

UNIVERSITY SPORT SOUTH AFRICA

FINANCIAL POLICY

**The following terms and abbreviations
should be interpreted in the context of this constitution**

USSA	-	University Sport South Africa
NEC	-	National Executive Committee of USSA (Constitution, Article 8.1)
MC	-	Management Committee of the USSA NEC
Secretariat	-	The National Office of USSA
Council	-	The Council of USSA (Constitution, Article 8.2)
Province-	-	Provincial Committees of USSA (Constitution, Article 8.3)
Association	-	National University Sport Association (NUSA) of USSA (Constitution, Article 8.4)
Member -	-	Tertiary institution affiliated to USSA (Constitution, Article 8.5)
CEO	-	The Chief Executive Officer of USSA (Constitution, Article 8.1.6)
Staff	-	Full-time employee of USSA (Constitution, Article 8.1.11.2)
Meeting	-	Meetings taking place under the auspices of USSA on a provincial, regional, sectoral and national level
AGM / SGM	-	Annual General Meeting / Special General Meeting of USSA
Sports	-	Sports recognised by USSA
BDO	-	BDO Spencer Steward Incorporated

The following financial principles shall apply:

1. All financial transactions and/or financial aspects of USSA must be managed, controlled and audited.
2. No overspending should be allowed. A well-managed budget and structure prevent overspending.
3. Expenses shall not be approved if the request is not accompanied by the necessary documentation.
4. The basis of USSA's financial system should budgeting, controlled expenses and auditing.
5. This financial policy and structure shall be applicable to all USSA substructures.

1. ACCOUNTING

1.1 Function

The CEO shall keep proper books of account, which books shall record all financial transactions by USSA, and such books of account shall be reconciled regularly with the banking account of USSA.

1.2 Bank reconciliation

Bank reconciliation is done monthly of all USSA accounts and verified by an approved auditing firm, i.e. BDO Spencer Steward Incorporated (BDO). All vouchers are retained for audit purposes.

1.3 Banking

The CEO, as authorised by the NEC and Council, shall open and operate a banking account with a registered banking institution in South Africa in accordance with the financial regulations approved by Council. Cheques are banked daily.

1.4 Cheques: General Control

- (a) Cheques shall be locked away at all times. Numbers of issued versus not issued are verified by a person other than the one responsible for issuing, i.e. an Accounting Officer of BDO.
- (b) All cheques with a value greater than the applicable insured amount under the short term insurance policy are paid into/transferred to the drawee's bank account or delivered by hand and proof of delivery is obtained immediately. Detailed remittance advices accompany cheques.
- (c) Cancellation of a cheque crossing is not permitted.
- (d) All cheques received are entered into a register and verified by a person other than the one responsible for receiving and depositing. The former also compares said register with deposit book and bank statements on a monthly basis, i.e. an Officer of BDO.

1.5 Computer programme

Pastel Accounting for Windows or similar.

1.6 Financial statements

Financial statements are compiled annually in a format annually agreed upon by the NEC and the external auditors, and in accordance with generally accepted accounting practice.

1.7 Format

Activity-based costing.

1.8 General Control

- (a) Persons initiating income/expense, should indicate the applicable budget item.
- (b) Signatories on cheques/persons approving payment vouchers ensure that they are in accordance with policy.

- (c) The CEO and the Accounting Officer of BDO reviews the nominal ledger once a month in order to ensure that transactions have been correctly recorded and income and expenditure are in accordance with budget.

1.9 Petty cash

USSA shall not operate a petty cash account.

1.10 Loans

The loan of USSA funds to individuals are not permitted.

1.11 Vouchers

- (a) **Advances:** Advances pertaining to special approved projects are allowable for travel and accommodation expenditure providing that full reconciliation (including any amount owing to USSA) is done within one week of return/completion of the project.
- (b) **Invoices:** Refer Value Added Tax.
- (c) **Journals:** A journal register and vouchers file is kept. Each journal voucher is accompanied by supporting documents or, if the latter do not exist or apply, a satisfactory statement explaining the reasons for the journal entry. Before posting, all vouchers are approved by the CEO and, in exceptional cases, countersigned by a member of the NEC.
- (d) **Payment of vouchers:** All payment vouchers are accompanied by an approved requisition/authorisation, or by an extract from the minutes of a meeting approving the supply of the goods/services concerned. Claims for expenses incurred by staff members and other persons, for which USSA is responsible, are made on the prescribed form (or in exceptional circumstances in a letter) and approved by the CEO. Claims are only paid at the tariffs as approved by Council. Documents in support of all expenses incurred against non-standard tariffs (eg. hotel and entertainment costs) must accompany the claim form. Deviations from standard tariffs must be motivated and approved by the CEO. All claims, whether submitted on prescribed forms or in a letter, must be completed and signed by claimants. Claims submitted by USSA staff members on behalf of others are not considered for payment.
- (e) **Receipts:** Payment receipt vouchers contain the following information: from whom received, date received, amount, purpose (budget item), and initials. Receipts must be issued for all cash amounts received.

2. ALLOWANCES (Travel, Accommodation and Entertainment)

2.1 Principles

- (a) Allowances are not an additional source of income but staff members are also not expected to subsidise USSA.
- (b) Allowances must be sufficient, taking income tax implications into consideration, to ensure that a staff member stays overnight in at least the same degree of comfort as in his/her own home.

- (c) Staff members are entitled to stay overnight or depart a day prior if circumstances/flight times/travel duration could cause unnecessary discomfort/danger.
- (d) Allowances are to be incurred with discretion, in accordance with the approved budget, and should be to the benefit of USSA.

2.2 Amounts

Determined annually by the NEC.

3. ASSETS (Fixed)

3.1 Control

- (a) A detailed computerised register is duly kept.
- (b) Property of USSA is distinguished from property belonging to others.
- (c) Existence is verified twice a year and register certified accordingly.
- (d) The NEC is informed of obsolete assets with the annual submission of the budget.
- (e) The register is balanced quarterly with the ledger account.

3.2 Depreciation

- (a) Straight line method @ 15% p.a. for office equipment and furniture.
- (b) Straight line method @ 33% p.a. for computers and peripheral equipment.
- (c) Straight line method @ 50% p.a. for computers software.

3.3 Sale of obsolete equipment

The sale of obsolete items are done by means of tender (firstly to members) and adjudicated by the MC and CEO.

3.4 Writing off

Assets with a purchase price of less than R750 are written off at the time of purchase and nominal book value allocated.

4. AUDITORS

Auditors are appointed annually by the NEC for ratification by the AGM for the forthcoming year, after finalisation of the audit for the previous year.

5. BUDGET

5.1 Adjustment

The CEO is empowered to adjust approved line budget items up to 50% within total budget. Adjustments in excess of 50% to be approved by the NEC and Council.

5.2 Compilation and approval

The budget is compiled annually by the CEO and submitted to the NEC and Council for approval.

5.3 Control

The CEO is responsible for income and expenditure in accordance with the approved budget.

5.4 Format

The format of the budget shall be in accordance with the agreement between the NEC and the external auditors, and generally accepted accounting practice.

6. EXPENSES, AUTHORISED LIMITS AND SIGNATORIES

6.1 Authorisation/Approval

- (a) The general principle is that an approved budget lends authority to incur expenses in accordance with the budget and within parameters laid down in this policy document.
- (b) All requests for incurring expenses are made on prescribed forms such as requisitions, claim forms, memoranda, etc. The CEO approves them or refers them to the MC.

6.2 Signatories

There shall be two (2) signatories to every cheque or instrument drawn on the banking account, one of whom shall be the Finance & Marketing Officer and/or CEO and any other official delegated by the NEC.

6.3 General

- (a) No computer generated signatures are allowed on any documents with financial implications.
- (b) The CEO is responsible for ensuring that cash flow is sufficient before any payments are made.

7. DOCUMENTS

All financial documents are kept for five years.

8. FINANCIAL YEAR

The financial year of USSA shall commence on the first day of January and end on the last day of December of each calendar year.

9. **FUNDS**

9.1 **Adjustment**

Evaluated annually and adjusted in accordance with needs.

9.2 **NSSA funds**

The management and accounting function for the National University Sports Associations (NUSA) of USSA, is entrusted to the National Secretariat. The main implication being that no funds will be administered directly by an NUSA and that separate control accounts shall be created for the various associations.

9.3 **Fixed cost reserve fund**

A fixed cost reserve fund serves to cover staff salaries and the office rent of the Secretariat for at least three (3) months in advance. This fund will serve as a backup to allow USSA to wind up its activities should the Secretariat be forced to close down.

9.4 **Leave gratuity fund**

A leave gratuity fund provides for the payment of accumulated leave of staff members at retirement/resignation/restructuring in accordance with the service conditions of the Labour Relations Act. The NEC shall further determine whether newly appointed staff members will be transferring accumulated leave to USSA as well as the maximum number of days that will be permitted.

9.5 **Medical aid reserve fund**

A medical aid reserve fund provides for the continuation of the medical aid payments for retired staff members and is determined in accordance with actuarial estimates for medical fund contributions after retirement.

9.6 **Tours and project fund**

A tours / project fund is accumulated from surplus income generated from specific projects. This fund will then serve as a backup for other projects or to assist needy students financially to participate in international events.

9.7 **Replacement Reserve**

To provide for replacement of fixed assets in instances where it is not feasible/possible to be costed out of current fund/working capital.

10. **INVESTMENT INCOME**

10.1 **Current Bank Account**

The amount in the current bank account of USSA must at all times be sufficient to cover cash flow requirements. The CEO periodically negotiates with the bank manager to obtain the highest possible rate of interest.

10.2 Investments

Funds in excess of cash flow requirements are periodically invested in low risk, high return options offered by financial institutions that have been approved by the NEC and AGM. Written quotations from at least three approved institutions are obtained and the investment is approved by the CEO.

10.3 Control and reporting

The CEO monitors investment income monthly and submits quarterly reports to the NEC.

10.4 Register

An investment register is duly kept.

11. INSURANCE

11.1 Broker

Quotations are obtained bi-annually from reputable brokerage firms, preferably from those who handle member institutions' business. The CEO submits the quotations to the NEC for consideration and decision.

11.2 Types

Insurance cover shall be sufficient to ensure adequate cover for USSA and staff members against all reasonable liabilities and losses. Submitted annually with the budget for approval by the NEC and Council. USSA shall carry all losses up to R2 000 in order to keep premiums to a minimum.

12. LEAVE

12.1 Application and approval

Applications for all types of leave are done on prescribed forms. No leave (except sick and compassionate leave) is taken before approval. The CEO approves all applications. In the case of sick and compassionate leave, the CEO is, if possible, informed telephonically/personally and a leave form completed as soon as circumstances allow.

12.2 Control/Register

- (a) The CEO indicates on the prescribed form the number of days to the applicant's credit, before approval.
- (b) A register is duly kept and updated monthly by the CEO.
- (c) The register is audited annually by external auditors.
- (d) Staff members are informed quarterly of leave credit.

13. **MAIL**

13.1 **Procedure**

All official mail (received by post or by hand) is opened in the presence of the CEO.

13.2 **Cheques**

Cheques are immediately entered into the cheque register and initialled by the CEO or his/her designated person. Cheques are banked daily.

14. **PURCHASES**

14.1 **Approval**

Refer 6.1

14.2 **Assets**

Purchases of assets are channelled through the CEO in order to ensure optimal utilisation of assets. All assets are recorded in the asset register of USSA.

14.3 **Order Forms**

Official order forms duly signed in accordance with 6.3 above, are completed for all purchases, except for services for which written contracts exist or staggered supply on contract.

14.4 **Quotations/Tenders**

For purchase of all items not on USSA contract, the following limits (total value of order):

- (a) up to R1 000 : one quotation
- (b) over R1 000 : three quotations

15. **REMUNERATION SERVICES**

15.1 **Function**

The administration of the remuneration function of USSA shall be entrusted to an approved auditing firm, i.e. BDO Spencer Steward Incorporated.

15.2 **Authorisation**

The MC in conjunction with the NEC and the respective tertiary education structures, shall annually determine the remuneration packages of the staff.

16. **SECURITY**

16.1 **Computer back-ups/computer programmes/financial records**

All computer programmes and licences, and all financial records are locked away in suitable cabinets. Back-ups of all computer systems are done monthly, and duplicate sets kept at the home of the CEO.

16.2 **Documents and cash**

All cash, cheques, cheque forms, receipt books, order forms, negotiable documents or other related items are kept locked at all times when not being used. All original contracts and accounting vouchers are locked away in suitable cabinets.

16.3 **Furniture and equipment**

All staff members are responsible for reducing the risk of theft of furniture and equipment in their offices (e.g. by locking offices).

16.4 **Safes and safe keys**

Safes are kept locked at all times. One set of keys is kept by the CEO and the other by a person designated by him/her. Both sets are removed from the premises every evening.

17. **TAX**

17.1 **Company/income**

- (a) **Returns:** Employees Tax (PAYE) and Skills Development Levy (SDL) forms, are duly completed and submitted to the Receiver of Revenue before the 7th day following the end of a tax period. Tax is paid before or on said dates. Cheques in favour of the Receiver of Revenue are delivered by hand to avoid a penalty for late submission.
- (b) **Records:** Kept for 5 years in accordance with applicable legislation.

17.2 **Value Added Tax (VAT)**

- (a) **Invoices/credit notes:** Shall be issued for services rendered/to be rendered in accordance with the applicable legislation. Obtained where VAT can be claimed, specifically in instances where USSA is responsible for travel and accommodation costs, invoices are to be made out in the name of USSA (even if a staff settles claim).
- (b) **Returns:** Tax forms, detailing input and output tax, are duly completed and submitted to the Receiver of Revenue before the 25th day following the end of a tax period. VAT is claimed/paid before or on said dates. Cheques in favour of the Receiver of Revenue are delivered by hand to avoid a penalty for late submission.
- (c) **Records:** Kept for 5 years in accordance with applicable legislation.

18. MEMBER PURCHASES

In instances where a member can benefit by purchasing commodities through USSA, an official order is placed and income and expenditure done on a control account, providing that:

- (a) the member pays before the order is placed/delivery is made;
- (b) it does not jeopardise the applicable agreement/contract;
- (c) the amount saved justifies the administration involved.

19. TELEPHONE/FAX

19.1 Cellular phones

The allocation of cellular phones to staff members must be approved by the CEO and MC.

19.2 Official use

Calls are kept short and to the point, with a maximum of 5 minutes as the ideal.

19.3 Private use

Private calls are kept to a minimum. Staff members are expected to discourage unnecessary incoming calls and faxes. Sending of private faxes is only allowed in exceptional circumstances, and with the approval of the CEO. Personnel members carry the cost of private calls/faxes in excess of R10,00 per month (total, both cell and ordinary). They are responsible for keeping record and making payment before USSA's telephone accounts are settled. Receipts are issued.

20. VEHICLES

20.1 Allowance

The allocation of employer vehicle subsidies and motor vehicle allowances is at the discretion of the NEC.

20.2 Private vehicles/motor allowance vehicles

Staff members required to use their own vehicles for approved USSA business/duties, shall be reimbursed at the official tariff. A private vehicle used for official journeys must carry the necessary insurance endorsements. Responsibility for ensuring that this requirement has been met rests entirely with the person using the private vehicle for official purposes. Compensation for use of private vehicles is made in accordance with the tariffs approved by the NEC.

With due reference to the above general conditions, USSA will compensate a staff member for any additional costs which may result from the use of his/her private vehicle (e.g. increased insurance premiums, loss of no-claim bonuses, excess payments, etc. arising from an accident occurring on an official journey) provided that the personnel member is not guilty of negligent driving. Should a staff member elect to use his/her own transport rather than public transport, the cost of an economy class air ticket will be paid out. Should personnel members travel together, only one will be entitled to such payment.

ALLOWANCES 2012

All claims submitted to USSA must be accompanied by the necessary verifying documents and/or receipts

1. TRAVEL COSTS

1.1 Own vehicle

Executive Committee Members/Employees required to use their own vehicles for approved USSA business/duties/events/meetings, may within budget and with the approval of the Executive Committee be reimbursed at the official USSA tariff. An individual/employee may in terms of a SARS ruling be reimbursed with up to **R3.05 per km** on a tax free basis, provided that no other allowance or reimbursement is received by the individual in respect of the vehicle. The above-mentioned rate shall annually be adjusted in March when SARS announces the rates for its next tax year. For long distance travel (i.e. more than 1,000km), only the cost equivalent to a standard economy class air ticket will be reimbursed. A private vehicle used for official journeys must carry the necessary insurance endorsements. Responsibility for ensuring that this requirement has been met, rests entirely with the person using the private vehicle for official purposes.

1.2 Car hire

Persons shall only be reimbursed at tariffs for Group A vehicles (i.e. 1300cm³) as negotiated annually by the Tertiary Institutions Purchasing Consortium.

1.3 Other travel

Deviations from standard tariffs must be motivated and approved by the Executive Committee. All claims, whether submitted on prescribed forms or in a letter, must be accompanied by receipts and signed by claimants.

2. STAYING OVERNIGHT

2.1 National

Should funds permit, Executive Committee members are entitled to stay overnight for approved USSA business/events/meetings at the official USSA tariff set out below. Such expense is to be incurred with discretion and within the approved budget.

Subsistence allowance not staying in hotel/official accommodation:	R250 per night
Subsistence allowance where accommodation is paid by USSA:	R100 per night
Accommodation (hotel/guest house costs) – maximum guideline:	R750 per night
Telephone costs:	R 20 per night

2.2 International (outside the monetary area of Southern Africa)

Subsistence allowance not staying in hotel/official accommodation:	US\$120 per night
Subsistence allowance where accommodation is paid by USSA:	
a) Athletes	R 50 per day
b) Team managers and coaches	R100 per day
c) Technical officials (referees, umpires and judges)	R200 per day
d) General team management and physiotherapists	R500 per day
e) Medical doctor	R750 per day

All of the above are subject to the availability of funds and within the approved budget.