



## **FINANCIAL POLICY**

### **1. PURPOSE**

The regulations set out herein after are general guidelines and operating procedures that outline the accounting system, finance, expenditure and authorization for the organization.

### **2. FINANCIAL MANAGEMENT**

MPS is committed to responsible financial management. The entire organization including the Executive Committee, Executive Management Committee, staff and volunteers will work together to ensure that all financial matters of the organization are addressed with care, integrity and in the best interest of MPS.

The procedural guidelines contained in this policy are designed to:

- ☐ Protect the assets of MPS;
- ☐ Ensure maintenance of accurate records of MPS's financial activities;
- ☐ Provide a framework of operating standards and behavioral expectations; and
- ☐ Ensure compliance with local legal and reporting requirements.

The President, assisted by the Treasurer, has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the Executive Committee. Exceptions to written policies may only be made with the prior approval of the Executive Management Committee. Changes and amendment to these policies may be approved by the Executive Committee at any time. A complete review of the policies shall be conducted every four (4) years.

Every Executive member, staff member or committee member with financial related responsibilities is expected to be familiar with and operate within the parameters of these policies and guidelines.

### **3. DELEGATION / LINE OF AUTHORITY**

The following basic principles shall apply with respect to delegated authority within MPS and all supporting management structures:

- 3.1 Only the President is empowered by the General Council to delegate to officials or committees in respect of matters outside of the resolutions of the Executive Committee.



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- 3.2 The Executive Committee is empowered by the General Council to take decisions and/or delegate to officials and management as per Executive Resolutions
- 3.3 The Executive Management Committee is empowered by the Executive Committee to monitor any delegated authorities and report directly to the President and/or Executive Committee
- 3.4 Non-conformance with delegated powers should be reported to the next (higher) level of authority
- 3.5 Where an amount exceeds specified limits, the transaction must be referred to the next highest authorized level
- 3.6 Any expenses that could be perceived to be of a personal nature have to be approved by the President and reported to the Executive Committee at the next Executive Committee meeting
- 3.7 The Top-to-Bottom Line of Authority related to all financial matters within MPS, will be as follows from top to bottom:
  - 3.7.1 President and Vice-President in the absence of the President
  - 3.7.2 MPS Executive Committee
  - 3.7.3 MPS Executive Management Committee
  - 3.7.4 MPS Committee Chairpersons
  - 3.7.5 Special Committees Chairpersons or Managers of Projects

## 4. TEMPORARY DELEGATION

Should the President be absent from office, the Vice-President will act in the temporary capacity of President. Should both the President and the Vice-President be absent from office, the President may appoint in writing a member of the Executive Management Committee with full or limited delegated authority.

## 5. INDEMNITY POLICY

To the full extent that it shall have from time to time under applicable law and in the manner from time to time prescribed or permitted by applicable law, MPS may indemnify any past, present or future Executive Member, Manager or Employee against all costs, expenses and liabilities, including attorneys' fees, actually and necessarily incurred by or imposed upon them in connection with, or resulting from their involvement with MPS.

No such reimbursement or indemnity shall relate to any expenses incurred or settlement made in connection with any matter arising out of their negligence or misconduct as determined either by a court of competent jurisdiction or, in the absence of such a determination, by MPS acting on the advice of council.

MPS will purchase when able and maintain as able insurance on behalf of any person who is or was serving at the request of MPS, as an Executive member or employee,



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agent, volunteer or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such.

## **6. INVESTMENT POLICY**

It is the policy of MPS to choose a risk free portfolio when investing funds in order to maintain the capital amount invested and to earn reasonable return from such investment.

All decisions related to the investment of MPS funds for longer than 3-months will be made by the Executive Committee in terms of a formal executive resolution.

The Treasurer will present and update the Executive Committee of all interests on investment accounts at least every 3 months.

All investments, including all interests received on investment must be reflected in the annual financial statements of MPS.

## **7. SHORT TERM INVESTMENTS**

No short term investments for periods shorter than 3-months shall be allowed.

## **8. FINANCIAL CONTROLS AND OPERATING PROCEDURES.**

- 8.1 Only the Executive Committee has the delegated authority to approve the opening of a bank account in the name of Mpumalanga Province Swimming.
- 8.2 All financial transactions or payments must be approved or effected electronically by at least two (2) of the approved signatories on the MPS bank account, which include the President, Vice-President, Treasurer and/or any additional member duly appointed by the Executive Committee
- 8.3 The Treasurer shall keep full financial records of all transactions made by MPS or monies, grants, funds, sponsorships received by MPS
- 8.4 Payments received in cash must be recorded separately and a receipt issued. Gate entry fees, sales of gala programs and any other minor form of cash collection must be recorded and kept in a safe place by the Treasurer
- 8.5 A Petty Cash register must be kept and all cash payments deposited into the bank account of MPS on a regular basis. Petty Cash may not exceed R10 000.00, except with the special approval of the MPS Executive and only for specific purposes
- 8.6 All payments made from petty cash must be recorded and included in the annual financial statements
- 8.7 The Treasurer shall present financial reports to the Executive Committee every second month, which includes:
  - 8.7.1 Income Statement
  - 8.7.2 Balance Sheet



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## **8.7.3 Cash Flow**

- 8.8 Any income in terms of grants or sponsorships, designated for specific projects or activities of MPS, will be ring-fenced and indicated as such on all financial reports by the Treasurer
- 8.9 The Treasurer, supported by the Executive Management Committee, will prepare an annual budget forecast for approval by the Executive Committee prior to the AGM. The mentioned budget forecast will be reviewed and updated by the Executive Management Committee after 6 months (mid-year) and presented to the Executive Committee
- 8.10 The Executive Committee will appoint an independent external audit firm to prepare annual financial statements and to conduct an audit thereon or any other form of independent financial review of the financial statements, as approved by SSA
- 8.11 The financial statements or a summary thereof must be presented by the Treasurer at the AGM. A copy of the annual financial statements must be filed in the MPS office and available for inspection by any member of MPS
- 8.12 The Fiscal Period for the organization will be May 1 to April 30
- 8.13 A proper filing system must be maintained by the Treasurer of all transactions or records annually

## **9. ASSETS**

- 9.1 A complete and all-inclusive asset register or inventory of assets must be kept and updated regularly by the Treasurer.
- 9.2 Appropriate insurance for all relevant assets will be maintained
- 9.3 Depreciation of assets will be reflected in the annual financial statements of MPS
- 9.4 All assets must be kept in a safe, secured and locked facility
- 9.5 Assets may only be removed by or used by a third party with the approval of the Executive Management Committee or Executive Committee; provided a member of the Executive Committee is assigned to oversee the use, removal, transport and return of such assets

## **10. EXPENDITURE REGULATIONS**

- 10.1 Before any expenditure is incurred, it should be checked against the budget for that specific line item by the Treasurer.
- 10.2 Expenditure in excess of the available budget can only be approved by the President.
- 10.3 Any expenditure should be made in the best interest of MPS.



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- 10.4 Budgets, ring fenced for specific purposes or in respect of specific grant allocations or sponsorships, may only be used for such purposes. Any deviation from this regulation must be approved by the Executive Committee.
- 10.5 The Treasurer shall ensure that all services rendered are billed promptly, recorded and that all payments are received promptly, including the following up of unpaid accounts.
- 10.6 All accounts outstanding for more than 3 months must be reported to the Executive Committee for a decision to hand over such outstanding account to the attorneys for collection.
- 10.7 Any outstanding account from a registered member, exceeding the 3 month stipulation, must be reported to the Executive Committee. Such outstanding account may be handed over to attorneys for collection and/or the Executive Committee has the authority to impose suspension until the settlement of the outstanding account.
- 10.8 Under no circumstance may debt be written off without the explicit instructions of the Executive Committee.
- 10.9 The Treasurer shall keep record of outstanding accounts and submit a summary of outstanding accounts at the monthly Executive Committee meetings.
- 10.10 All payments received for goods and services, including registration fees, must be recorded and invoices issued in respect of such payments.
- 10.11 All payments should be properly recorded and filed with a copy of the invoice for financial reporting purposes by the Treasurer.
- 10.12 MPS shall follow a policy of immediate payment or payment within 7-days for services or goods received, provided a formal invoice has been received.
- 10.13 Advance payments for services or goods shall only be allowed in respect of reputable service providers and upon receipt of a signed contract or specified sales order. Upon completion of services provided or goods received, an invoice must be obtained.
- 10.14 The general practice of advance payment for services and goods is discouraged.
- 10.15 Payment of salaries or stipends in respect of full-time or part-time employees and volunteers shall be affected before the 7<sup>th</sup> of each month or within 7-days of receipt of an invoice.
- 10.16 Advance payments on salaries or loans by members or employees are not allowed; except with the approval of the President and only in respect of extraordinary circumstances. Such payments must be reported to the Executive Committee.
- 10.17 The Treasurer shall ensure that all payments in respect salaries comply with applicable legislation.

## 11. PROCUREMENT

- 11.1 An employee or Executive Member with their family, friends or business associates must disclose any interest directly or indirectly in any contract with a supplier. This disclosure should be reported to the President, who will refer any material impact to the Executive Committee.



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- 11.2 MPS shall prepare and keep on record a list of preferred suppliers for services and goods. A cost estimation for services and goods from any preferred supplier must still be obtained for approval by the President or Executive Management prior to placement of an order.
- 11.3 At least 3 quotes must be obtained for service or goods in excess of R5000.00.
- 11.4 If the service/goods being supplied are of such a nature that there is only one supplier available, one quote will suffice.
- 11.5 Preference should be given to Black Economic Empowerment (BEE) companies.

## 12. SUBSISTENCE & TRAVEL

- 12.1 A subsistence allowance is based on the number of nights spent away from normal residence or work and not the number of days.
- 12.2 A subsistence allowance must be approved, taking into consideration the purpose of the travel and whether a need exists for a subsistence allowance. It is therefore possible that adequate provision has been made for meals and beverages at the point of destination. In such event, a subsistence allowance might not be required or only a portion for while travelling.
- 12.3 All claims in terms of a subsistence allowance must be accompanied by the Subsistence & Travel Claim Form, as well as copies of payment slips.
- 12.4 Subsistence claims will be restricted to food and beverages, including alcoholic beverages, provided the majority of the claim (at least 50%) must be for food. Subsistence allowance will not be paid in respect of cigarettes, any form of entertainment, medicine, etc.
- 12.5 Subsistence allowance shall only be claimed upon return and refunded to the member in respect of the aforementioned conditions. Refund will be in respect of the actual expenditure subject to the prescribed daily limit.
- 12.6 Advance payments in respect of subsistence allowance will only be allowed with the approval of the President.
- 12.7 A fixed daily fee will apply in respect of a subsistence allowance, to be approved by the Executive Committee annually.
- 12.8 Refund on travel expenses using a private vehicle will be calculated in terms of a fixed rate per km travelled for business purposes on behalf of MPS, including toll fee slips.
- 12.9 The Executive Committee will review the fixed travel rate annually.
- 12.10 A member shall obtain approval for travel from the President prior to departure.
- 12.11 Only actual km travelled for business purposes may be claimed, provided travel between destination and place of overnight accommodation (if applicable) may be included.
- 12.12 When two (2) or more member travel to the same destination, all attempts shall be made to travel together to save on travel cost.
- 12.13 Any traffic violation fines, damage to motor vehicle or any other costs related to the travel will be for the member's own expense and may not form part of the travel claim.





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- 12.14 All travel claims must be submitted on the Subsistence and Travel Claim Form, including toll fee slips.
- 12.15 Any airline reservations in respect of long distance travel must be approved by the President prior to confirmation of reservations.
- 12.16 Airfare will be restricted to economy class only and subject to the lowest possible airfare available.
- 12.17 International travel arrangements must be approved by the Executive Committee prior to confirmation of any reservations.
- 12.18 Vehicle hire at the point of destination when travelling by air, will be restricted to the lowest available vehicle hire rate or category. As per regulations by motor vehicle rental companies, the driver of the vehicle will be required to make the reservation with his/her personal credit card.
- 12.19 Refunds in respect of vehicle hire will only be made upon return and subject to the submission of the Subsistence and Travel Claim Form, including an Invoice from the motor vehicle rental company.
- 12.20 Except for the standard motor vehicle insurance cover issued, all other expenses, including additional insurance cover, excess payments in respect of any form of damage to the motor vehicle or theft, will be for the member's own expense.
- 12.21 Claims in respect of overnight accommodation will be restricted to hotels, motels, resorts and guest houses only.
- 12.22 Overnight accommodation establishments with a fixed room rate shall be preferred, unless a rate per person is lower in the case of a single traveler. When traveling with another member of the same gender, all attempts should be made to share a room based on a fixed room rate.
- 12.23 A fixed maximum accommodation rate will apply to be reviewed annually by the Executive Committee.
- 12.24 The following expenditure limits or fixed rates will apply for Subsistence & Travel claims, to be reviewed annually by the Executive Committee:
- Travel by private vehicle: R2.50/km, excluding toll fees
  - Motor vehicle hire: Lowest available vehicle hire rate, inclusive of standard insurance cover.
  - Domestic flights: Lowest available Economy Class rate.
  - International flights: Lowest available Economy Class rate.
  - Accommodation: Maximum Room Rate of R1000.00 per night, including breakfast for two (2) persons sharing or a Maximum rate per person of R750.00 per night, including breakfast.
  - Meals: Maximum daily subsistence allowance of R150.00
- 12.25 Any false claim in respect of subsistence allowance, travel or accommodation will result in non-payment of such claim. Any false claims must be reported to the President and Executive Committee for further disciplinary action.



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## 13. MISCELANEOUS

- 13.1 The issuing of 3-G cards to any member will be subject to prior approval by the President and subject to a data limit; provided the use of the 3-G card must be deemed necessary for work on behalf of MPS.
- 13.2 With the prior approval of the President or Executive Committee, an employee, executive member, MPS or district committee member may be provided with a gift not exceeding R500.00 in value.
- 13.3 With the prior approval of the Executive Committee, an employee, or executive member may be provided with a gift not exceeding R3000.00 in value.
- 13.4 In the case of a funeral, birthday, maternity or hospitalization of an employee, executive member, MPS or District committee member, a gift or flowers not exceeding R350.00 may be provided.
- 13.5 Any gift presented to any member must be presented in the presence of the Executive Committee or in public.
- 13.6 All gifts must be recorded by the Treasurer for financial reporting purposes.