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# Expense Guidelines For Local Jamaats

## General

1. **No Jamaat can make any expenditure not already allocated in the budget without prior approval from respected National Ameer.** Presidents and finance secretaries must adhere to these guideline and stop allowing any such expenditure, except in situation of emergency, in which case, permission is still required but may be expedited via phone. (Letter dated Oct 4, 2008 by National Secretary Finance)
2. Cost saving techniques should be used when purchasing any new material or product for mosque property or other events. These techniques include looking actively for sales, discounts and online websites (ebay, amazon)
3. **For all major purchases over \$1,000**
  - a. Receipt & review of 3 quotations prior to purchase must be provided.
  - b. Local Amila approval must be sought and documentation for such should be provided to NHQ (in the form of minutes of meeting, number of total Amila members attended, date of the meeting, etc.) (Letter dated Oct 4, 2008 by National Secretary Finance)
4. Ensure proper filing, record keeping & inventory of Jamaat assets (anything over \$100 total value) and it must be made available for review of National Officers during local Jamaat visits
5. The expenses incurred for any auxiliary (khuddam, Lajna, Ansar) event such as ijtema, sports tournament etc should be paid by the auxiliaries themselves.
6. National Finance Department reserves the right to amend these guidelines from time to time. You can ask the Finance team to send you the latest copy. You can also download it from our website [www.ahmadiyya.us/finance](http://www.ahmadiyya.us/finance).

## Planning

1. Local Finance Secretaries should ensure to file sales tax exempt application and receive non-tax status, for use in exemption for utility and other sale taxes. Please send us a copy of all such certificates.
2. Jamaats with mosques and mission houses should apply for Tax Exemption immediately after acquisition. Please send us a copy of all such certificates.
3. Please ensure to keep the expenses within the limits of allocated budget by distributing monthly expenditure over the period of twelve months (Letter dated Oct 4, 2008 by National Secretary Finance)
4. Exhaustion of budget in the month of June is not essential
5. No inter-transfer of allocated funds between different expense heads can be made

except "Grant" head. In this case, proper entries to be made on one of the blank lines under "Grant" head

### **Expense Account**

1. Separate expense account must be established
2. Advance/payments from NHQ should be deposited in this account
3. All the expenses of your Jamaat should be paid from this account
4. Instructions on signatories similar to the income account should be followed
5. Interest on the Bank Account collected should be reported to NHQ annually in the month of June
6. Bank Account should be reconciled monthly
7. No bank account should be opened without specific approval from NHQ.

### **Ziafat**

1. The food served should be simple. Catering and/or lavish meals will not be reimbursed.
2. Event or occasion should be mentioned along with the Ziafat requests.
3. The tip amount should not be excessive, if given at all
4. Local Finance Secretaries & National Officers should ensure to write on Ziafat (Hospitality) bills: purpose of Ziafat and number and names of people entertained.

### **Travel**

1. The only valid travel expense that should be submitted through the regular monthly Jama'at expenses is of Shura and President Refresher Course.
2. Travel reimbursement request for any other national event has to be approved through the department conducting that event e.g. if there is a National Tabligh event, then that reimbursement request has to be approved by the Tabligh team that is conducting that event, which therefore would be deducted from their allocated budget. Similarly, if Public Relations Department is conducting a seminar, then the travel reimbursement requests have to come through National Secretary Public Relations and his allocated budget.
3. Tickets should be purchased well ahead of the planned travel date.
4. No rental car, hotel stay, airport parking and additional flight expenses like choice seat or early bird expenses are to be reimbursed unless a written approval is attained beforehand from National Finance Secretary. Tickets should be purchased well ahead of the due traveling date.

**Utilities**

1. The utility expenses(gas, electricity etc) should be within the budget. These cost shouldn't exceed the approved budget amount, therefore plan your budget accordingly for it.
2. Bills should be paid on time. Late fees will not be reimbursed.
3. Local Finance Secretaries should ensure to write amount paid, check number, date paid and their signature on utility, property & all other bills.

**Fitrana**

1. All (i.e. 100%) of the "**Fitrana**" collected by Local Jamaats must be sent to NHQ as part of monthly Chanda batch.
2. 50% of the total "Fitrana" collected by local Jamaats can be distributed among needy in their Jamaat.
3. The "Fitrana" distributed by local Jamaats among their needy members should be claimed as one of the regular expenditure in the Monthly Expenditure Report and will be reimbursed by NHQ. Please attach a detail of the "Fitrana" distributed with the name, member code and amount (**Letter dated Aug 4, 2011 by National Secretary Finance**)

**Eid Fund**

1. Please do not forget that **Eid Fund** should be collected according to donor's capacity and should be sent 100% to National Headquarters (**Letter dated Aug 4, 2011 by National Secretary Finance**)

**Advances**

1. Advances are issued to meet the regular expenses until Jamaat's claim is reimbursed
2. The advance status form should be attached with every monthly reimbursement request.
3. If your jamaat has not received any advance before and you need it to pay for running expenses, send your request to National Finance Secretary with an estimate of monthly expenses.

**Preparing an Expense Report**

1. Include the properly filled out expense cover sheet
  - a. **All entries in the expenditure reimbursement form must be filled for quick payment.** It should not be difficult at all to fill in entries in all the required columns when the figures are provided by NHQ each month to the concerned official at the time of payment. This will save valuable Jamaat time at NHQ (Letter dated Oct 4, 2008 by National Secretary Finance)

- b. It should show the Jamaat Name
  - c. It should show budget for the current year in each account
  - d. It should show year to date expenses made in each account
  - e. It should show total of expenses in each account for the current month
2. All original receipts should be attached with each and every reimbursement request.
  3. No photocopies or scanned or picture taken of receipts through cell phones are accepted unless given a written valid explanation.
  4. All expense receipts must be grouped by cost center and account
  5. Signature of local President & Finance Secretary is essential on monthly expenditure report.
  6. Send only one consolidated expense report per month.
  7. **Expenditure should be submitted to NHQ for payment every month.** Some officials/Jamaats have the habit of submitting the expenditure either biannually or quarterly for reimbursement. This causes overwork at NHQ, officials/Jamaats don't have funds available for spending at the time of need and actual picture of expenditure is not realistic. It is, therefore, vital that expenditures must be submitted for reimbursement to NHQ monthly (Letter dated Oct 4, 2008 by National Secretary Finance)

In the end, please remember that all these expenses are funded from the great sacrifices and hard earned money of the Promised Messiah's Jama'at members and thus we need to be really careful and cautious before making any expenses as we have been selected to be its "Ameen". May Allah enable us to fulfill our duties.

Jazak Allah

Expense Team

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