



***EFFECTIVE PROCUREMENT MANAGEMENT SYSTEMS IN  
NON-PROFIT: A CASE STUDY ON JAAGO FOUNDATION  
TRUST***

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INTERNSHIP REPORT



Presented By  
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Internship Report

On

**EFFECTIVE PROCUREMENT MANAGEMENT SYSTEMS IN  
NONPROFITS: A CASE STUDY OF JAAGO FOUNDATION TRUST**

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## Letter of Transmittal

October 25th, 2024

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**Subject: Submission of Internship Report “Effective Procurement Management Systems in Non-Profits: A Case Study of JAAGO Foundation Trust”**

Dear Sir,

I hope this letter finds you well. I’m, Lizana Sultana, holding the ID number 111 201 138, worked as an intern in JAAGO Foundation Trust in the Procurement Team within the Finance Department. I’m glad to submit my internship report on, “Effective Procurement Management Systems in Non-Profits: A Case Study of JAAGO Foundation Trust” as a criterion of finishing my internship journey.

This report is the ultimate product of my expertise and the knowledge I acquired by working at JAAGO Foundation Trust for 3 months. During my internship, I got an amazing opportunity of actively engaging in various procurement duties and examine the operations. This, as a result, taught me the best tactics to deal with the complexities of the procurement process for nonprofit organizations. In the report, I have attempted to show my learnings and provide a brief assessment of JAAGO's procurement policy.

I want to convey my heartfelt gratitude to you and everyone at JAAGO Foundation for the priceless assistance and direction provided to me during my internship. Their guidance played an essential role in enhancing my practical experience and ensuring a productive learning experience.

I’m confident that you will find this report interesting for gaining an overview into the foundation. Please, feel free to get in touch for further assistance.

Thank you for your time and consideration.

Sincerely,

Lizana Sultana  
111 201 138

## Acknowledgement

I would like to express deepest gratitude to JAAGO Foundation Trust for allowing me to enjoy and finish my internship at this excellent non-profit organization. The 03 (three) month journey was so valuable for me as it supported me in my career advancement by providing me with practical experience in both the operational and strategical areas. However, working here as an intern has broaden my perspective regarding stimulating growth & development in society.

I would like to offer my sincere thanks to my internship supervisor, Mr. Mosabbir Uddin Ahmad, Assistant Professor at United International University, who supervised my internship and provided me with valuable assistance & feedback during my internship. His direction was predominant in dictating the significance and quality of my internship work.

My sincere gratitude also goes out to Mr. Mohsin Ali, Senior Manager in the JAAGO Foundation's Finance Department, for his tremendously helpful mentoring. His broad knowledge as well as insightful practical approach to procurement management greatly enriched my educational experience by enabling me to relate concepts from the classroom to real-world problems in a nonprofit environment.

Lastly, I would like to appreciate to the entire team of JAAGO Foundation for constantly helping and encouraging me. Their cooperation and enthusiasm to communicate their proficiency left an unforgettable mark in my internship journey. I am grateful for being a part an amazing group that was so devoted to work and inspiring.

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## Executive Summary

This study addresses the procurement procedures of JAAGO Foundation Trust, a nonprofit organization in Bangladesh, and studies its efficient procurement management systems. I participated on several kinds of procurement projects during my internship, allowing me an in-depth view of how JAAGO processes its purchasing operation. The research analyzes the foundation procurement policies, practices, and controls with an emphasis on the administration of resources focusing on reliability, effectiveness, and openness.

The research investigates significant domains involving budgeting, requisitioning, bid analysis, quotation gathering, and payment processing. It further focuses on the crucial role of internal controls and the procurement committee in verifying compliance to legal obligations and vendor criteria. Additionally, there is also debate of problems that emerge with procurement operations, like difficult paperwork and financial validation.

Drawing on my personal practical knowledge, I present proposals to improve procurement efficacy and implementing strict financial control guidelines in non-profit organizations. The expertise that I gathered from this internship strengthens my deeper understanding of the way successful procurement processes influence the general health of a foundation.

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# Chapter 1: Introduction



## 1.1 Background:

Effective Procurement Management is crucial for non-profit organization like JAAGO Foundation so that they can be open, use their resources wisely and be accountable. Nonprofits must abide by certain regulations in order to fulfill donor commitments that match with their values and objectives. They also have financial resource constraint. In Bangladesh, JAAGO Foundation Trust is a widely-known non-profit organization that revolves around improving community and educational opportunities. Due to the company's rapid expansion and variety of initiatives, a well-organized procurement system is necessary to efficiently utilize resources while maintaining integrity and fairness. This study evaluates JAAGO Foundation procurement management system's efficacy and identifies standard procedures and areas for development.

## 1.2 Origin of The Study:

This research, "Effective Procurement Management Systems in Non-Profits: A Case Study of JAAGO Foundation Trust" is a pre-requisite for finishing the internship program of United International University. The internship program at JAAGO Foundation Trust offered the chance to obtain practical knowledge of the company's procurement procedures and guidelines. The internship provided in-depth view of the complexities and also optimal procedures corresponding to supervising the procurement process for a nonprofit organization through practical involvement in procurement operations.

This research was mandatory because it was realized that, in the non-profit organization, procurement management is essential to assure effective resource usage, upholding transparency, and accomplishing organizational objectives. In order to satisfy academic criteria, this study evaluates the procurement processes of the JAAGO Foundation and offers useful suggestions for improving procurement effectiveness within the company.

## 1.3 Objective of the Study:

These objectives will direct the examination and present a structure for comprehending JAAGO Foundation Trust's procurement management procedures.

1. To examine and learn about the procurement policies
2. To evaluate and learn about the effectiveness of procurement strategies.
3. To evaluate and learn the role of procurement committees and internal controls
4. To identify and learn the impact of procurement challenges
5. To provide recommendations

## 1.4 Methodology:

Through personal experiences and internal documentation, the study concentrated on comprehending procurement procedures, restrictions, and problems during the internship at the organisation. The following tactics were used to gather and examine the data:

### → Primary Data

- Directly involved in duty corresponding to procurement, including controlling order requests, reviewing procurement records, and visiting meetings of procurement committees
- Collecting informal feedback and communicating with finance and procurement personnel to master the operational complexities and how the procurement rules are applied.

### → Secondary Data

- Interpreting internal publications such as the Finance Manual and Procurement Policy Manual to review the financial supervision, regulatory compliance, and procurement processes.
- Assessing procurement documents like purchase orders and vendor request quotation to determine if specified policies are being followed.

The comprehensive assessment of procurement management at JAAGO Foundation Trust was made possible by the use of both primary and secondary sources.

## 1.5 Scope

This report's primary goal is to evaluate the procurement management systems of JAAGO Foundation Trust's in order to learn more about the efficiency and obstacles associated with procurement procedures in a non-profit context. The report will discuss:

- ♣ Examining the finance and procurement policy manuals of JAAGO to evaluate the rules and practices pertaining to internal control systems, selecting suppliers and bidding.
- ♣ To acquire knowledge on how the policies are put into practice, observe procurement-related functions such as managing the vendors, purchase order, and attending procurement meetings in the department.
- ♣ Determine the efficacy of courtesy for compliance and controls within the organisation, in addition to how they affect credibility, openness, and overall efficiency
- ♣ Highlighting the important issues with the procurement procedure and making suggestions

for enhancing non-profit procurement procedures.

## 1.6 Limitations:

The internship report encompasses of few limitations:

- ❖ **Restricted access to certain records:** as an intern I was deprived from accessing the procurement records and financial documents due to confidentiality.
- ❖ **Time Restrictions:** due to the fact that the internship period was short, it was only possible to get a quick overview of procurement operations rather than a thorough investigation over a longer time frame.
- ❖ **Limited Observation:** Procurement operations conducted at the head office were what I have observed the most and I had a less opportunity to observe procurement procedures at the field or project sites was limited.
- ❖ **Dependency on Internal paperwork:** The majority of the report has been made using the soft copy of procurement policy manual that JAAGO supplied to me, which might not accurately represent external factors that affect procurement choices, like vendor constraints or current market scenario.

Notwithstanding these drawbacks, the paper offers insightful analysis of procurement management systems of JAAGO and makes recommendations for enhancements.

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## Chapter 2: Company Overview

## 2.1 An Overview of JAAGO Foundation Trust:

JAAGO Foundation Trust was established in 2007 by Korvi Rakshand, with an objective of eliminating the discrepancies in the nation and addressing the differences in educational achievement that Bangladesh's impoverished children had to deal with.

The personal observations and perceptions of poverty of the founding members and the dearth of educational opportunities in their local regions served as inspiration. By distributing the underprivileged kids free access to healthcare, education, and job training, they planned to build a long-lasting model that would enable them to escape the cycle of poverty.



The introduction of this model began with just one school, but it has grown substantially, founding numerous educational establishments and programs aimed at fostering socio-economic progress for underprivileged young people throughout Bangladesh.

## 2.2 Mission of JAAGO Foundation Trust:

By empowering marginalised populations in Bangladesh and facilitate best learning educational opportunities, the JAAGO Foundation seeking to make a positive difference in society. Three main goal that the foundation's concentrate on are:

- 1) Education:** JAAGO Foundation is dedicated towards bringing quality education to underprivileged kids, ensuring they have access to free education through multiple schools. The mission is to lower the educational disparity faced by marginalized population. The foundation prioritizes a comprehensive approach to education, incorporating extra-curricular activities and basic life skills training to promote the holistic development of children.
- 2) Empowerment:** The foundation's dedication lies in empowering people, particularly women and young people, through the provision of necessary professional training and skill development initiatives. This is another objective which is to boost their employability and

encourage self-reliance by arming them with necessary skills. It firmly holds the belief that education and skill empowerment are vital in breaking the barrier of poverty cycle and promote socio-economic development.



**3) Society Development:** JAAGO Foundation is associated with putting efforts to develop multiple number of initiatives, understanding the importance of nurturing environment that can bring long-term progress, development and positive mental health such as monetary empowerment, personal hygiene, and physical wellness awareness. The act of of alliances and cooperative work, Jaago Foundation plans to promote social unity and peace and uplift the general living standard of the underprivileged society.

In general, the goal of the JAAGO Foundation is to make the society more equal by emphasising society development, empowerment, and education, which empowers people to reach their maximum capability and make constructive contributions to their societies.

### 2.3 Vision of JAAGO Foundation Trust:

The JAAGO Foundation aspires to a world in which all communities are empowered to prosper and all children have accessibility to high-quality education and can prosper. Its dedication to education centres on giving impoverished children chances, while its empowerment programmes prioritise women and youth, encouraging independence and governance. The nonprofit organisation (JAAGO Foundation) also places a strong emphasis on fostering community and tackling social concerns to build long-lasting spaces that promote fairness and progress.

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# Chapter 3: Procurement Policy Overview

### 3.1 Purpose of Procurement Policy:

The procurement policy of JAAGO Foundation's Trust offers us an organized strategy for procuring products, services, and other supplies, with a target of improving the procurement administration of the foundation. The primary goal of the policy is to maintain credibility, openness, and gain an efficient control over finances across the entire procedure. It operates as a tool for guidance for building or developing a standardised processes that can assists in minimizing any shortcomings and discrepancies allowing the organisation to receive the benefit from the money. The policy also minimizes the chances of misunderstandings and introduces rules and regulations for stakeholders by outlining procurement procedures precisely and providing samples. This as a result enhances the effectiveness of the procurement function's as a whole. Moreover, it helps the company to evaluate its financial success and guarantees that all the operations related to procurement are carried out morally and in accordance with accepted norms.

### 3.2 Scope of the Policy in governing Procurement Process:

The procurement policy's purview encompasses all the actions related to procurement applicable to the purchase of products, services, and labour that are approved by the JAAGO Foundation Trust. It also offers thorough regulations that control every step of the procurement process, including establishing a budget requisitioning, bidding, bid evaluation, and the process of payment. Additionally, there are requirements written in the policy associated with handling donors that includes detailed guidelines concerning the country, restrictions on certain products or services and tender limits. As a result, a sense of assurance is gained with procurement activities being performed following the internal policies and meeting the standards of the external donor, uplifting uniformity and responsibility in the utilization of organizational finances.



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## Chapter 4: Understanding the Procurement Process

## 4.1 Understanding the Procurement Process:

The procurement process at JAAGO Foundation Trust is designed by using a systematic approach to assure that the foundation meets the government requirement, maintains efficiency and clarity, and also whether the foundation adheres to the applicable rules and laws or not. Therefore, being an intern, I was primarily involved in learning and understanding each of the steps and guidelines involved in designing the process, as it has a significant influence over the management of finances and operational effectiveness.

The steps have been designed to develop the procurement process is mentioned below.

- ✓ **Purchase Requisition:** The procurement process starts with a requisition stage where a team or a department identifies the need of any products or services. Later, a purchase requisition form is filled out with all the necessary details needed to prove the requirement of the purchase. Later, the form is submitted to the procurement department by the program head or requestor. The procurement department, later on, confirms the request by running an investigation of the importance of the product or the service needed for the organization and whether it matches with the company operational goals.
  
- ✓ **Budget Provision:** After the purchase requisition is approved by the procurement team, it is time for the finance department to analyze the available funds following the budget line and use it as a financial assistance. If the finance department confirms having enough budget resources, then the proposal or offer is redirect to Finance Head or General Manager to receive an approval depending on the required amount.
  
- ✓ **Invitation of Quotation Collection:** in the next stage, the procurement team collects quotation based on the procurement thresholds that is set by the policy. When JAAGO makes a purchase under Tk (30,000), then they go for a spot quotation to conduct cost-benefit analysis.  
Secondly, when the price of the product or services is between the threshold of Tk (30,001-100,000) then the procurement committee goes for 02 (Two) written quotation to issue purchase order based on the evaluation of bid summary.  
Thirdly, the procurement committee requests for 03 (Three) written quotes when the price of the product or services is between the threshold is Tk (100,001-

20,00,000) then the procurement committee requests for 03 (three) quotation to issue purchase order by evaluating the bid summary.

Lastly, the procurement team or committee collects (03) three quotations even if the price crosses the threshold of above Tk (20.00.000) so during the purchase they use limited or press tender or open market sources for sealed bid.

- ✓ **Procurement Committee:** The Procurement Committee will review and finalise the quotations that have been received to make sure that JAAGO is receiving the best service at a good quality to meet the standards.

The procurement committee compiles all the quotations and then they run a comparative analysis based on price, quality of the product or service & vendor. This analysis conducted is revised by the Procurement Committee that comprises of 03 members to decide which vendor that brings the best products or services ensuring the high standards. After the decision is taken by the foundation, and the purchase is made in accordance with that recommendation. If there is only one bidder, the panel has to decide whether to move forward with vendor or re-bid it with the approval of Executive Director.

- ✓ **Comparative Bid Analysis:** when the procurement committee receives quotations from different vendors then they fill up a form to run a comparative bid analysis to identify the best supplier that provides the best quality of goods and services in the best reasonable price. The procurement department considers many factors while comparing the bids such as the past performance of the vendors to avoid the risk of problems related with supplying products and services, financial difficulties so that the reputation or goodwill of the JAAGO Foundation Trust doesn't get negatively impacted.
- ✓ **Purchase Order:** when the vendor has been selected then the next step is to sent a purchase order which is a official form that lists out the products or services that is being ordered.

The Purchase Order is created by the procurement committee and it has all the details regarding the product such as the type of the product or services, number of the items, price of the product or service, time of delivery and other terms and conditions. The form is then sent to vendor as an order to deliver the goods and services as agreed. Therefore, a Goods Receive Note is prepared which is an essential part of the process

as it ensures the quality of the goods and services and the number of items delivered as per ordered.

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# Chapter 5: Procurement Process Workflow



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## Chapter 6: Payment Procedure & Financial Control

## 6.1 Payment Process:

When the goods are received by the foundation, as mentioned earlier, a goods received note is prepared and they are compared to find a match between with the invoice and purchase order. The finance department executes the payment after verifying all the necessary paperwork and receiving an approval from the budget holder or program head. Moreover, the funds or the payments are made via electronic money transfer or account payee cheque. Not only this, but amounts that are below Tk 10,000 can be paid via cash. However, AIT and VAT are applied to every payment made as a part of the government rules and regulations.

## 6.2 Control Mechanism:

Control Mechanism is an essential tool for running every organization efficiently. Likewise, JAAGO Foundation Trust has designed certain control mechanism to ensure the achievement of the pre-set goals by taking proper decisions, protecting the interests of the stakeholders, the accountability and transparency of the procurement process and the payment, etc. Also, this control is very crucial for the foundation to keep the record of the forthcoming deliveries and routinely check to monitor the pending deliveries by sequentially listing them in a database. The segregation of duties is another control mechanism where the person in charge of drafting a purchase order is unable to authorize it. This separation duties lowers the possibility of an error or fraud by guaranteeing that every purchase made is authentic and duly approved.



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## Chapter 7: Internship Roles and Responsibilities

## 7.1 Task Assigned:

As JAAGO Foundation Trust intern in the procurement committee under Finance Department, I actively participated in the different phases of the procurement processes to gain an insight of how the foundation runs its purchasing operations efficiently and effectively by ensure its transparency as well.

Let discuss the main 03 (three) tasks that was assigned to me during my tenure at JAAGO Foundation Trust.

- ✚ Assisting in Procurement Process: this was the primary role that I have played to provide support in the procurement process which involves assisting in the paperwork and making sure that the procurement process is carried out smoothly following the guidelines mentioned in the procurement policy.
  
- ✚ Observation and Participation: I was also given the duty of closely observing, monitoring and contributing in conducting a comparative bid analysis and selecting the best vendor with all the factors keeping in mind such as ensuring good past performance, high quality of goods and services, reliability of vendor etc. This process allows me to have a proper understanding of conducting a bid analysis for every purchase the foundation makes.
  
- ✚ Verification: when a purchase is made, it is very important to verify the obtained goods and services by cross-checking the supplied items with the invoice and the purchase order to ensure that the number of items are properly delivered and also to check all the paperwork including the Goods Receive Note (GRN) before making payment to the vendor. However, this responsibility enabled me to obtain practical expertise in the procurement process and also enhancing the effectiveness and visibility of JAAGO's procurement process in general.

## 7.2 Specific Contribution:

During my internship journey I have made few contributions in a number of projects that have helped in the procurement process. Those specific contributions are described below as follows:

- ✚ Procurement Documentation and form-filling: I was in charge of keeping proper documentation or records of all the procurement related papers by categorizing them in a sequence such as purchase requisition, request for quotation (RFQ), purchase order, goods receive note (GRN). With this contribution, I was able to enhance the visibility and credibility of the procurement process by guaranteeing that all the documents and form-filling is properly filled out and stored and is readily available for the inspection by the auditors in the future.
  
- ✚ Data Entry: I have served the foundation with the support of monitoring its procurement activities of different projects such as USAID Bijoyee Project, Shopner Sharothi, EMDC and input the pertinent data into their procurement monitoring software. This involves maintaining track of all the information related to purchase order, timelines for deliveries, and the status of payment. Also, the precise data entry is vital for monitoring the latest update of the orders and guarantees a seamless as well as effective procurement process.
  
- ✚ Assuring Compliance: as I have worked on the procurement process of different projects, I had the responsibility to check each of the project maintaining compliance with the procurement policy standards. Moreover, I maintained the authenticity of the payment process by guaranteeing that the payments are made clear within the deadline given and in compliance.

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## Chapter 8: Challenges Faced During Internship

## 8.1 Difficulties Encountered in Understanding Some Task:

I encountered a number of obstacles while working as an intern in JAAGO Foundation Trust but it has benefitted me to develop myself professionally in a short span of time. For instance, this event has driven me to evolve myself into increasingly assertive in questioning and focusing more on details.

As I was a part of the procurement team, I had to perform activities mostly related to procurement. In the beginning, my biggest obstacle was to understand the intricacies of the procurement process starting from documentation to comprehend each of the items, filling forms following a sequence and this required my patience and diligence.

Also, I had to spend hours in learning and understanding the procurement policy and asking my superiors for any clarification and keeping all the knowledge in mind, I had to conduct the technical facets of the policy like meeting the criteria or standards of the quotation and processing payments.

Despite the obstacles faced during the internship, I'm glad that it boosted my capacity to identify and resolve any problems, ask for the guidance from seniors whenever it is necessary instead of hesitating, and also get a greater insight of the procurement process.

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## Chapter 9: Problem-Solving Strategies

## 9.1 Approaches used to overcome challenges and enhance understanding.

I had to employ varieties of approaches to solve issues during my internship to conquer the obstacles and strengthen my knowledge regarding the procurement process.

To begin with, whenever I came across responsibilities that are ambiguous, my strategy was to ask my seniors or supervisors for clarity and deeper explanation of the tasks. This, in addition, providing me with deeper knowledge and better information and also promoted open discussion among the team member or department.

Secondly, to get to grips with the guidelines and practices relevant to the procurement policy like purchase order, comparative bid analysis, vendor selection, I have grasped all the necessary information from the policy annual and utilize the other internal resources of the foundation to get my work done.

Moreover, I have observed my senior's activity during inspections of any documents and in meetings, it assisted me in gaining a firsthand knowledge of how decision-making process works and how it is made efficiently.

Last but not the least, I have applied an effective strategy by going through the previous records of the procurement and see the recurring trends to get an in-depth knowledge of the procurement workflow.

The application of these tactics or strategies in my workplace has significantly enhanced my ability to solve and overcome any challenges and participate in the procurement process successfully.

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## Chapter 10: Conclusion



## 10.1 Conclusion:

To conclude, I would like to say that my internship journey at JAAGO Foundation Trust has been rewarding to me as it has offered me a thorough grasp of the procurement process of a non-profit organization. I have worked on procurement activities of variety of projects which helped me in obtaining a practical expertise. However, the difficulties that I had to face acted as a blessing as I was able to learn and know more about how the process works so my understanding has got wider along with an improvement in my tactical abilities. Thus, I'm certain that the ideas and abilities I have received will be immensely helpful to my future aspirations.

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**THANK YOU**