



SHREE PRETORIA HINDU SEVA SAMAJ

FINANCIAL MANAGEMENT AND ADMINISTRATION MANUAL

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A. PURPOSE

1. This manual outlines the SHREE PRETORIA HINDU SEVA SAMAJ's standard procedures in relation to financial and administrative matters which must be adhered to by the office bearers and administrative staff of the Samaj.
2. The intention behind this manual is to ensure that there is accountability and transparency at all times regarding the community's money.
3. This manual must be read with the Constitution of the Shree Pretoria Hindu Seva Samaj, hereinafter also referred to as the "Samaj".

B. DELEGATION

4. Different levels of authority are assigned to the various office bearers, namely the Executive Committee, Trustees, Portfolio Heads and Office Staff of the SHREE PRETORIA HINDU SEVA SAMAJ.
5. For the purpose of this manual such delegation comprises of the administrative and financial management of the Samaj.
6. Executive Committee members are assigned with the following administrative and financial responsibilities:

6.1 Executive Committee Members

- The annual final budget (referred to below) must be approved by the majority of Executive Committee members; and
- Executive Committee members must approve all expenditure that has been incurred or to be incurred.

6.2 President or Deputy President jointly with the Chief Financial Officer or Treasurer General (TG)

- May authorise staff or Executive Committee members to represent the Samaj; and
- Are authorised to make payments on behalf of the Samaj; and
- Are authorised to enter into all contracts (funding or operational).
In certain instances, they may delegate same, if they deem it necessary to other office bearers; and
- The President or Deputy President jointly with the Chief Financial Officer or Treasurer General have the authority for expenditure up to R50 000.00 in instances when approval (despite using electronic means) by the full executive is not possible. Such expenditure must be presented for formal ratification in the monthly financial report at the next executive committee meeting.

6.3 **Office Administrators**

- Are authorized to incur expenses up to R5 000.00 in emergency situations with the approval of the Portfolio Head and Treasury.

C. BUDGET MANAGEMENT

7. The Executive Committee is responsible to ensure that a budget is prepared for the organisation for each calendar year.
8. The CFO is responsible for facilitating a process by which each portfolio head presents a budget linked to proposed activities for the year in question by latest end January. The CFO then presents a consolidated budget to Exco by end February for approval.

9. The Chief Financial Officer and the Treasurer General are obliged to ensure adequate internal control systems are in place to properly administer the finances of the Samaj.
10. The fiscal year of the Samaj operates from the beginning of 1 January to 31 December of each year.
11. Budgeting for **specific or special** projects must be undertaken separately.
12. The Executive Committee must approve the projected budget before it is implemented.
13. At the commencement of a new fiscal year each Portfolio Committee shall submit to the Executive Committee for approval a plan of action which shall include but shall not be limited to the following:
 - (1) Aims and objectives;
 - (2) Financial Plan – Budget;
 - (3) Organisational Structure;
 - (4) Control procedures;
14. Once approved the head of each Portfolio Committee shall be responsible for the execution of the plan submitted. Progress report on the activities of the Portfolio Committee shall be submitted monthly to the Executive Committee.
15. The Portfolio Committees are required to keep proper records in chronological date sequence of their activities and prepare monthly written reports which must be presented to the Executive Committee that covers at least the following:
 - (1) Projected expenditure for the following year;
 - (2) Progress against Year Plan;
 - (3) Deviation from Approved Budget;
 - (4) Matter requiring decision of Executive Committee;
 - (5) Feedback on matters raised by Executive Committee.

D. FINANCIAL STATEMENTS

- 16 The annual financial statements must be compiled and prepared in accordance with the relevant financial reporting standards in terms of the New Companies Act, as amended from time to time.
- 17 Updated management accounts must be prepared and presented monthly to the Executive Committee in the manner prescribed by the Chief Financial Officer and/or Treasurer-General.

E. ANNUAL AUDITS / INDEPENDENT REVIEW

- 18 As a public benefit organisation, the Samaj's financial status must be audited or independently reviewed annually by an independent auditor that is registered as such with a relevant authority (e.g. IRBA or SAICA).
The decision on whether the Samaj should conduct an audit or an independent review will be taken annually by the Trustees.
- 19 The appointment of the auditors will be approved by the general body at the Biennial General Meeting.
- 20 The Chief Financial Officer and Treasurer General are responsible for overseeing the annual Independent Review or Audit.

F. PETTY CASH

- 21 A petty cash float may be handled by the administrative office. The procedure for the management of petty cash is as follows:
- The office administrator balances petty cash on a monthly basis and replenishes the float as necessary;

- The office administrator fills out a petty cash voucher not exceeding R3 000.00. This payment may only be made on invoices approved by the portfolio head and the authorised signatories. This amount may be exceeded only with the approval of the Treasury.
 - Any amount above R3 000.00 has to be paid by EFT or cheque.
 - The administrators must keep a proper monthly schedule specifying the amount spent, the date it was incurred, the type of expense and identity of the individual authorizing such expenditure.
- 22 The following supporting documents must be available:
- statement of account or invoices for the services rendered and/or for goods bought;
 - receipts verifying payment for the above must be kept in a chronological date sequence;
- 23 The Chief Financial Officer or Treasurer General reviews the petty cash records monthly if possible but no later than once every two months (2) months.

G. ISSUING OF CHEQUES / EFT PAYMENTS

- 24 Two signatories are required for all cheques / EFT payments.
- 25 The office administrator is responsible for ensuring that documentation accompanying a cheque / EFT is correct which includes the relevant authorization from an executive member of the Samaj.
- 26 The office administrator maintains a register of cheques issued / EFT payments made by the Samaj, and cheque listings are presented to two (2) of the cheque signatories for review and ratification.

27 Those authorised to sign cheques (authorised signatories) on behalf of the Samaj are any TWO (2) of the following FOUR (4) officials: President, Deputy President, Chief Financial Officer and Treasurer General.

28 The Chief Financial Officer is responsible for ensuring authorised signatory information with banking institutions is up to date.

H. BANK ACCOUNTS

29 The authorised signatories may transfer funds between any two of the Samaj's banking accounts. Such transfers must be ratified at the next executive committee meeting.

30 The office administrator is responsible for ensuring that all bank accounts are reconciled monthly.

31 The Chief Financial Officer or the Treasurer General is required to review and approve the bank reconciliation statements monthly.

I FINANCIAL MANAGEMENT

The Samaj is currently able to generate revenue from the hiring out of its hall facilities, renting of commercial property, donations and school fees.

32 The Treasury is to ensure that all invoicing and receipting are executed in accordance with the attached Annexure A which will form an integral part of this manual. This annexure covers procedures for:

- Hall & Classroom Hire
- Granting of bursary & Loans
- School Fees collection
- Rental Income
- Donations received

J. **BANKING**

- 33 Banking should be done fortnightly of receipt of funds to reduce the risk of theft or misappropriation of funds. However, if substantial amounts are collected at the same time for any reason, the administrators should bank as soon as possible.
- 34 The actual cash and cheques available to be banked for a specified period must be reconciled to the sum of all receipts issued for the same period, before completing the bank deposit slip.
- 35 The receipt of cash and the deposit of the funds received must not be done by the same person and these duties should be segregated.
- 36 The Chief Financial Officer or the Treasurer General must perform random reviews of deposit slips and receipts to ensure that all funds are accounted for.

Accounts Payable and Procurement

- 37 The Samaj should ensure that positive business relations with its suppliers are maintained and accordingly seeks to ensure payment upon agreed terms.
- 38 The Office Administrator is responsible for ensuring all purchases have the necessary approval before processing purchases.

Quotations

- 39 At least one (1) written quotation, where practical, must be obtained for all purchases up to R5 000.00.
- 40 For all purchases above R5 001 at least (2) written quotations must be obtained.

- 41 In the event that insufficient number of quotes are received, the executive committee may waive this requirement.
- 42 The quotes sought should preferably not be from related entities of the same organisation unless it can be demonstrated that the entity requested to quote operates with a high degree of independence or autonomy from other parts of the business (for example, the building materials division operates independently from the farm produce division).
- 43 No request for proposals should be split into two separate requests in order to circumvent the one quote requirement.
- 44 Care must be taken to ensure that when a quotation is obtained from a party related to a member of the Executive Committee and/or Board of Trustees, that the said Executive Committee member or trustee is not directly involved with the selection process.
- 45 In the event that an executive committee member provides a quote, such member must declare his interest and recuse himself from the selection process.
- 46 Information provided to suppliers invited to quote must be identical and the evaluation of offers must be based on identical criteria.
- 47 The financial management of joint venture events should, whenever possible, be done by the Samaj.

K Record Management

- 48 In general, the administrative staff members are responsible for maintaining all records of the Samaj in the administration office. The documents kept with the administrative office include but not limited to the following:
- Staff records;
 - Rental agreements;

- Student loans;
- All correspondence received and sent by the Samaj;
- Original and copies of all financial reports in chronological year sequence;
- Copies of any agreements with contractors involved in the projects;
- Statutory documents (e.g. Constitution, code of conduct);
- Source documents such as insurance policies, title deeds;
- Minutes of Trustee and Executive Committee meetings;
- Supporting documents concerning any other expenditure incurred by the Samaj;
- All relevant banking records.

All these records must be filed according to the Record Management Manual, which covers both hard copy and electronic filing.

49 The Board of Trustees are obliged to oversee the safe custody of all important documentation belonging to the Samaj. Trustees are required to conduct an annual audit in this regard. A trustees' report regarding same should be recorded in writing.

Archiving Files

50 Policy and project-related files are to be archived and stored for a minimum of 7 years in a suitable access controlled and safe area.

51 Books of prime entry, (e.g. cash books, creditors ledgers, debtors' ledgers, fixed asset registers, general ledgers, journals, petty cash books) as well as supporting documentation to such books of account must be kept for a minimum of five (5) years.

52 All other financial documentation (including but not limited to bank statements, creditor's invoices and statements, debtor's invoices, payrolls, wage registers, tax returns and assessments) must be kept for a minimum of five (5) years.

Disposal of Files

53 Any documents, including these of a confidential nature, may be disposed of provided that:

- * the same document has already been kept as a record with the administrators; or
- * such documents are of the nature that it is not required to be kept for the purposes of the Samaj's objectives and alternatives.
- * in the event of uncertainty, the Secretary-Generals approval has to be obtained.

L INSURANCE

54 The Samaj must maintain adequate insurance cover at all times. This includes:

- Public liability insurance;
- Building and contents insurance policies.

55 The Chief Financial Officer or the Treasurer General is responsible for ensuring all insurance policies are cost effective, updated and documentation relating thereto is maintained.

M ASSET REGISTER

56 The Office Administrator is responsible for maintaining the Assets Register.

57. The CFO or Treasurer is required to verify every six months that the asset register is up-to-date.

58 All assets must be listed on the official Samaj Asset Register immediately upon acquiring such asset.

N. STATIONERY

59 The Office Administrator is responsible to order, receive and control all financial stationery (e.g. receipt books, invoice books etc.).

O. COMMUNICATIONS

60 The Secretary-General, Assistant Secretary and Office Administrator(s) are responsible for establishing and maintaining the website, email database and SMS system for the Shree Pretoria Hindu Seva Samaj.

61 The Deputy President is responsible for media relations.

62 The President and Secretary-General are responsible for communications and networking with external organisations.

P. PORTFOLIO HEADS

63 Portfolio Heads are responsible for sourcing membership and chairing all portfolio committee meetings. All deliberations and decisions of portfolio committees must be ratified by the Executive Committee before implementation can take place.

Q. SECRETARIAL & FINANCIAL RECORDS

64 The Office Administrator is responsible for filing of all secretarial records, including notice of meetings, correspondence and minutes in such a way that permits easy reference.

65 The Financial Administrator is responsible for filing of all financial records in such a way that permits easy reference

R POLICIES

66 The Secretary-General is responsible for assisting the various Portfolio Heads to produce policies and procedures that clearly explain the objectives of their portfolios and how they intend to fulfil them. These policies must be communicated to the members of the Community and placed on the website.

S CONSTITUTION AND CODE OF CONDUCT

67 The Secretary-General is responsible for ensuring that the integrity of the constitution and code of conduct is maintained at all times and for ensuring they get updated as circumstances dictate.

T DECISION-MAKING

68 The president is responsible for ensuring that all decisions of the Executive Committee are made through consensus decision-making as outlined in the Constitution.

U DEVIATION FROM / AMENDMENTS TO THIS MANUAL

69 No deviation or amendment from any of the procedures as laid out in this manual are permitted without the express written approval of both the Executive Committee and Board of Trustees. Such deviation must be properly motivated.

V REPORTING LINES

In the event where there are two administration officials, an Office Administrator and a Financial Administrator, the following lines of reporting apply:

- * The Office Administrator reports to the Secretary-General;
- * The Finance Administrator reports to the Treasurer General and CFO

W APPLICATION

70 This amended manual has been approved by the Executive Committee by way of a resolution dated 24 July 2018.



RAMESH CHHAGAN

PRESIDENT: SPHSS EXECUTIVE

2 August 2018

DATE