Project Report

On

NGO Accounting Practices in Bangladesh

Submitted To:

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Submitted By:

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Batch: 49th

Program: MBA (Regular)

Major: Accounting

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Date of Submission: 17 April, 2021

LETTER OF TRANSMITTAL

17 April, 2021

Md. Sharif Hossain
Assistant Professor
Department of Business Administration
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Uttara, Dhaka-1230

Sub: <u>Submission of Project Report.</u>

Dear Sir,

I am submitting my project report of **"NGO Accounting Practices in Bangladesh"** which was assigned me as a part of my MBA Program. I have tried my level best to complete this report with the necessary information and suggested proposal that you were provide me as your best as well.

I hope that the project report will be completed as your expectations.

Thank you
Sincerely
Yours,

…………………………….
Nazrul Islam
ID: 2192021004
Batch: 49^{th}
Program: MBA (Regular)
Major: Accounting
Department of Business Administration
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STUDENT'S DECLARATION

I, Nazrul Islam student of Uttara University hereby declare that the project work entitled "**NGO Accounting Practices in Bangladesh"** Submitted to Uttara University as a part of my MBA curriculum is a report of an original work done by me under the supervision of **Md. Sharif Hossain sir** (Assistant Professor, Department of Business Administration, School of Business, Uttara University).

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I am only responsible for any imprecision or mistake on my research study.

____

Nazrul Islam

ID-2192021004

Batch: 49th

Program: MBA (Regular)

Department of Business Administration

Uttara University

Date: 17 April, 2021

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SUPERVISOR'S DECLARATION

17 April, 2021

Nazrul Islam

ID:2192021004
Department of Business Administration

Uttara University

Subject**: Supervisor's declarations.**

Dear student,

I, **Md. Sharif Hossain** certify that Nazrul Islam, ID- 2192021004, Batch-49th, Program-MBA, Major- Accounting was assigned by the Department of Business Administration, Uttara University under my supervision to fulfill his internship project report. His project topic is **"NGO Accounting Practices in Bangladesh"** This project report is prepared under my supervision and has not been submitted to anywhere for any other purpose.

I hope this study and experiences that he gathered will help him in building up his career.

____

Md. Sharif Hossain
Assistant Professor
Department of Business Administration
School of Business
Uttara University

ACKNOWLEDGEMENT

Above all, I would like to thank my God for his untold and all-time grace that gave me enthusiasm to start and finish my dissertation.

I would also like to express my deepest gratitude to my supervisor **Md. Sharif Hossain sir**, for his supervision and constructive comments throughout the preparation of this dissertation. I could not complete this dissertation without amazing support and guidance I received from him who was with me from the start of this research. I am certainly thankful for the time and energy that he managed in this research work. His advice, wisdom and expertise were simply amazing.

I am greatly indebted to my other course teachers of my department who have provided a strong guideline to finish successfully such kinds of research work.

I would like to express deep appreciation to the respondents in my study whose active participation made this study appropriate.

ABSTRACT

NGOs began to emerge on a large scale after the liberation war of 1971.The emerging number of NGOs and their activities can be seen in different field of work. In Bangladesh, NGOs claim their great success in alleviating poverty through micro credit. They also strongly believe that destitute and landless women are economically empowered by micro credit programs.ASA, BRAC, Grameen Bank, Porishikha are the leading organizations providing micro credit in Bangladesh. Many people have different views about its popularity. Same people have taken it as a miracle and some critics have criticized about its negative impacts. I started this study raising these questions: What is the role of NGOs in empowering women's economic condition? Are women really empowered through the program launched by NGOs? As far as the economic empowerment concerned, the central focus was given to the micro credit lending organizations. Demographic and NGO connected questionnaires were asked to the respondents to explore the association between women, NGO connection and empowerment.

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Section 1: JUSTIFICATION OF THE STUDY

This project is not only a part of fulfilling my course of graduation but also a tremendous opportunity to seek and gather knowledge from practical. In today's world, education is the imperative tool for understand the real world and apply knowledge for betterment of the society as well as in Business Sector. From the education session the theoretical knowledge is obtained from various courses throughout the programs, which is only the half way of the subject matter. Practical knowledge has no alternative. The perfect coordination between theory and practice is of paramount importance in the context of modern business Graduates to get 12 weeks practical experience that is Project Program. Project program brings student closer to the real life situation and thereby helps to launch a career with some prior experience. Project is a step towards fulfilling this commitment by giving students an opportunity to get ready for the real world before they enter their practical life .To face much more complex and challenging business world in the challenging business areas, practical knowledge is essential to expand our theoretical base. The Project under the supervision of **Md. Sharif Hossain sir**, Assistant Professor, School of Business, Uttara University. As per my supervisor's direction the topic of the report has been chosen as **"NGO Accounting Practices in Bangladesh."**

The report focuses on the accounting practices and the internal control system done by the NGOs. The report attempts to identify in Bangladesh context Fiduciary responsibility of NGOs and their compliance to those, the way the state of Bangladesh regulates NGOs which finance charitable work through foreign donations. The regulatory requirement and framework of operation are limited to hold NGOs accountable to the beneficiaries. The requirements of the existing NGO accountability frameworks in Bangladesh are skewed towards the demands of the two influential groups – the donors and the state. The paper is limited to one NGO—BRAC (Bangladesh Rural Advancement Committee).

Section 2:

OBJECTIVES OF THE STUDY

2.1 Objectives of the Study:

This report was a scope for me through which I can relate my theoretical knowledge with my practical experience. The objectives of this report are given below:

2.2 Broad Objectives:

- To try to make an overall picture of NGO accounting practices in light of the practices of BRAC.

2.3 Specific Objectives:

- To Discuss Investment process overview of BRAC.
- Discuss the Reporting process of Financial Report and Statement.

Section-3

METHOD

3.1 Case Study Method

Another mention worthy dimension that is followed the case study method to draw conclusions and have tried to generalize the overall NGO accounting practices in light of one NGO. The reasons for doing that is such:

- There are no specific standards for preparation of accounts of NGOs.
- NGOs differ roughly in terms of procedure followed
- Projects undertaken differ in terms of accounting practice.
- Time and Cost would be huge to analyze more than one NGO.

As the rationale for following case study method in analyzing above, I have tried to generalize as much as possible.

3.2 Data Collection

Data were collected in the following manner:

- Primary data was collected through in-depth open ended interviews of Front-end management personnel at BRAC
- Phone call conversation with the respective officers and staffs of the BRAC
- Relevant field study as provided by the officer concern.
- BRAC website and other related websites.
- Annual report of BRAC.
- Company printed materials such as different manuals and publications.
- Information was collected through inspection of official documents, that is, accounting reports; internal audit report etc. of the selected NGO
- Unstructured interviews with key NGO official were conducted.
- Various laws, regulations, circulars were collected from internet, books.

3.3 Data Analysis

- In analyzing the collected data, the annual report, the internal audit report and the verbal information were compiled.
- The interviews are administered by formal and informal discussion. No structured questionnaire is used.
- I analyzed the data with the objective of preparing the overview, not comparing with any set of standards.
- When analyzed, I also have considered the NGO’s nature, requirement etc.
- Collected data were categorized according to the relevant field of accounting for better understanding and conceptualization & organization.
- Different diagrams were drawn for finding the interrelation and better analysis.

Section-4
DISCUSSION

Objectives1: To try to make an overall picture of NGO accounting practices in light of the practices of BRAC.

4.1 NGO Accountability Framework in Bangladesh

The NGO accountability in Bangladesh is expected to be centered round three groups of stakeholders – the beneficiaries, the donors and the state. However, the requirements of the existing NGO accountability frameworks in Bangladesh are skewed towards the demands of the two influential groups – the donors and the state. The NGOs receiving foreign funding are subject to the tight accountability requirements of the respective donors. All NGOs (both foreign and locally funded) are subject to government control. Those in receipt of foreign funds are subject to the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 and Rules under the Ordinance, administered by the NGO Affairs Bureau (NGOAB).

The voluntary organizations are subject to the Societies Act of 1961 and Rules made under the Act. The Government's regulatory framework is mainly concerned with ensuring that NGO activities are lawful, and do not conflict with government policies (The World Bank Country Study 2002). Funds from donors are sent directly to NGOs' bank accounts, but they cannot be lawfully drawn on until the NGOAB has approved the relevant project. NGOs are required to submit their project proposals to the NGOAB, which consults with the relevant government ministries and gives clearance to NGO's banks holding donor funds to allow withdrawals. If a bank pays out without NGOAB's approval, it is disciplined through the Bangladesh Bank (the central bank of Bangladesh). There is no doubt that this control function of the NGOAB is necessary to ensure legitimate sources of funding. However, often it is observed that NGOAB extends its regulatory power to determine which activities NGOs are allowed to pursue.

4.2 Maintaining accounts of foreign donation:

- The Rules require only double entry accounting, Cashbook and ledgers but NGO practices are varied.
- Some use cash accounting, some use accrual accounting.
- Every voluntary organization would collect foreign donations through only one bank account.
- The vouchers of expenditure should be maintained safely for 5 years in the head office and the field offices would do the same.
- The books of accounts for foreign donations would be kept according to form FD-5.
- The books would be maintained half yearly; one form 1st July -31st December, another from 1st January -30th June.

4.3 Accounting Practices [Case Study: BRAC]

4.3.1 Accounting Procedure and aspects

Accountants at every level in the departments have an inherent responsibility for effective and economical management of the operations and resources entrusted to them. A well designed accounting system, which regularly furnishes management with current meaningful financial data by assigned areas of responsibility and program elements, can be of valuable assistance in fulfilling these responsibilities.

4.3.2 Summary of significant Accounting Policies

According to the IAS-1, non-profit, government and other public sector enterprises seeking to apply this standard may need to amend the description used for certain line items in the financial statements and for the financial statements themselves. BRAC prepares its financial statements on a going concern basis, under the historical cost convention, except for investments in shares in listed companies classified within investment in securities and others, which are stated at fair value. BRAC generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items.

The significant accounting policies followed in the preparation and presentation of financial statements are summarized below:

Basis of preparation of Financial Statements

BRAC maintains its books of account and records on a programmer or project-wise basis. The Head Office maintains records of all treasury, investment and management functions. All cash balances, including those held for programmers, are held by the Head Office and transferred to programmers as required. Balances between projects are eliminated upon combination for the purposes of presentation of the financial statements.

These financial statements include the financial statements of BRAC and, on an equity accounted basis, those of the related undertakings set out in Note 4 in which BRAC has equity interests through which it exercises control or significant influence being a society under the Societies Registration Act, 1860, is not subject to any requirement to prepare consolidated financial statements.

In contrast to the ownership of equity interest in related undertakings, BRAC also extends gratuitous grants or provides donor liaison assistance to certain organizations that, in some instances may bear names with resemblance to BRAC, such as BRAC University, BRAC Afghanistan, BRAC Sri Lanka, BRAC Tanzania, BRAC Uganda, BRAC Southern Sudan, BRAC Pakistan, BRAC Liberia and BRAC Sierra Leone. However, no equity is held in these entities, and BRAC's financial statements therefore do not include the financial statements of these entities.

Non-consolidation

BRAC, being a society registered under the Societies Registration Act, 1860 is not subject to any requirement on the preparation of consolidated financial statements. Accordingly, BRAC’s investments in related undertakings wherein the effective equity interests are more than 50% are accounted for by the equity together with related undertakings in which the effective equity interests are between 20% and 50%.

Donor Grants

BRAC preserve and accumulate foreign grants according to Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978. At present three practices are widely followed by NGOs in recognition of grants: Grants recognized as income, grants recognized as liabilities and grants recognized as income only to the extent of the expenditure incurred. BRAC recognize grants as income when conditions on which they depend have been met. If the grants are specified for the funding of specific project, then income is recognized equal to expenditure incurred on the project or program. For donors' grants which involve funding fixed assets, income is recognized as the amount equivalent to depreciation expenses charged on the fixed assets concerned. All donors' grants received are initially recorded at fair value as liabilities in the "Grants Received in Advance Account". For grants utilized to purchase fixed assets are transferred to deferred income accounts [according to IAS 20]. Donors' grants received in-kind through the provision of gift and/ or services, are also recorded in fair value. Income reorganization of such grants follows that of cash based donor and any expenditure yet to be funded but for which funding has been agreed at the end of any specific period is recognized as grant receivable.

Revenue Recognition:

Income generating projects - Aaron Rural Craft Centre, BRAC Printers and Printing Pack and BRAC Dairy and Food Project.

Programmed Support Enterprises - mainly comprising poultry farms, feed mills, seed mills, fish and prawn hatcheries, horticulture nurseries, chilling centers, broiler rearing and meat marketing, salt production and marketing recycle paper production and health product related activities.

Revenue is recognized based on billings, net of discounts and allowances.

Service charge on loans to VO members

Service charges on loans to VO members are recognized on an accrual basis as income. The recognition of service charge ceases when a loan is transferred to non-interest bearing loan.

Service charge is included in income thereafter only when its receipt becomes probable, generally when it is realized. Loans are returned to the accrual basis only when the full amounts of the outstanding arrears of loans are received and future collectability is reasonably assured.

Interest on bank accounts, fixed deposits, debentures

Revenue is recognized as the interest accrues unless collectability is in doubt.

Other income

All other income is recognized when BRAC's right to receive such income has been NGOAB determined and all conditions precedent are satisfied.

(According to IAS 18)

Expenses

Programmed related expenses arise from goods and services being distributed to beneficiaries in accordance with the programmer objectives and activities. BRAC's Head Office overhead expenses are allocated to various projects and programmers at a range of 5% to 10% of their costs, based on agreement with donors or management's judgment.

Provision for liabilities

According to IAS-37 Provisions for liabilities are recognized when BRAC has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Accounts Receivable

Accounts receivable arises principally from BRAC's income generating activities and programmed support enterprises, and are stated net of provision for doubtful debts.

Inventories:

Retail inventories are stated at cost based on selling price less average mark-up, and other inventories are stated at cost. Cost is determined using the weighted average basis. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Provision is made for obsolete or slow moving items, to reduce their carrying amounts to net realizable value.

Foreign Currency Translation

BRAC maintains its books of account in Bangladesh Taka. Transactions in foreign currencies are translated into Taka at the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Bangladesh Taka at exchange rates prevailing at that date, and any gain or loss is recognized in the statement of income and expenditure.

Deferred taxation

Deferred taxation is provided for, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred taxation benefits are only recognized when their realization is probable.

Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case these costs are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Impairment of assets

At each balance sheet date, BRAC reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use. An impairment loss is recognized as an expense in the statement of income and expenditure immediately. Reversal of impairment losses recognized in prior years is recorded when the impairment losses recognized for the asset no longer exists or have decreased.

Writing off Loans

For the purpose of assessing the risk judged by their age loans are continuously monitored and categorized into several classifications. The classifications are:

Age	**Classification**
Within maturity period	Current
More than one month	Late
More than one year after being classified late	Non-interest bearing(NIBL)

The total amount of NIBL which are considered bad and have no possibility of recovery is referred to the Governing Body of BRAC for approval of write off, generally within one year from the date when a loan is transferred to NIBL. Generally loans are written off twice a year i.e. July and December. Any collections realized from loans previously written off are credited to the statement of income and expenditure.

4.3.3 Accounting entries for different deduction

- **When taxes are deducted from salary**

	DR	Cr
Salary and benefits	***********	
Income tax payable		************

- **On payment of taxes to the Govt.**

	DR	Cr
Income tax payable	***********	
Bank/cash		************

- **Entry for deduction of transport charge**

	DR	Cr
Salary and benefits	***********	
Transport running		************

- **When loan is given to staff**

	DR	Cr
Staff Loan	***********	
Cash/bank		************

- **When loan is realized from salary**

	DR	Cr
Salary and benefits	***********	
Staff Loan		************

- **When employee contribution to Provident Fund is realized from salary**

	DR	Cr
Salary and benefits	***********	
Provident Fund Trustees		************

- **When BRAC contribution is provided for**

	DR	Cr
Salary and benefits	***********	
Provident Fund Trustees		************

- **When Provident fund liability is settled (that is amount paid to PF)**

	DR	Cr
Provident Fund Trustees	***********	
Bank		************

4.3.4 Transfer of funds to field offices

In order to make effective use of fund monies are transferred to field offices on weekly basis. Money is usually sent in response to requisitions.

- ***When money is sent to field office:***

Particulars	Dr.	Cr
Current account with field office	*********	
Bank/Cash account		*********.

- ***When money is received from field office***

Particulars	Dr.	Cr
Bank/Cash account	*********	
Current account with field office		*********.

4.3.5 Fund Control

Head Office maintains one cash book to record all cash and bank transactions. To account for funds available to a project an account called “Fund Control” is used. The accounting entries made in cash book and in general ledger to account for receipt, expenditure and transfer of funds are shown below:

Cash Book	**General Ledger**
Fund receive from donor	
Cash/bank Account Dr Grants received in advance	Fund Control Dr Grants received in advance
Fund expended at HO	
Relevant account head Dr Cash/Book	Relevant account head Dr Fund Control
Fund transferred to field offices	
Current account with field office Dr Cash/bank	Current account with field office Dr Fund Control

The general ledger maintains records according to projects. The “Fund Control” account of a project shows how much money is available or how much has been borrowed. A debit balance tells that fund is available while credit balance indicates that fund has been overspent.

The cash book and general ledger are integrated. When an entry is made in the cash book it is automatically transferred to general ledger. In the project ledger the ‘cash’ or ‘bank’

Accounts are renamed as “Fund control”.

4.3.6 Cash Section: Control over cash

The control system employed by Treasury section has the following elements:

- Use of Voucher system
- Minimum cash handling
- Surprise check of physical cash
- Acknowledgement of all receipts
- Receipting all payments
- Different authorization level
- Internal check system
- Bank reconciliation

4.3.7 Receipts

There can be different kinds of receipts. They are broadly classified as:

1. Receipt from donors against project
2. Other receipts

Other receipts include:

a. Sale of program material
b. Sale of books and other materials which BRAC produces
c. Fees received such as against training

Receipts are accounted for through credit vouchers. Appropriate heads in the respective project is credited for the receipt.

Objectives-2: To Discuss Investment process overview of BRAC.

4.4 Investment

BRAC has both short term and long term investment. Its investments are categorized into:

- Investment in related undertakings
- Investment in Securities and others (outside investment)

4.4.1 Investment in related undertakings

Related undertakings refer to separately established undertakings in which BRAC has effective equity interest of more than 20%. BRAC's investments in these undertakings are accounted for by the equity method whereby the investments are initially recorded at cost and subsequently adjusted to reflect BRAC's share of results for each period.

Following are the accounting entries passed in the books in relation to investments in related undertakings:

	Dr	Cr.
1. When funds are invested		
Investments in related undertakings	************	
Bank/cash		************

2.When a profit is declared by the undertakings(to recognize proportion of BRAC's share)

Investments in related undertakings	***********	
Income from Investments in related undertakings		***********

3. When a loss is declared by the undertaking

Loss on Investments in related undertakings	*********	
Investments in related undertakings		**********

4. When dividend is received

Bank/cash	*********	
Investments in related undertakings		*********

4.4.2 Investment in Securities and others (outside investment)

The accounting entries in relation to outside shares and securities are:

	Dr	**Cr**
1.When securities are purchased		
Investments in Securities and others	*********	
Bank/cash		********

2.When securities are sold

Bank/cash	*********	
Investments in Securities and others		*********
Income from sale of Investments in Securities and others		*********

3.When securities are sold(loss)

Bank/cash	********	
Loss on Investments in Securities and others	********	
Investments in Securities and others		******

4.When dividend income is accrued on securities and others

Accounts receivable	********	
Income from sale of Investments in Securities and others		********

5.When dividend is received

Bank	********	
Accounts receivable		********

6. When there is a diminution in market price of shares & debentures of listed companies

Loss on Investments in Securities and others	********	
Investments in Securities and others		********

Objective-3: Discuss the Reporting process of Financial Report and Statement.

4.5 Financial Reports and statements (Study on BRAC)

Financial Reports and statements are the ultimate products of the management systems. All financial transactions generated throughout the year are recorded in a set of books in the computerized accounting system. The system facilitates accountant to prepare financial Reports and statements as per the requirement of the stakeholders.

The reports are prepared under the following groups:

- Internal Reports
- Donor reports
- Statutory reports

1. Internal Reports

Finance and Accounts Dept generates various reports and statements for the internal users throughout the year. Some of these are generated monthly, some quarterly and some yearly.

Following are the examples of internal reports:

a. **Monthly receipts and expenditure statement (Head office)**

It shows mainly the cash and bank position of a particular month. This report helps to project next month's cash and bank requirement. The format is given below:

BRAC **Head Office** **Receipts and Expenditure Statement** For the month of…………				
Head of Accounts	Month(tk)	Previous	Cumulative(tk)	Increase/(decrease)

		month(tk)		For the month
Opening Balance:				
Cash in hand				
Cash at bank				
Receipts				
Total available				
Expenditure:				
Total expenditure				
Closing balance:				
Cash in hand				
Cash at bank				

b. Quarterly Cash Flow Statement

It shows total cash inflow and outflow of the projects under different categories. The format is given below:

BRAC
Project name……..
Cash Flow Statement

For the quarter………			
Sl no	Head of accounts	Code No	Amount
A.	Cash flows from operating activities		
	Net cash providing from operating activities		
B	Cash flows from investing activities		
	Net cash used in investing activities		
C	Cash flows from financing activities		
	Net cash from financing activities		
D	Net increase/decrease in the end of the month	(A+B+C)	
E	Cash in hand in the beginning of the month		
	Cash at the bank at the end of the month	(D+E)	

c. Half yearly project wise financial statements

Balance sheet, income & expenditure statement and Receipts and payment statements are prepared half yearly for all the projects. Consolidated financial statements are also prepared six monthly.

d. Project wise budget variance analysis

It is done monthly or sometimes quarterly to find out the variance between budgeted and actual data. The format of the statement is follow:

------------ Program Receipts and payment statement (quarterly budget variance report) For the period from---------to---------			
	Budget(tk)	Actual(tk)	Variance
Receipts:			
Total Receipts			
Payments:			
Total expenditure			

2. Donor Reports

Finance & Accounts Dept. generates various reports and statements for donors. They include:

a. Quarterly Financial Report

It is prepared project wise and includes budget, actual expenditure and analysis of budget variance for the quarter.

b. Half yearly Financial Report

3. Statutory Reports

a. Annual Accounts

The annual accounts provide the followings:

- Cash Flow Statement
- Income & expenditure statement
- Balance Sheet
- Segmental Statements

Audited annual accounts (January-December) are usually published by 30th March of the following year. The annual report is also published in the website.

b. Project wise report for NGO Bureau

BRAC submits financial reports along with auditor's certificate (FD-4) for each donor-funded project to NGO Bureau annually.

c. Reports to Income Tax Authority/ Bangladesh Bank

Finance and Accounts dept requires submitting different sorts of reports to different bodies throughout the year. They include annual accounts and income tax return for Income Tax Authority and various reports to Bangladesh Bank.

Section-5: FUTURE FORWARD

FUTURE RESEARCH

According to the review of literature and the implications of this study, several "issues" remain unaddressed in this study, which are important by means of their magnitude regarding **BRAC-NGO** inside the organization. These issues can be considered for future study: overall accounting practices on Bangladeshi all NGOs, Gender stereotypes, Social appreciation for female NGO professional, Suitability of NGO Job Nature for Females and Investigation of active participation of female in the NGO sector

Recommendation

The following recommendations would improve the existing accounting and legal status of NGOs in Bangladesh, Like BRAC other NGOs should follow the appropriate accounting standards in accounting for the transactions. Accountability to the Govt. should be considered with importance. State Rules, Acts and Ordinances should be replaced or modified to reflect the current critical atmosphere. The state should evaluate the strength and weakness of current measures for regulating NGOs and ensure promulgation of flexible and effective rules and regulations. The existing procedure that requires projects and clearance of funds be annually approved by the state should be changed. NGOs that have approval for a project should be able to use foreign funds until the project is completed, without annual renewal.

The law should be changed accordingly and NGOAB should make sure that it is implemented properly. In conformity with law, immediate legal action ought to be taken against the officials of several NGOs who are involved in misappropriation, embezzlement or accused of misconduct, irregularity or lawbreaking. NGOs must be regulated by Parliament.

Conclusion

Due to many limitations Govt. itself could not provide every facility to its commuter in basic needs. Now, with the assistance of multilateral aid organizations, NGOs have taken on an even broader role in attaining the objective of Hunger reduction. Still there have some places in the country where govt. facilities reached yet or reached at a nominal rate. At those places NGOs do a greater contribution in development of the commuters in the field of poverty reduction, education, health, women empowerment, establishing human rights etc. Though the role of NGOs is appreciable there have drawback in their activities. Hence proper regulation is needed to monitor their activities. But in Bangladesh monitoring of NGO activities is poor. The govt. of Bangladesh should strengthen the regulatory body.

Accounting practices followed by NGOs play a vital role in transparent financial reporting. If internal control systems of NGOs are strong and delegation of authority within the organization are clear and appropriate then the accountability will be automatically increased. In recording the transactions and in reporting the NGOs develop own system suitable to them. Accounting Standards are only matter of concern for some big NGOs like BRAC. Though there is not any specific standard for NGO accounting, the existing standards can be applied in recording and in accounting for the transaction. In my report I tried to show how different aspects of transactions are recorded and accounted for by BRAC.

As most of the activities of the NGOs are donor financed the requirements and instructions imposed by the donors are given first preference by the NGOs. The NGOs are not listed companies. So they are not bound to disclose the information, the accounts to the public. And this matter is misused by the NGOs.

APPENDICES

Appendices I

Introducing consultant article

S.L	Article Title	Author(s)	Journal Name	Volume of Issue	Year	Publisher
1	Service Quality of BRAC Bank in Bangladesh: A Case Study	Islam, N	SSRN Electronic Journal	29(9), 600–650	**2007**	https://doi.org/10.2139/ssrn.2850980
2	Structural social work and the compatibility of NGO –A Case Study on BRAC	Reza, M. H., & Ahmmed, F.	International Journal of Social Welfare	18(2), 173–182.	**2008**	https://doi.org/10.1111/j.1468-2397.2008.00604.x
3	Financial Reporting Practices of Local NGO's Operating in Bangladesh	Yeaseen Chowdhury & Dr. Md. Mamun Habib	Journal of Economic ,Business and management	Vol 7, no-1	**2019**	https://www.researchgate.net/publication/331486327
4	A study of Government-NGO relationships in guatemala and bangladesh	Kim, C. S., & Kim, D	Latin American and Caribbean Studies	39(4), 29–58	**2020**	https://doi.org/10.17855/jlas.2020.8.39.4.29
5	Federation of NGOs in Bangladesh launched	Anon. (2003, 28/02/2003).	Holiday (Internet Edition)		**2003**	http://www.weeklyholiday.net/28/02/203/met.html

6	Livestock development through NGOs in Bangladesh: A study on BRAC	Shamsuddoha , M. (2012).	SSRN Electronic Journal	29(9), 639–650	**2012**	https://doi.org/10.2139/ssrn.1302276
7	ACCOUNTABILITY AND CONTROL IN NON-GOVERNMENTAL ORGANISATIONS (NGOS) – A CASE OF BANGLADESH	ZU Ahmed	… Interdisciplinary Research in **Accounting**		2004	Citeseer
8	Accounting System and Financial Reporting of NGOs: A Case Study on BRAC Micro finance Program	A N M Asaduzzaman Fakir	European Journal of Developing Country Studies	Vol.13	2012	www.BellPress.org

Appendices II

Complication of Objectives/ Purposes/ Questions/Hypotheses Addressed by the Articles

Article	**Objectives/ Purposes/ Questions/Hypotheses Addressed by the Articles**
Anon. (2003, 28/02/2003).	Federation of NGOs in Bangladesh launched. Holiday (Internet Edition). Retrieved 17/03/2006, from
	Service Quality of BRAC Bank in Bangladesh: A Case Study. (2007). SSRN Electronic Journal, 45(8), 1–1000

Appendices III

Complication of Methods

Article	**Complication of Methods**
Anon. (2003, 28/02/2003).	Federation of NGOs in Bangladesh launched. Holiday (Internet Edition). Retrieved 17/03/2006, from
Kim, C. S., & Kim, D. (2020).	A study of Government-NGO relationships in guatemala and bangladesh: Cases of PRONADE and BRAC Schools. Latin American and Caribbean Studies

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Islam, N. (2007). Service Quality of BRAC Bank in Bangladesh: A Case Study. SSRN Electronic Journal, 29(9), 600–650. https://doi.org/10.2139/ssrn.2850980

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Kim, C. S., & Kim, D. (2020). A study of Government-NGO relationships in Guatemala and Bangladesh: Cases of PRONADE and BRAC Schools. Latin American and Caribbean Studies, *39*(4), 29–58. https://doi.org/10.17855/jlas.2020.8.39.4.29

Anon. (2003, 28/02/2003). Federation of NGOs in Bangladesh launched. Holiday (Internet Edition). Retrieved 17/03/2006, from http://www.weeklyholiday.net/28/02/203/met.html

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Shamsuddoha, M. (2012). Livestock development through NGOs in Bangladesh: A study on BRAC. SSRN Electronic Journal, 29(9), 639–650. https://doi.org/10.2139/ssrn.1302276

Example:

- ✓ www.brac.net/
- ✓ www.googlescholar.com
- ✓ Www. ngoab.org
- ✓ http://www.academia.edu/4525681/MBA_Internship_Report_FINAL
- ✓ http://www.asaub.edu.bd/data/asaubreview/v4n2sl11.pdf
- ✓ A case study of BRAC. Available at <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-2145 >. (Accessed On 25 July 2013)