

3.0 FINANCIAL PROCEDURES

3.1 Financial Control

3.1.1 Objectives

- (a) The financial control of the Association is vested in the Management Committee.
- (b) After the AGM the Management committee will appoint a Treasurer, who shall be a person with Accounting experience, (the vacancy may if required, be advertised in the SAMAA news) is appointed to look after the Finances of the Association
- (c) The duties of the Treasurer are clearly defined in this Manual and the requirements as set out, are to be strictly followed to ensure that proper Financial control is observed over the Associations Finances.
- (d) The Financial controls required by SAMAA Management Committee will include, but not be limited to the following;

Develop and enforce Financial procedures and controls that will ensure that records of all Financial transactions are maintained and kept updated.

Ensure that these Financial records and accounts are audited annually and the results made available to the members.

Ensure that a detailed Budget is produced, accepted and used to control expenditure during the year.

Provide a Financial management system which records the actual expenditure to Date, and forecasts the final expenditure, and cash flow for the balance of the year so as to give the members of the Management Committee a clear picture of the financial position of SAMAA.

3.2 Financial Recording

3.2.1 financial recording and payments

- (a) Ensure that an up-to-date account register of all Association Members is held.
- (b) Ensure that all Membership and other Invoices are sent out and that all subscriptions and fees are collected from the members and banked.
- (c) Maintain in up-to-date condition, all the financial records and accounts

the Association. This will include but not be limited to the Payment register, EBT requisitions, Receipt Book, Cash Book General Ledger and Bank accounts.

- (d) Ensure that all monies received by the Association are receipted and deposited with such commercial bank or institution as the Committee may decide on from time to time.
- (e) All payments made shall be made by Electronic Bank Transfer, following authorisation by Authorised SAMAA Signatories (or by cheques) drawn on the current account. It should be noted that at all times Interest from these accounts should be maximised.
- (f) SAMAA at present has a withdrawal limit of R20 000,00 a day on its current account
- (g) As SAMAA's income is derived monthly, the cash availability is critical and before any payments are made at the beginning of a month the Treasurer must produce a payment register to ensure that there is enough cash to cover the main costs for the month.
- (h) Petty Cash will be held in the office, and will be reconciled monthly, and taken to book by the bookkeeper at the end of each month. Petty cash will be topped up from a separate cheque issued for this purpose. The presently agreed petty cash, balance should not exceed R4000,00
- (i) The Treasurer shall ensure that arrangements are made with the Auditors in good time to permit audited accounts to be prepared at the earliest opportunity after the financial year end, so as to be complete and available for the AGM in late October after acceptance by the Management Committee, these Audited results will be published in the SAMAA newsletter.

3.2.2 Banking and Bank Accounts

The Association has its funds in two accounts: -

- A normal current account used to receive all income and from which all expenses are paid.
- A deposit account, a 32 Day Savings account or Money Market account, which is used to hold amounts, which are surplus to immediate SAMAA needs, and from which money can be transferred on call, but from which interest can be earned.

No funds dedicated to the Association will be held in any other accounts unless approved by the Committee

As the Association's income is collected throughout the year, adjustments between these two accounts is necessary, to ensure that the current account is kept solvent but, at the same time, the maximum interest is earned on any monies not immediately required.

Transfer of funds from one SAMAA account to another SAMAA account e.g. From the deposit to current account, can be arranged with only one signature but only after approval has been obtained from two committee members.

Overdraft facilities will only be used after the Management Committee's permission has been obtained.

3.2.3 Authorisation of payments and Signing powers

Authority to sign EBT'S , cheques or similar financial transactions, rests with certain Committee Members as determined by the Management Committee. Two signatures are required on all financial papers or cheques.

The current authorised signatories are the Chairperson or Vice- Chairperson, the Treasurer and General Manager. Two of the above signatures must be on every document before any payment is made.

The person generating the payment may not sign or authorise the payment.

The person named on any cheque or payment document issued by the Association must not be a signatory to that cheque.

- (o) Signing powers of those authorised to sign shall be limited such that only, transfers or cheques for agreed or standing invoices, monthly or annual payment ,or budgeted items may be authorised and then only if they are handled electronically.

Committee approval is required for any payment which is not catered for in standing invoices or allowed for in the approved annual budget.

Notwithstanding the above, a list of payments made or cheques issued together with all other payment registers will be prepared and sent to all Committee members before the next Management Committee Meeting for acceptance at the meeting.

- (o) **No payments** will be made if there are no funds in the current account, and the Money market or feeder account has been

exhausted.

In keeping with good financial practices ,payments will not be made ahead of the due date.

3.3 Financial Management

Budgets

- (d) Taking into account that the associations income is collected monthly,and that the Income for the year cannot be determined accurately until the last month of the year .It is a requirement that the Treasurer , prepares by February of each year, a detailed Budget for the coming year which estimates and forecasts the Income and Expenditure expected in the forthcoming year.

This Budget must be detailed to a degree that permits all items of Expenditure to be individually identified and thus controlled. The Budget should be one which shows both the Income and Expenditure on a monthly basis, looks at the Bank Balance and checks on the Cash flow This Budget must be presented to the management Committee before April

- (p) During the preparation of this above Budget it would have been necessary to estimate the proposed membership fees which would need to be charged to enable SAMAA to meet its Financial obligations for the coming year. This Budget must be presented to the Management Committee, by latest mid March , Showing both the expected Expenditure and the proposed Membership fees for the coming year.
- (q) The Budget and proposed membership fees for the year must be accepted by the whole Management Committee prior to it being published in the newsletter for the Associations Members information.

The Treasurer must also produce a provisional Budget for two years ahead, This Budget will be a best guess, but it does give continuity. This budget must also be available for discussion in April.

Ensure that any cost incurred outside those Budgeted for, shall be raised at the monthly Management Meeting and approved by a majority vote of the Management Committee members before being paid. If the amount is substantial the Members of the Association shall be informed of this variation in Budget and the consequences of this cost, as soon as possible thereafter.

- (r) With the Budget in place the Management Committee must Ensure that the expenditure of the Association is controlled and is in accordance with, and does not exceed the Budget allowables.

Forecasts actuals and cash flow

Compile and issue monthly financial statements ,before and have them approved at the Management Committee Meeting.

The Treasurer shall prepare and issue to all members of the Management committee, by not later than the 7th day of every month, a financial operating statement. This statement will include all relevant information to enable the Committee Members to establish indisputably the financial position of SAMAA.

This package will include but not be limited to issuing schedules which show the actual expenditure to date, the estimates and forecasts, and the expected final expenditure, and cash flow for the balance of the year so as to give the members of the Management Committee a clear picture of the trend and year end financial position of SAMAA.

All supporting documentation, such as Payment requisitions, Bank reconciliations, operating statements, balance sheets etc. are to accompany the Financial package.

3.4 Financial Control of Other Accounts

From time to time it may be necessary to open and operate a second or separate bank Account.

As all money is the responsibility of SAMAA it will be subject to the same controls and Restrictions as set out in the SAMAA financial policies. That is, a budget is to be Prepared, that all paperwork, authorities, signatories, bank accounts etc. are to be in place, And that the SAMAA Treasurer, Chairman, and Vice Chairman and Committee members are satisfied that the account can operate and can be controlled.

- The operator of this separate account may authorise payments and run the account on the terms and conditions set down by the SAMAA Management Committee.
One of the condition of any separate account is that no money may be released without the signature of one of the main SAMAA signatories and the Treasurer..

A requirement of any separate account holder is that

Financial accounts and monthly operating statements will be prepared and presented monthly to the SAMAA management committee.

3.5 Disbursements and Claims

Set out below is the procedure for the

- recovery of costs and
 - reimbursement of claims
- for monies spend on bona fide SAMAA business.

A. 1) Reimbursement of Claims

Following discussion, it was noted that contrary to previous policy where costs were only reimbursed in selected cases, the principle has now been established where by costs/expenses incurred directly in the pursuit of SAMAA business which had been budgeted for will be reimbursed.

This meant that now:

- travelling to Management meetings
- costs incurred for telephone calls on SAMAA business
- out-of-pocket expenses incurred as a direct result of work done for SAMAA

will all be reimbursed on presentation of a reimbursement/disbursement claim, provided that the claim is accompanied by the relevant supporting documentation and detail.

In the case of new claims, for capital or special items, quotations and authority must be obtained before SAMAA may be committed to the cost/expense. Items such as food, lodging, car hire or unauthorised travel will not be entertained unless a provision for the reimbursement of such expenses had been allowed for, or permission had been previously obtained. The present agreed allowance for travelling has been set at R2.50 per kilometre but this figure will be subject to an regular review as the petrol price alters.

Requisition

The general policy to be used from now on is, that expenditure on behalf of SAMAA will require authorisation before the cost is incurred.

The manner in which this will be done is as follows:

- (i) The person, hereafter called the “applicant”, wishing to claim an **advance** or permission to spend money will complete, sign and submit a “Requisition” form to the General Manager or Treasurer.
- (ii) The Requisition form will be completed and will:
 - a. state the amount of the claim (or possibly the estimated magnitude of the claim or advance required)
 - b. describe, in detail, the reasons for the expenditure and the motivation
- (iii) To authorise the expenditure, this form will then be signed by either the Chairperson or Vice-Chairperson and will be countersigned by the Treasurer.
- (iv) The authorising form will then be returned to the applicant with the advance, if applicable, for the transaction to proceed.

- v) On completion of the transaction the Requisition form, as well as a “Disbursement/Claim” form and the purchase invoice, will be submitted by the applicant to SAMAA for reimbursement by the Treasurer.

Disbursement

In the case of incidental or budgeted expenditure, the Requisition form may be bypassed and a Disbursement/Claim form, with a detailed breakdown of the claim as well as the authority and applicable invoices to substantiate the claim, will be submitted with the Disbursement/Claim form.

The handling of this claim will still require the same authorising signature as described in (iii) above.

Failure to submit authority, support of invoices or cash slips with the above claim forms may result in a delay or even a partial or total non-payment of the amount claimed.

The Disbursement/Claim form, as well as a Reimbursement form, will be available from the General Manager or Treasurer.

Travelling Claim

The presentation of a Travel Claim will be similar to that for a Disbursement form but the Trip mileage as well as the purpose of the trip must be filled in on the Travel Form.



SAMAA DISBURSEMENT FORM

NAMECLUB.....

ADDRESS.....

CONTACT NUMBER.....DATE.....

GENERAL EXPENSES CLAIMED:

DATE	CLAIM FOR	AMOUNT	SLIP NO. (Attached)	OFFICE CODE
TOTAL				

SIGNED..... DATE.....

SAMAA NO.....

AUTHORISED BY: -

1) CHAIR/VICECHAIRMAN..... DATE.....

2) FINANCIAL MANAGER..... DATE.....

REQUISITION NO. DATE.....

For Office Use Only:

Paid to:.....Cheque No.....Date.....

Collected /posted/deposited - Code No.....Signature.....

