



SOF Financial Policy

Preamble

Shifting Orbits Foundation (SOF) is committed to following a stringent and transparent policy with regards to any and all financial transactions that the organization undertakes.

The policy covers all persons and organizations, becoming binding for all those associated with SOF , in protecting, promoting and complying with all the regulatory and prescriptive requirements that this policy dictates. SOF has a ZERO TOLERANCE towards any forms of financial irregularity and will at all times abide by ethics that it demands.

Scope

This policy applies to all individuals/organisations associated with SOF in any way, hereinafter referred to as SOF Associates, categorised as follows:

1. SOF Staff and Consultants would be all those who have an employment/consultancy contract with the SOF .
2. SOF Volunteers who volunteer their time and contribute to the mission and objectives of the SOF on a volunteer basis and without any financial benefit.
3. SOF Partner staff refers to any paid or unpaid individuals who have committed to or support the SOF in its programs or initiatives. It includes visitors, consultants, interns, sponsors, donors, all staff/consultants of partner organisations or local government bodies, and any other individual or organization working within a Partnership Agreement/contract with SOF.

How to read this policy document

In the following section, all mandatory requirements as well as suggested guidelines of **each area of finance** have been listed. It is recommended that wherever possible, ALL the points mentioned are abided by to ensure maximum compliance. The section will also specify the procedure/approvals required for any exceptional conditions. All SOF Associate specifically contractors/partners may be provided with relevant text in their contract so that they are aware of our policy and agree to work under its purview.

Policies with regards to Financial Sponsorship of Education

Following are the applicable policy for undertaking any financial sponsorship towards your education

- 1.1. **Initial Payment for every Academic Year**- SOF will commence the first payment only after the following conditions are met
 - 1.1.1. The suggested college is approved by SOF for minimum safety and academic standards.
 - 1.1.2. The students should be **securing a minimum of 50%** in their annual examination to **qualify** for any form of scholarship. *Please see table 1 and 2 for approved amounts.*
 - 1.1.3. *These amounts can be enhanced in cases such as the college is a Tier-1 reputed college or the student's family is facing an extreme financial crisis. In such cases a leadership meeting will be called for and approval of such deviation logged. The same shall be shared with funding donors as well.*
 - 1.1.4. **A receipt of having paid 20-25%** of the total annual fee or 1st Instalment by the parents.
 - 1.1.5. A letter from the school/college confirming the total fee for the year (with any previous due clearly mentioned) **with due dates** as well as **bank account details (printed).**
 - 1.1.6. In all cases , total fee payable by SOF not to **exceed 35K for PU and 50K for Degree** for an academic year (*Exceptions in case of Corporate CSR Project sponsored scholarships*)
 - 1.1.7. The parents must have the capacity to pay the remaining balance and leave no dues for an academic year. (To be gauged qualitatively)
 - 1.1.8. In case of an existing SOF student, an approval from Operation Team (in email) based on prior years attendance, regularity and performance (PDU) for continuation
 - 1.1.9. All payment will be done **through Interbank transfer** in the **name of the ed-institute ONLY**
 - 1.1.10. **Receipt of each payment must** be provided to SOF Finance within 7 working days of the payment. Responsibility will reside with the beneficiary to ensure that this is taken care of.
 - 1.1.11. Any exception to the above would require a record of minutes of approval from members of leadership team
- 1.2. **Subsequent Payments** : SOF will process subsequent payment only after the following conditions are met
 - 1.2.1. **Receipt of all previous payments** should have been obtained and provided to SOF. No further payments will be made if prior receipts are not received.
 - 1.2.2. A good track of regular attendance in school as well as SOF classes. To be confirmed via email by Operations Team
 - 1.2.3. The students should be **securing a minimum of 50%** in their annual examination to **qualify** for any form of scholarship. *Please see the table 1 for approved amounts*
 - 1.2.4. The total payment for every year will be split in **at least 2 installments.** The last of the instalment will **only be paid when all other payments are cleared** by the parent

exclusive of SOF Components (Max of 30K for Pre-PU and 50K for Degree for an academic year)

- 1.2.5. The student should have been in regular touch with the SOF staff including providing them a record of their academic progress from school/college. Operation Team will need to provide their approval certifying the above
- 1.2.6. **Receipt of each payment must** be provided to SOF Finance within 7 working days of the payment. Responsibility will reside with the beneficiary to ensure that this is taken care of.
- 1.2.7. Any exception to the above would require a record of email approval from majority of members of leadership team

Table 1 - Suggested Scholarship Limit per performance percentages scored (Applicable for PU1/PU2)

50-60%	60-70%	70-80%	80-90%	90-100%
INR 10,000	INR 20,000	INR 25,000	INR 30,000	INR 36,000

Table 2 - Suggested Scholarship Limit per performance percentages scored (Applicable from Degree)

50-60%	60-70%	70-80%	80-90%	90-100%
INR 20,000	INR 30,000	INR 40,000	INR 45,000	INR 50,000

Table 3 - Suggested Scholarship Limit for Scholarship Partner Students (Deeksha / EY Foundation etc)

50-60%	60-70%	70-80%	80-90%	90-100%
NA	NA	NA	INR 20,000	INR 30,000

***Scholarship payment is based on actual college fee subjected to it being within limits above**

Summary

- SOF will only be able to sponsor **max of 10,000 to 35,000/- for PU** and **20,000 to 50,000/- for Degree** based on marks obtained in Class 10 and PU2. Fees are paid only on actuals
- Any other expenses like Bus Pass, Textbooks, Uniforms etc will need to be borne by parents if SOF has already paid College Fees. If limit has not reached, then SOF may be able to accommodate these additional expenses
- Attendance in College and SOF Skilling classes** should be maintained for continued scholarships. Regular Touch with SOF Staff will be important for us to continue supporting the student.
- Students are encouraged to earn **Personality Development Unit (PDU)** by participating in various skill building activities. These PDUs will also be looked at while considering scholarships.
- All colleges must be approved by SOF to avail of sponsorship. In the event of a new college, SOF will only pay the allocated budget as the **last instalment of the college**.

Policies with regards to approval of Colleges for Student Admission Support

To ensure the well-being, growth, and success of the students we support, the following criteria and principles shall guide the approval of colleges for admissions and financial or advisory support:

- 1.3. **Student Safety and Welfare** - Colleges must provide a safe and secure environment for all students. This includes:
 - 1.3.1. A campus with adequate safety measures.
 - 1.3.2. Mechanisms for redressal of grievances, harassment, or abuse.
 - 1.3.3. Support systems for mental health and well-being.
- 1.4. **Minimum Academic Standards** - Institutions must meet a baseline of academic quality, including:
 - 1.4.1. Qualified faculty and updated curriculum.
 - 1.4.2. Reasonable student-teacher ratio.
 - 1.4.3. Track record of student outcomes such as placements, progression to higher studies, or meaningful internships.
- 1.5. **Accreditation and Recognition** - Only colleges affiliated with recognized universities and holding appropriate accreditations (e.g., UGC, NAAC, AICTE) shall be approved.
- 1.6. **Transparency in Fee Structure** - Institutions must disclose a clear and comprehensive fee structure. We will not consider colleges with hidden charges or inconsistent financial practices.
- 1.7. **Infrastructure and Student Support** - Colleges must offer:
 - 1.7.1. Basic infrastructure such as libraries, laboratories, and internet access.
 - 1.7.2. Hostel or transport facilities where needed.
 - 1.7.3. Student mentorship, academic support, and extracurricular opportunities.
- 1.8. **Commitment to Inclusion** - We encourage institutions that:
 - 1.8.1. Actively support first-generation learners and students from marginalized communities.
 - 1.8.2. Have policies promoting diversity and inclusion across socioeconomic, cultural, and gender backgrounds.
- 1.9. **Non-Discriminatory Evaluation** - The selection of colleges shall be entirely merit- and suitability-based. We do not favor or discriminate against any institution on the basis of name, religious affiliation, geography, personal associations, or political ideology.
- 1.10. **Ongoing Review** - Approved colleges will be reviewed periodically to ensure continued compliance with these standards. Approvals may be revoked if the institution no longer meets our criteria.

Policies with regards to Payment for Contract Services (Staff)

Following are the applicable policy for undertaking any payments to be made for contractual staffs hired for providing center based or teaching/program support services

- 1.11. **Mandatory Documentary Collaterals for Experienced Contractors** - Any contractor being hired under "Experienced Category" will be required to provide Last Employment Appointment letter/Payslip and references as a mandatory collateral before the contracts are drafted.
- 1.12. **Payment during Probation period** - All contractors will be in probation status for a period of 3 months from the start of the contract period. Following will be the payment policy during the period
- 1.12.1. Payments will only commence after the contractor has electronically signed the Child Protection Policy and filled the Staff Onboarding form.
- 1.12.2. All payment will be done **through Interbank transfer** in the **name of the staff ONLY**
- 1.12.3. All payment will be based on the **timecard system** and the hourly rate specified in the contract
- 1.12.4. **A deduction of 20% may be made** every month which shall be only released at the end of the probation. This can be waived on a case by case basis.
- 1.12.5. **Reimbursement** will only be processed if accompanied with a **receipt** uploaded in appropriate SOF Forms (Reimbursement Form) along with other details. In case of self drive vehicle fuel reimbursement, a hand written calculation of mileage/cost should be used in lieu of receipt.
- 1.12.6. No payment will be made without an active contract being in effect.
- 1.13. **Payment during Contract period** - Following will be the payment policy during the period of contract
- 1.13.1. All payment will be done **through Interbank transfer** in the **name of the staff ONLY**
- 1.13.2. All payment will be based on the **timecard system** and the hourly rate specified in the contract
- 1.13.3. The timecards would be **subjected to audits and should match the data integrity**. If an anomaly is found, a note will be sent to staff seeking clarification. In case the clarification does not provide ample explanation, the timecard entry will be reduced or completely discarded in the calculation, For Example - If a staff logs 4 hours of taking lessons, the attendance data should have evidence of 4 hours of class. If not, the entire 4 hours would be discarded
- 1.13.4. **Reimbursement** will only be processed if accompanied with a **receipt** uploaded in appropriate SOF Forms (Reimbursement Form) along with other details. In case of self drive vehicle fuel reimbursement, a hand written calculation of mileage/cost should be used in lieu of receipt.
- 1.13.5. **TDS will not be withheld** till the total annual payout exceeds INR 30K. Upon reaching the limit, a TDS of applicable rate would be deducted before the payment. The staff shall be provided with the TDS paid documents for their annual filing

1.13.6. **Salary Advance or Staff Loans** will only be applicable for staff who have completed 6 months of tenure and are permanent. Some other policy and rules that apply are

1.13.6.1. The loans or salary advances are only permitted against **education of own children or medical emergency needs of immediate family members**

1.13.6.2. Maximum advance or loan permitted is **1.5 times your average monthly** payout of the **last three months**.

1.13.6.3. The repayment will commence from the **next payroll cycle**

1.13.6.4. **Maximum** allowed tenure for **repayment is 10 months**

1.13.6.5. In the event of departure before the repayment, the balance will be recovered during settlement.

1.13.6.6. Chart below is used for determining hourly rate for different category of roles

Table 3 - Guidelines for hourly rates of contract for various roles

Role	Prior Experience	Suggested Hourly Rate
Executive/Senior Management	Min 15-20 years in Industry in Senior Positions in various capacity	INR 250 - INR 400
Middle Management	Min 5-10 years experience, Specific Domain experience	INR 200 - INR 250
Program Managers / Regional Managers	Min 10 years experience, Program Management Skills	INR 250
Learning Coordinator L1	Fresh/ Experience 1-3 years	INR 150
Learning Coordinator L2	Experience 3-10 years or more than 2 years service with SOF	INR 178
Learning Facilitator L1	Fresh/ Experience 1-3 years	INR 200
Learning Facilitator L2	Experienced with specialized Subject expertise but not Teaching	INR 300
Learning Facilitator L3	Experienced Teachers with specialized Subject expertise including Board Patterns	INR 400 - INR 450
Field /Admin Roles	Experienced/ Fresh	INR 150

Policies with regards to Procurement or Payment to Partner Organizations/Vendors

Following are the applicable policy for undertaking any payments to be made for partners and vendors providing services

1.14. **Payment to Non-Profits Partners -**

- 1.14.1. In case of Non-Profit partners, the payment shall only be **made via Grants**.
- 1.14.2. The Non-profit partners shall provide a copy of their PAN Card, 12A and 80G certificates and bank account details.
- 1.14.3. The grants shall be made as per schedule document in Memorandum of Understanding signed before commencement of such services
- 1.14.4. The recipient should provide a note on **fulfillment of agreed deliverables/outcomes** as stated in the grant agreement for each installment before payment disbursements.
- 1.14.5. TDS may be applied on all such grant payments. Applicable rate would be taken into consideration. The partner will be provided with TDS certificate before end of the year
- 1.14.6. All payment will be done **through Interbank transfer to the Non-Profit Bank Account only**
- 1.14.7. No payment will be made without an active contract being in effect.
- 1.14.8. Any exception to the above would require a record of minutes of approval from members of leadership team

1.15. **Payment to other partners/service providers -**

- 1.15.1. **For any payments more than INR 2 Lakh** - All payments shall be made as per schedule document in Memorandum of Understanding/Contractual Agreement signed before commencement of such services.
- 1.15.2. **For payments less than INR 2 Lakh**, a Proforma Invoice or Quotation should be collected before releasing any funds.
- 1.15.3. As a good practice - **3 independent quotations are recommended** to be taken before finalizing any vendor.
- 1.15.4. All Vendors shall be registered **using [Vendor Registration Form](#)** prior to any payments.
- 1.15.5. The service provider shall **provide a copy of their PAN Card** and/or any other document required for record keeping.
- 1.15.6. The service provider is expected to raise invoice as per the terms and agreement signed in MoU or Contractual Agreement. Furthermore each invoice **should be accompanied** by a note on **fulfillment of agreed deliverables/outcomes** as stated in the agreement before payments processing.
- 1.15.7. The payment stated in MoU needs to include GST and TDS during signoffs. SOF shall not pay any additional charges outside of what was agreed upon in the contract.
- 1.15.8. All payment will be done **through Interbank transfer to the Organization Account**

- 1.15.9. No payment will be made without an active contract or an approved proforma invoice/quotation being in effect.
- 1.15.10. Any exception to the above would require a record of minutes of approval from members of leadership team

Policies with regards to Reimbursement by Staff/Contractors

Following are the applicable policy for reimbursement

- 1.16. **Reimbursement Procedure** - All reimbursement will have to be entered via Zoho people with an attachment of receipt. This will be reviewed against prescribed limits by the Finance team before processing for payment
- 1.17. All reimbursements will be paid along with regular payments in the upcoming payroll cycle only.
- 1.18. No cash transaction above the value of INR 200/- is permitted. In all cases, it is preferable to have payment record through UPI in the absence of any formal receipt
- 1.19. Any reimbursement without a convincing evidence/receipt will be rejected
- 1.20. **Reimbursement Limits** - Following are the limits set against each type of expenses
 - 1.20.1. **Gifts for Beneficiaries** - Maximum of Rs 750 a year per beneficiary
 - 1.20.2. **Internet** - Maximum of Rs 500 per month for staff and Rs 1000 per month for center
 - 1.20.3. **Food and Beverages** - Maximum of Rs 250 per head per meal
 - 1.20.4. **Stationary** - Maximum of Rs 500 per staff in any month
- 1.21. **Travel related expenses**
 - 1.21.1. All travel reimbursement will need approval and will be reviewed on a case to case basis.
 - 1.21.2. **Hotel stay** should be limited to **INR 2000-3500/- per night**. In case your location does not have an option, then prior approval will be mandatory
 - 1.21.3. Travel will be reimbursed on actual bills or computed using applicable per kilometer allowance as determined by finance based on prevailing fuel rates.
 - 1.21.4. Daily commute will NOT be reimbursed and has to be part of the staff's payments.
- 1.22. Any exception to the above would require a record of minutes of approval from members of leadership team

Policies with regards to Internships and Stipends / Education Loan

Following are the applicable policy for undertaking any payments to be made to Interns for any activities that are assigned to them for training/skilling purposes

- 1.23. All Interns are expected to be filling time cards against which payments will be made.
- 1.24. The Interns (internal and external) are expected to sign Child Protection Policy as required by all staff/contractor/partners/volunteers

- 1.25. All Interns will be paid at the **rate card of INR 150 per hour** for **expected of 67 hours**
- 1.26. In exceptional conditions (such as vacations/summer breaks), extended hours may be allowed for which additional stipend may be provided.
- 1.27. **Education Loans** will only be applicable for Interns who have been in continuous internship for more than 3 months of tenure and have been with SOF for more than 3 years. Some other policy and rules that apply are
 - 1.27.1. The loan permitted is only against **education of own**
 - 1.27.2. Though the loan amount is not fixed, it should not be more than half of the total college annual fee.
 - 1.27.3. The repayment will commence from the **next payroll cycle**
 - 1.27.4. **Maximum** allowed tenure for **repayment is 10 months**
 - 1.27.5. In the event of departure or discontinuation before the repayment, the balance will be recovered during the exit procedure.

Policies with regards to Rental Agreements and Payments

This policy outlines the principles and procedures to be followed by the organization when entering into rental agreements for offices, learning centers, or other official premises.

- 1.28. **Written and Legally Valid Agreement** - All rentals shall be formalized through a written and legally enforceable agreement. Informal or verbal arrangements will not be permitted.
- 1.29. **Verification of Ownership** - Prior to execution, property ownership documents must be verified. Agreements will only be signed with the legal owner or an authorized representative.
- 1.30. **Duration and Renewal** -
 - 1.30.1. Standard term shall be minimum 11 months (or as per legal norms), renewable upon mutual agreement.
 - 1.30.2. Renewal terms, rent escalation clauses, and notice periods must be clearly stated in advance.
- 1.31. **Financial Terms** -
 - 1.31.1. Rents will be ideally paid before the 10th of every month. Finance team will ensure the validity of the rental agreement prior to releasing the rents
 - 1.31.2. Rent and security deposit must be reasonable and in line with prevailing market conditions.
 - 1.31.3. All payment schedules, modes of payment, and refund conditions for security deposits must be documented.
 - 1.31.4. Any hidden or non-disclosed charges will not be accepted.
- 1.32. **Legal Compliance** - All agreements must comply with applicable state and central laws, including stamp duty, registration, and municipal regulations.
- 1.33. **Premises Usage** - Properties shall be used strictly for organizational purposes (e.g., office, learning center). Sub-letting or unauthorized use is prohibited.

1.34. **Maintenance and Utilities -**

1.34.1. Responsibilities for repairs, maintenance, and upkeep must be clearly allocated between owner and tenant.

1.34.2. Utility charges (electricity, water, society fees, etc.) must be specified in the agreement.

1.35. **Safety and Suitability -** The property must meet basic safety and accessibility requirements, including:

1.35.1. Compliance with fire, health, and building safety norms.

1.35.2. Adequate infrastructure to conduct organizational activities.

1.36. **Termination Clause -** The agreement must include clear termination provisions, including notice periods, refund conditions, and exit responsibilities of both parties.

1.37. **Non-Discrimination and Fair Selection -** The organization does not discriminate or show preference in the selection of rental spaces. Choices are made solely on the basis of safety, suitability, accessibility, and financial prudence.

1.38. **Periodic Review -** Rental agreements and premises shall be reviewed periodically to ensure continued compliance with organizational needs and legal standards.

Guideline on usage of Accounting Head for reporting purposes

This section outlines the standardized approach for using and categorizing accounting heads in financial reports. It ensures consistency, accuracy, and clarity in financial documentation across SOF. By adhering to these guidelines, stakeholders can streamline reporting processes, improve transparency, and maintain compliance with regulatory and organizational standards.

Educational Fees

Description: Used for paying all education-related expenses, such as tuition fees and coaching fees.

Cost Distribution Method: Direct Cost to PROGRAMS.

Educational Workshops and Tours

Description: Covers expenses for educational tours or team-building activities for students.

Cost Distribution Method: Direct Cost to PROGRAMS.

Teaching and Learning Aids

Description: Includes costs for software, books, hardware, notebooks, stationery, T-shirts, and nutritional snacks for students.

Cost Distribution Method: Direct Cost to PROGRAMS.

Program Support

Description: Expenses directly contributing to the execution of programs, such as teaching aids, curriculum development, and field visits.

Cost Distribution Method: Shared Cost based on PROJECT LOCATION ratio.

Program Management

Description: Costs related to managing and supervising the implementation of programs, including coordination and monitoring.

Cost Distribution Method: Shared Cost based on PROJECT LOCATION ratio.

Program Administration

Description: General administrative expenses necessary to support program execution, such as documentation and reporting.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Professional Services

Description: Payments for outsourced professional services like strategic oversight, auditing, and legal expertise.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Salary (Program Staff)

Description: Compensation paid to staff directly involved in program execution and delivery.

Cost Distribution Method: Direct Cost to PROGRAMS.

Salary (Interns)

Description: Stipends or salaries provided to interns contributing to program or organizational activities.

Cost Distribution Method: Direct Cost to PROGRAMS.

Salary (Non-Program Staff)

Description: Compensation for administrative, support, and other non-program-specific roles.

Cost Distribution Method: Shared Cost based on TIME ratio.

Extended Family Support

Description: Financial assistance provided to families in the community for emergency or welfare needs.

Cost Distribution Method: Direct Cost to PROGRAMS.

Rentals

Description: Costs for renting spaces for office use, program delivery, or events.

Cost Distribution Method: Direct Cost to PROGRAMS.

Utilities

Description: Payment for electricity, water, internet, and other essential utilities.

Cost Distribution Method: Direct Cost to PROGRAMS.

Infrastructure Setup/Upgrade

Description: Expenses incurred for setting up or upgrading facilities like classrooms, offices, or activity spaces.

Cost Distribution Method: Direct Cost to PROGRAMS.

Administration (Admin)

Description: General administrative expenses, such as office supplies, communication tools, and postage.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Legal and Finance Charges

Description: Fees related to legal compliance, financial audits, and regulatory filings.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Fundraising and Promotions

Description: Costs for organizing fundraising events, campaigns, and promotional activities.

Cost Distribution Method: Direct Cost to NON-PROGRAMS.

Trainings

Description: Expenses for capacity building of staff, volunteers, and community members through workshops and training programs.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Travel and Fuel

Description: Transportation and fuel costs incurred for program delivery, field visits, or operational purposes.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Stationery and Printing

Description: Costs for printing materials, reports, brochures, and other stationery items.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Web Hosting, Email, and Platforms

Description: Charges for website hosting, email services, and any program delivery platforms.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Team Building and Retreats

Description: Expenses for team outings, retreats, and activities aimed at enhancing team cohesion and morale.

Cost Distribution Method: Apportioned Cost based on PROGRAM EXPENSE ratio.

Others

Description: Miscellaneous expenses that do not fall under specific accounting heads but are essential for operations.

Cost Distribution Method: Direct Cost to NON-PROGRAMS.

Community Development

Description: Costs for initiatives aimed at helping community development programs in and around SOF Centers. Will include school/community center infrastructure upgrades, procurements etc

Cost Distribution Method: Direct Cost to PROGRAMS.

Balance Sheet - Assets/Liabilities

Description: Includes details of organizational assets (e.g., cash, equipment) and liabilities (e.g., loans, payables).

Cost Distribution Method: Only to Balance Sheet.