that following such organizational guidelines would seem impossible to implement. The CC fully acknowledges these constraints but asks you to adopt some or all of the recommendations, wherever or whenever possible.



1. Trustees Responsibilities/Organizational Controls:

- a. A simple document should clearly set out the role and responsibilities of the Trustees and the Trustees should acknowledge these responsibilities. The Trustees are custodians of the charity's assets and as such should take appropriate action to safeguard them on behalf of the Collective.
- b. Trustees should have adequate information to make decisions and discharge their delegated duties within their powers.
- c. The available mix of skills in the collective should be accessed to enable trustees to administer the needs of Sahaja Yoga in their country e.g. Legal, Accounting, Administrative, Computer, Communication etc, etc skills.
- d. The Trustees should establish a common vision (long term strategic) and how to achieve it (operational/ organisation) through exchanges and consultations is achieved i.e. the advancement of Sahaja Yoga.
- e. If the Sahaja organisation is registered for instance as a charity or a trust it is important to ensure that it is correctly registered and that its activities do not stray outside its stated objectives or its legal limits.
- f. The Trustees should meet at regular intervals and minutes should record conclusions. These could be distributed to the collective for purposes of communication and transparency.
- g. In institutions or larger collectives, consideration should be given to the formation of an independent finance committee) Good practice and will allow for continuity when there is rotation of trustees.
- h. Whenever appropriate, external accountants/auditors should inspect the books of accounts prepared by the Trustees. And their reports should be made available to all Trustees and if appropriate to the Collective.
- i. There should be no personal benefit or financial gain from being in a privileged position of the Organisation. Assets of the collective should not be registered under the name of one individual.

2. Business Controls:

- a. For an institution/charity a business plan with strategic goals should be in place and monitored to produce results necessary to achieve the agreed upon objectives.
- b. A proper approval and expenditure policy should be put in place in the context of the above.
- c. Proper financial reporting systems should be implemented such that management accounts and other financial data are produced on a regular basis.



- d. Annual or biannual budgets produced and updated as economic circumstances change must be presented in an accessible format. e. Cash flow forecasts are produced to ensure that the liquid resources are managed appropriately.
- e. Proper filing systems should be maintained ensuring historical accounts, documents and other records are held, which may be required for future analysis.

3. Information Technology:

- a. Suitable computer systems should be put in place to meet the organisations needs and computer security procedures in place to ensure that data are properly protected. Recovery plans should be integrated to protect computer systems and to avoid any loss of data..
- b. Appropriate application software are desirable (e.g. accounting, fund-raising software, websites, database etc) to provide sufficient tools for effectively managing accounts and information for internal and external needs.

4. Checklist on Financial Accounting Controls:

- a. Do adequate systems exist to ensure control of both income and expenditure?
 - i. Segregation of duties: Is there adequate segregation of duties within the finance function? For example, between physical receipt and depositing of cash and recording of its receipt; between personnel responsible for purchase ordering and those authorising payments; receipt of cash donations and the recording and banking of such donations. Examples of delegation and separation of duties :bank statements received by a Trustee other than the treasurer; two signatures required on cheques or bank transactions; preventing conflict of interests by ensuring that no individual acting alone can make his or hers own supplies to the organisation; two people counting cash receipts.
 - ii. ii. Authorisation procedures: Are payments made only on the basis of proper authorisation procedures and in accordance with the banks cheque signing mandate?
 - iii. Reconciliation procedures: Are reconciliation procedures adequate, completed and reviewed regularly for e.g. bank, cash, stock etc?
 - iv. Adequacy and quality of accountancy records: Are adequate computer systems in place recording correctly the up-to-date accounting records and are they properly coded and structured to record transactions allowing the preparation of timely sets of financial statements?
 - v. Sahaja assets: Are sufficient procedures in place (a register) to necessitate the control of the Sahaja asset, e.g. fixed assets, stock etc?



- vi. Taxation: Can the organisation ensure it does not fall foul of any taxation laws? Can we investigate and ensure that the organisation can benefit from any tax gains and grants offered by any government bodies and authorities? Can we investigate if the organisation can apply for charitable status where donations can become tax deductible?
- vii. Prudence: Act prudently, honestly and responsibly using sound judgement and discretion at all times in Sahaja financial, legal and administrative matters.

5. Audit

- a. It is recommended that a Sahaja Yoga organisation managing substantial financial resources employs as appropriate, an auditor giving credibility and transparency, not only to outside authorities but also to the collective at large. It will help to dispel rumours and give credibility reliability, integrity and good standing to the financing, administration and operation of the organisation.
- b. We urge you to maintain appropriate records. The auditors will obtain evidence from a number of different sources to sign off their report. An example of these sources/records are listed below:
 - i. the accounting records themselves;
 - ii. the underlying documentation, including invoices, payments authorisations and correspondence;
 - iii. statements obtained directly from suppliers, bankers and beneficiaries;
 - iv. minutes of trustees and other committees meetings;
 - v. observation of the Sahaja organisation procedures;
 - vi. examination of physical assets and related documents and records;
 - vii. appropriate valuation and revaluation of assets. There are also a number of other sources of evidence required and will be obtained, therefore it is important to ensure that proper records are maintained and offered up for audit; for example donations, data of members, rents payable or receivable etc, etc.

6. Other Responsibilities

- a. Risks should be minimised and limited wherever possible.
- b. Adequate insurance cover should be taken out for the mitigation of major risks.
- c. Ensure adequate protection and safety precautions are introduced particularly where there are fire risks and health and safety issues. Children's safety must be foremost and their safety should never be put at risk.
- d. Review any taxation risks (for example trading activities for fundraising purposes)



- e. Ensure all activities and expenditures are within the legal powers of the organisation.
- f. Safeguarding public confidence in the Sahaja Yoga Organisation.
- g. Safeguarding the Collectives confidence in the Sahaja Yoga Organisation.
- h. Effective and full communication should be made with the collective.

7. Individual Projects

There have been a number of smaller scale projects that have been launched by individuals through the internet with appeals on Facebook and emailing lists for funding.

Grassroots initiatives are of course legitimate but it is very important that no individual or group derive material benefit for themselves from such appeals to keep in line with Shri Mataji's teachings.

In order to protect the individual or group concerned accurate accounts need to be disclosed to the collective (e.g. amounts raised and expenditures incurred) for any such project or appeals for funding. It is also recommend that the yogis/yoginis contributing any money exercise discrimination and check with their respective council or senior yogis/yoginis to validate the merits of the project and the individual concerned. Here are some general guidelines.

- a. The project should be clearly defined with the stated purpose and objectives deliverables and expected results.
- b. Ideally the project should be sanctioned and supported by the respective country council where the individual resides.
- c. The budget of the project should be clearly stated with a breakdown what and how the money would be spent.
- d. An update on the progress of the fund raising and spending should be made available
- e. Final communication to the sponsors and/or collective on the concrete results achieved by the project should be sent on completion of the activity.
- f. Detailed accounts are recommended in line with previous sections. These would include donations receipts, invoices, payment records and any supporting documentation to validate

CONCLUSION. Shri Mataji never advocated organisation or hierarchies but She has in the past formed trusts, charities and NGO's and we should be able to form such organisations and make certain that we implement them in a manner to please Her and adopt best practice to ensure their smooth running.



ANNEX

Sahaja Yoga Financial Guidelines

Preamble:

Money collected in Sahaja Yoga is the money Sahaja Yogis offer out of the love that Sahaja Yogis have for the great work of Sahaja Yoga. This money must be treated as sacred and sacrosanct. Meticulous care and discretion must be exercised in collections, spending and accounting for this money with complete transparency in decision making and full accountability.

Expenses should be managed in a manner that taps into the creative ingenuity of the Sahaja Yogis responsible for that project. If the money is spent with the attitude that this is for a divine cause, then much can be done with little.

When the collection, spending and accounting of this money are done in an appropriate manner, it creates auspiciousness and joy, and does immense good to society and contributes to our spiritual growth.

Regulatory and Organizational Guideline:

It is the responsibility of all concerned to follow, diligently, the laws and regulations of the legal jurisdiction in which they operate and have the accounts audited by qualified professionals as appropriate.

Financial matters should be entrusted to an independent local Finance Committee which should be appointed forthwith by each State and City Leader. This Committee should be responsible for the collection of necessary funds, for the approval of expenses, for the disbursement of funds and for the proper and timely accounting of all these transactions.

Functional Guidelines:

Collections:

Wherever feasible, collections should be done by cheque. If money is collected in cash, it should be supported by a detail of contributors that includes the name of the contributor and the amount of contributions. Anonymous cash collections should be generally discouraged. In the rare event of anonymous cash collections, at least two Sahaja Yogis designated by the Finance Committee should count the amount collected immediately after the event and record it appropriately.



Normally collections should be deposited into the bank and direct expenditures and disbursements from the cash collected should be avoided whenever possible.

Expenses and Disbursements:

The Finance committee should be responsible for approving all expenses and disbursing the funds. The approval for spending money should generally be obtained prior to incurring the expense.

Whenever possible, disbursements should be made by bank cheques. If disbursements are made in cash; all cash expenses should be accounted for as soon as possible after incurring them.

Accounting and Regulatory Compliance:

All accounting and financial transactions must be in compliance with the laws and regulations of the applicable jurisdiction.

At a minimum financial accounting in Sahaja Yoga should be completely transparent in the following regard:

- How much money was collected, for what purpose and from whom.
- How much money was spent for each purpose, and what was the general nature of expense.
- What is the cash position and what are the assets and liabilities at a given point in time.

Approved

Shri Mataji Nirmala Devi

14th October, 2004