



OSAAT[®] Educational Charitable Trust

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ACCOUNTING POLICY OF THE TRUST

(Approved & adopted by the Board of Trustees on 19.05.2022 by circulation through email)

1. BASIS OF PRESENTATION

- a) The Trust presents its accounts in accordance with the Fund Based Accounting System.
- b) All the figures reported in Financial Statements are in Indian Rupee.
- c) The Trust follows the Generally Accepted Accounting Principles in India (Indian GAAP).
- d) Accounts will be prepared on going concern basis under historical cost convention.
- e) The Trust follows accrual system of accounting except stated otherwise.
- f) The preparation of financial statements requires Governing Body to make estimates and assumptions that affect the figures reported in Balance Sheet and Income & Expenditure Account. The actual results could differ from these estimates.

2. FUND ACCOUNTING

The Trust receives the donations/grants under two categories namely "Restricted Funds" and "General Funds".

a) Restricted Funds

Restricted funds are those funds whose use has been limited by donors to a specific project/purpose. These funds will be used by the Trust for the specific project/purpose as mandated by the donor.

b) General Funds

General Funds are unconditional or unrestricted expendable funds available for use at the discretion of Governing Body for furtherance of Trust's objectives. These funds are neither restricted by donor nor designated for specific purpose by the Governing Body.

3. ACCOUNTING OF INCOME AND EXPENDITURE

- a) All the incomes are recognized when Trust is legally entitled to collect it and amount can be quantified with reasonable accuracy, on an accrual basis.
- b) All expenditures are recognized on accrual basis where the Trust is legally bound to pay such amounts.

4. DEPRECIATION

Depreciation on fixed assets will be provided on written down value basis at the rates specified under the Income Tax Act from time to time.

5. FOREIGN EXCHANGE TRANSACTIONS

Transactions denominated in foreign currency will be translated to Indian rupees and recorded at the rates ruling on the date of transaction.

6. INVESTMENT

a) Investments, if any, will be made in accordance with provisions under section 11 of Income Tax Act.

b) Investments will be stated at cost with accrued interest.

7. TAXATION

The Trust is registered under section 12A of Income Tax Act and as such is exempt from taxation of its income and gains.

8. INTERNAL CONTROL AND RISK MANAGEMENT

The Board has the overall responsibility for Trust's system of internal control. This system provides reasonable assurance against errors and frauds. Any significant deviations are subject to specific approval.
