



SARL Financial Policy and Procedures

**Version 3 – Updated by ZS4PR
March 2013**

Version 1

Version 1 is dated from 2003. Procedures has changed and created the need to update the formal functions of the Treasurer and the financial procedures as applied within the SARL.

Version 2 and now 3 has been updated by Council and is implemented further from the 2013 Strategic meeting.

Introduction

This policy is designed to put in place a simple guideline for the preparation of budgets, budgetary control, procurement, and authorisation of expenditure by Council in payment of creditors and reimbursement of expenditure by Councillors in the execution of their duties.

The Rules make provision for re-imbursement of expenditure and, indeed, Councillors are not expected to subsidise the members in line of Council activity. The purpose of the controls is also to ensure that the true expenditure in running Council is presented to members as value for money services and servicing the best interests of amateur radio in South Africa.

The on-going development, review, interpretation and application of Council policies will ensure that Council pursues the best practice and accountability to the members.

Council Financial Focus Areas

- Ensure cost effective services to members
- Ensure that the SARL stay in line with the financial governing laws of South Africa as applicable to all non-profit organisations
- Ensure effective and efficient use of SARL resources
- Ensure a team-based membership service strategy
- Strengthen financial and risk management of the SARL
- Ensure that Counsellors adhere to the basic policy and procedures established for their own protection
- Ensure that financial matters receive due consideration

Preparation of Budgets

All Councillors are required to submit budget requirements in respect of their portfolios to the Treasurer annually by the close of business on 31 January. The budgets will be collated by the

Treasurer and presented to the following Council meeting for consideration, amendment and ratification as directed by Council. This usually occurs at the Strategic Planning session by the end of February every year. The new budget is then distributed to paid-up members as part of the notice for the Annual General Meeting.

The financial requirements in terms of the budget as decided by Council must be consistent with the strategic objectives of Council to ensure that adequate funds as budgeted for to fund such objectives.

Budgetary Control

It is the responsibility of the Treasurer to maintain the budgets from the Financial Accounting system, maintained by the office administrator, and alert Council to any untoward variances during the course of the financial year. It is, therefore, the responsibility of Council to take note of warnings and to respond to reports collectively as the official custodians of the Finances of the membership.

HAMNET funds can only be accessed by a Councillor appointed, since the funds reside within the budget and accounts of the SARL. Should the HAMNET Director be an appointee by Council, the designated counsellor involved in HAMNET shall confirm the request by the National Director of HAMNET.

The Treasurer will provide Council with the following documents on a monthly basis commencing from the end of the first quarter of the new financial year.

Schedule of Monthly Returns by Treasurer

The Treasurer shall provide the following monthly reports to Council in terms of the stated objectives:

- Cumulative Actual income and Expenditure vs. Budget
- Bank balance updates
- Membership Status and Statistics
- Schedule of Subscription income vs. Database Income
- Schedule of Cheques issued
- Application for Authorisation of Expenditure by Council if and when required
- HAMNET
- Schedule of Debtors
- Schedule of Creditors
- Any risk the SARL may be exposed to

Annual Financial Statements

The Financial year-end accounts shall include *inter alia*:

- Profit and Loss Account as at 30th June
- Balance Sheet as at 30th June

- Attendant schedules

Additional schedules that form part of the financial reporting:

- Revised Budgets for the current year
- Budgets for the ensuing year
- Proposed subscriptions for the ensuing year
- Any other report called for by Council or membership by way of special general meetings

Stated Objectives in Reporting

- Monthly reports by 14th of the following month
- Budget input from all Councillors by 31st January annually
- Preparation of budget by middle February annually to present at the Strategic Council Meeting before the notices goes out to the members for the AGM
- Submission of budgets and Cumulative Income and Expenditure for Council by middle February to present to the Strategic meeting
- Annual Financial Accounts completed by the end of August
- Annual Financial Accounts to Auditor by the end of October
- Audited Accounts and Report to Council as soon as received and finalised from the Auditor by 31st January
- Monthly Petty Cash, Postage and Travel claims to be submitted by the Office Administrator to the Treasurer by the 3rd monthly

Authorisation of Expenditure

All EFT expenditure is to be authorised electronically by two of the three signatories on Council. The request for the expenditure should always be directed through the Office Administrator to set up the transaction on the Internet banking interface. Confirmation of documentation shall be sent to the Treasurer before the EFT is set up to allow the budget checks to occur. The Office Administrator shall prepare and set up the expenditure before 12:00 AM every Wednesday. The Authorised signatories will then have 24 hours to authorise the expense.

The request to authorise shall include the following in the e-mail to Council:

- Clear indication of who requested the expenditure
- A copy/scan/electronic version of the invoice/claim request/ correspondence leading to the expenditure
- A copy to the office manager on Council who keeps a record of each authorisation. This report is sent before the Council meeting to the Treasurer to verify the transactions for the month

It is ideal that none of the signatories set up the EFT expenditure for their own claims or expenses.

The Treasurer will do so unless the Office Administrator is not available during week days. No set up of EFT expenditure shall occur over weekends.

For the sake of simplicity the expenditure has been divided into two groups. The operational expenditure which refers to pre-budgeted day to day running of the SARL office, while the non-operational encompasses the remainder for which, although budgeted for, prior Council approval is required before committed or expended.

Operational Expenditure Requirements

This will include such items such as telephone charges, which as are on debit order, postage, cleaning, bank charges, salaries and wages. Such expenditure will not require the approval of all Councillors provided costs have been budgeted for. Only the signatories, the Office manager on Council and the Treasurer need to be informed. The monthly reporting as mentioned above will alert Council to any potential over-expenditure during the year.

Non-Operational Expenditure Requirements

The element of budgetary control requires all Councillors to advise the Treasurer of intended purchases in order to maintain such control. It is incumbent on a Councillor to motivate for the expenditure prior to the occurrence.

The Treasurer will in turn circulate the request along with confirmation that the expenditure falls within budget to all Councillors by e-mail. All Councillors are required to agree to the expenditure and should respond within 2 (two) working days. If not all have replied, a majority count on those e-mails received will be counted towards approval or denial by the Treasurer.

All claims by Councillors such as, Council travel must be approved by Council, and as per the approved budget, and shall be confirmed by the Treasurer before the payment is authorised.

The non-operational expenditure will include such items as Procurement of Goods and Services including Assets, Councillor Business Travel, HAMNET, Council Meeting Travel and AGM Expenses.

Please note that Council is not obliged to meet any expenditure that has not been approved as above.

Travel Claims

Council has an annual budget for travel claims.

The rule goes that short distances may be claimed for at the national rate as stated by the AA, or as per the SARS travel claim guidelines. Hence typical distances of <500km that is specifically made towards an SARL event where the Councillor will represent the SARL as said Councillor will apply.

Should the distance be >500km, a flight at standard economic rates should be booked. Airport parking and vehicle hire are also included.

Should it happen that the Councillor is not within range of a national airport, thus opting to travel by his own means to the event, claim for travel may be limited to a maximum of the equivalent of the cost of standard economic flight rates plus vehicle hire option.

Generally the Treasurer should compare and evaluate the merit of the claim, and how much the actual travel cost is, to ensure that proper and reasonable re-imbusement of the travel expenses are met.

The annual Council travel claims shall always be within the amount approved for at the AGM as per the Annual Budget presented and approved.

Petty Cash

A Petty Cash float on the imprest system will be maintained by the Office Administrator to accommodate such small items as postage, casual wages, office cleaning materials and other utilities. Such expenditure will take place at the discretion of the Office Administrator without Council approval. The Petty cash float will be balanced and reimbursed by the Treasurer on a monthly basis.

Banking Arrangements

The SARL banking is conducted as ABSA, details which are as follows:

ABSA

Cheque Account: 4071 588 849

Branch Code: 632 005

Clearwater Mall

Shop Lm043 Clearwater Mall

PO Box 261001

Excom

2023

Signing arrangements on the cheque account are two to sign, and one other Councillor who is on such signatory schedule.

The Treasurer should not be a signatory, but has access to the Internet banking services to retrieve information.

To protect the interests of the Office Administrator, such person should not form part of the bank signatories.

In the case of any signatory Councillor resigning, that right of signatory is immediately revoked.

Contact details

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