



शेहरेड प्रेडोरिड हलंदु इडरड

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**FINANCIAL MANAGEMENT AND  
ADMINISTRATION MANUAL**

**October 2011**



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# श्री प्रेतोरिया हिन्दु सेवा समज

(Established in 1932)

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"Satyameva Jayate" – Truth Alone Prevails

31 October 2011

## **RESOLUTION: ADOPTION OF SAMAJ FINANCIAL AND ADMINISTRATION MANUAL**

We, Trustees and Executive Committee officials of the Shree Pretoria Hindu Seva Samaj, noting that:

- the Samaj has recently undergone a traumatic event in that it suffered massive fraud at the hands of one of its officials; that
- a forensic audit of the evidence suggest that this fraud, although uncovered in 2009, was committed over a lengthy period of time; and that
- this fraud would not have been possible had proper governance processes and procedures been followed;

do hereby adopt the Samaj Financial & Administration Manual that spells out in detail the governance procedures that officials and trustees must follow in the execution of their duties.

Further, both Trustees and Executive Committee Officials undertake not to deviate in any way from the provisions of this manual and pledge to uphold both the Constitution and this supporting manual at all times.

**MANSUKHBHAI CHHIBA**  
CHAIRMAN: SPHSS  
(On behalf of Trustees)

**PRAKASHBHAI HIRA**  
PRESIDENT: SPHSS  
(On behalf of Executive Committee)

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**A. PURPOSE**

1. This manual outlines SHREE PRETORIA HINDU SEVA SAMAJ's standard procedures in relation to financial and administrative matters which should be adhered to by the office bearers and administrative staff of the Association.
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 has to be read with the Constitution of the Association.

**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 Association.
6. Executive Committee members are assigned with the following administrative and financial responsibilities:

6.1 **President and/or Deputy President jointly with the Chief Financial Officer**

- May authorise staff or Executive Committee members to represent the Association; and

- Are authorised to sign cheques on behalf of the Association; 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 and/or Deputy President jointly with the Chief Financial Officer have the authority for expenditure up to R50 000.00.

## 6.2 **Secretary General**

- Is authorised to sign cheques on behalf of the Association; and
- Authorises and signs all official correspondence; and
- May approve expenditure up to R10 000.00.

## 6.3 **Treasurer General**

- Is authorised to sign cheques on behalf of the Association; and
- May approve expenditure up to R20 000.

## 6.4 **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 expenditure over R50 000.00.

#### 6.5 Office Administrator

- Is delegated to authorize expenses up to R3 000.00 but only with the approval of the Treasurer General or CFO.

### 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 budget must be compiled by the Finance Portfolio in conjunction with the Head of each Portfolio. Once prepared, the budget must be presented to the Executive Committee for approval. Financial reports are then prepared in relation to the Budget.
9. The Chief Financial Officer and the Treasurer General are obliged to ensure adequate internal control systems in order to properly administer the finances of the Association.
10. The financial year of the Association operates from the beginning of 1 January to 31 December of each year.
11. Budgeting for specific projects must be undertaken separately. The Portfolio Heads are obliged to prepare an annual budget in consultation with the Treasurer General by February of each year.
12. The Executive Committee must approve the projected budget before it is implemented.

13. At the commencement of a new financial 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.
  
16. The Senior Citizens Portfolio Committee will prepare an inventory of all excursions undertaken reflecting its financial income and expenditure. This will be submitted at the Monthly Executive meetings. The Senior Citizens Portfolio

Committee is also obliged to furnish a report every three (3) months as set out above.

17. No funds will be made available unless approved by the Executive Committee. All requests must be accompanied by the prescribed authorisation form attached as "Annexure 1".

**D. FINANCIAL STATEMENTS**

18. The financial statements must be compiled and prepared by an independent accounting professional (i.e. non-Samaj Executive Committee member) in accordance with the relevant financial reporting standards in terms of the New Companies Act, as amended.
19. Updated financial statements 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**

20. As a public benefit organisation, the Samaj's financial status must be audited annually by an independent auditor.
21. The nomination of such auditor would be agreed to by the members of the Executive Committee and the Board of Trustees and approved by the general body at the Biennial General Meeting.



22. The Chief Financial Officer and Treasurer General are responsible for overseeing the annual Audit.

**F. PETTY CASH**

23. A petty cash float may be handled by the administrative office. The procedure to 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 which may be of any value not exceeding R3 000.00. This amount may be exceeded only with the approval of the Treasurer-General or CFO.

24. Any amount above R3 000.00 has to be paid by cheque and the procedure set out below must be adhered to.

25. The administrators must keep a proper inventory on a monthly basis, specifying the amount to be claimed, the date it was incurred and identity of the individual authorizing such expenditure.

26. 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;

- authorization form authorizing the payment as per "Annexure 1".

27. The Chief Financial Officer or Treasurer General reviews the petty cash records at least every three (3) months.

**G. ISSUING OF CHEQUES**

28. Two signatories are required for all cheques.

29. The office administrator is responsible for ensuring that documentation accompanying a cheque is correct which includes the relevant authorization from an executive member of the Association.

30. The office administrator maintains a register of cheques issued by the Association, and cheque listings are presented to two (2) of the cheque signatories for review and ratification.

31. Those authorised to sign cheques (authorised signatories) on behalf of the Association (1A and 1B Signatory) are:

- The Deputy President and/or Chief Financial Officer (A signatory);  
and
- The Treasurer General and/or Secretary General (B signatory).

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

## H. BANK ACCOUNTS

33. The Treasurer General and an authorised signatory must jointly approve transfer of funds between any two of the Association's accounts.
34. The office administrator is responsible for ensuring that all bank accounts are reconciled on a monthly basis.
35. The Chief Financial Officer or the Treasurer General is required to review and sign the bank reconciliation statements on a monthly basis.

## I. ACCOUNTS

### Accounts Receivable and Receipts

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

### Invoicing

37. Hall hire invoices to be created when booking is made by the Administration Office.
38. Rental invoices must be created on the 1st of each month by the Administration Office.
39. School fees managed by the teaching staff must be handed in at the administrator's office for deposit.

### **Issuing of Receipts**

40. When payment is received, a receipt must be issued in duplicate, with one copy presented to the recipient and the remaining copy retained for the Association's records.
41. Receipts must be printed in numerical sequence and the Association's name and details must be clearly identified on each receipt.
42. The Office Administrator must keep all unused receipt books in a fireproof, lockable safe and must keep record of all unused and issued receipt books in a proper register designed for this purpose.
43. Banking must be done within 48 hours of receipt to reduce the risk of theft or misappropriation of funds.
44. 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.
45. 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.
46. 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**

47. The Association should ensure that positive business relations with its suppliers are maintained and accordingly seeks to ensure payment upon agreed terms.
48. The Office Administrator is responsible for ensuring all purchases have the necessary approval before processing purchases.
49. Payments to creditors exceeding R3 000.00 must be made by cheque.

### **Quotations**

50. At least one (1) written quotation must be obtained for all purchases up to R3 000.00.
51. For all purchases between R3 001 and R50 000.00, two (2) written quotations must be obtained.
52. For all purchases in excess of R50 000.00, three (3) written quotations must be obtained.
53. 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).
54. 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 Trustee, that

the said Executive Committee member or trustee is not directly involved with the selection process. The Executive Committee member or trustee must declare no interest in quotations.

55. Information provided to suppliers invited to quote must be identical and the evaluation of offers must be based on identical criteria.

### **Record Management**

56. In general, the administrative staff members are responsible for maintaining all records of the Association 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 Association;
  - 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.
57. The Board of Trustees are obliged to oversee the safe custody of all important documentation belonging to the Association. Trustees are required to conduct

an annual audit in this regard. A trustees' report regarding same should be recorded in writing.

### **Archiving Files**

58. Policy and project-related files are to be archived and stored for a minimum of 7 years in a suitable access controlled and fire proof safe.
59. 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 fifteen (15) years.
60. 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**

61. Any documents, including these of a confidential nature may be disposed of provided:
  - 61.1 that same has already been kept as a record with the administrators; or
  - 61.2 that such documents are of the nature that it is not required to be kept for the purposes of the Samaj's objectives and alternatives.
62. In the event of the Office Administrator being uncertain, he may consult with the Secretary. All documentation must be shredded and in terms of environmental policies, be recycled.

**J. INSURANCE**

63. The Association must maintain adequate insurance cover at all times. This includes:

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

64. 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.

**K. ASSET REGISTER**

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

66. All assets must be listed on the Register with supporting documentation.

**L. STATIONERY**

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

**M. COMMUNICATIONS**

68. 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.



69. The Deputy President is responsible for media relations.
70. The President and Secretary-General are responsible for communications and networking with external organisations.

**N. PORTFOLIO HEADS**

71. 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.

**O. SECRETARIAL RECORDS**

72. 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.

**P. POLICIES**

73. 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.

**Q. CONSTITUTION AND CODE OF CONDUCT**

74. 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.

**R. DECISION-MAKING**

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

**S. DEVIATION FROM / AMENDMENTS TO THIS MANUAL**

76. No deviation 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.
77. No amendment to this manual may be made without the express written approval of the Executive Committee and Board of Trustees. Such request for amendment must be properly motivated.

**T. REPORTING LINES**

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

78. The Office Administrator reports to the Secretary-General;
79. The Finance Administrator reports to the Treasurer General/CFO

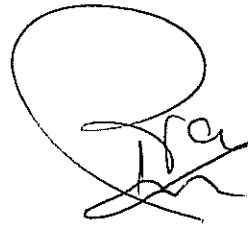
**U. APPLICATION**

80. This manual has been approved by all the Executive Committee members and Trustees by way of a resolution dated 31 October 2011 and its application is effective from 31 October 2011.

Thus signed at Pretoria on the 31 day of October 2011



**Ramesh Chhagan**  
**Secretary-General**



**Prakash Hira**  
**President**