

UNIVERSITY SPORT SOUTH AFRICA

FINANCIAL POLICY FOR ASSOCIATIONS

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

USSA	-	University Sport South Africa
NEC	-	National Executive Committee of USSA (Constitution, Article 8.1)
Association	-	National University Sport Association (NUSA) of USSA (Constitution, Article 8.4)
Exco	-	Executive Committee of the USSA NUSA
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)
Member	-	Tertiary education 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	-	Approved meetings taking place under the auspices of USSA or the NUSA on a provincial, regional, sectoral and national level
AGM	-	Annual General Meeting
SGM	-	Special General Meeting
Sport	-	Sport recognised by USSA
BDO	-	BDO Spencer Steward Incorporated (Auditors)

The following financial principles shall apply:

1. The financial management and accounting functions of National University Sports Associations (NUSA) are entrusted to the National Secretariat of USSA. 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.
2. The basis of USSA's financial system is budgeting, controlled expenses and auditing, i.e. all financial transactions are managed, controlled and audited according to budget.
3. No overspending will be allowed. A well-managed budget and structure prevent overspending.
4. Expenses shall not be approved if the request is not accompanied by the necessary documentation.
5. This financial policy and structure of USSA is applicable to all USSA substructures.

1. ACCOUNTING

1.1 Function

The National Secretariat of USSA shall keep proper books of all NUSA account, which books shall record all financial transactions (income & expenditure) by an association, 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 of USSA as authorised by the NEC of USSA, shall open and operate a banking account(s) with a registered banking institution(s) in South Africa in accordance with the financial regulations of USSA as approved by the AGM and/or Council. 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.

1.4 Cheques

- (a) Numbers of issued versus not issued cheques are verified by a person other than the one responsible for issuing, i.e. an Accounting Officer of BDO.
- (b) Cancellation of a cheque crossing is not permitted.

1.5 Financial statements

- (a) Financial statements are compiled annually in a format agreed upon by the NEC of USSA and the external auditors, which shall be in accordance with generally accepted accounting practice. The format of statements shall be on an activity-based costing.
- (b) Requests for financial reports/statements duly authorised by the Chairperson and/or Treasurer of the NUSA, must be submitted in writing to the CEO of USSA at least twenty-one (21) days before a scheduled Exco meeting or AGM/SGM.

1.6 General Control

- (a) Persons initiating income/expenditure should indicate the applicable budget item.
- (b) Persons approving payment vouchers should ensure that they are in accordance with USSA policy.
- (c) The CEO of USSA and the Accounting Officer of BDO reviews the nominal ledger once a month in order to ensure that transactions are correctly recorded and in accordance with budget.

1.7 Petty cash

USSA and USSA associations shall not operate a petty cash account.

1.8 Loans

The loan of USSA funds to an individual is not permitted.

1.9 Advances

Advances pertaining to special approved projects are allowable for travel and accommodation expenditure providing that full reconciliation (including any amount owing to USSA/NUSA) is done within fourteen (14) days of return or completion of the project.

1.10 Allowances

No allowances shall be paid to any individual from USSA or NUSA funds.

1.11 Payments

- (a) **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.
- (b) **Claims:** Claims for expenses incurred by individuals for which an NUSA is responsible, are made on the prescribed Claim Form (or in exceptional circumstances in a letter) and approved by the Chairperson and Treasurer or General Secretary of the association. Claims are only paid within budget at the official tariffs as approved by the NEC and AGM/Council of USSA. Documents in support of all expenses incurred against non-standard tariffs (e.g. hotel and entertainment costs) must accompany the claim form. Deviations from standard tariffs must be motivated and approved by the Exco of the relevant NUSA. All claims, whether submitted on prescribed forms or in a letter, must be completed and signed by the claimant. Claims submitted by USSA staff members on behalf of others shall not be considered.
- (c) **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.

1.12 Value Added Tax (VAT)

- (a) Invoices or credit notes shall be issued for services rendered/to be rendered in accordance with the applicable legislation. Where VAT can be claimed, specifically in instances where USSA or the NUSA is responsible for costs, invoices are to be made out in the name of USSA (even if an individual settles the claim).
- (b) Tax returns, 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 or paid before or on the said dates. Cheques in favour of the Receiver of Revenue are delivered by hand to avoid a penalty for late submission.
- (c) Tax records are kept for five (5) years in accordance with applicable legislation.

2. BUDGET

2.1 Adjustment

Adjustments to the annual budget of an NUSA must be approved by the Exco of the relevant association and the NEC of USSA.

2.2 Compilation and approval

A budget is compiled annually by the Exco and submitted to the NEC of USSA for approval.

2.3 Control

The Chairperson and Treasurer of the NUSA are responsible for all transactions (income and expenditure) in accordance with the approved budget.

2.4 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.

3. INCOME

3.1 Current account

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

3.2 Control and reporting

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

4. EXPENSES, AUTHORISED LIMITS AND SIGNATORIES

4.1 Procedure

- (a) All applications for incurring costs, making payments or the transfer of funds, duly authorised by the Chairperson and Treasurer or General Secretary of the relevant NUSA, are made on the prescribed forms such as requisitions, claim forms and memoranda which must reach the CEO of USSA at least fourteen (14) working days before the date of such expenditure and/or payment.
- (b) Applications for travel and accommodation expenditure should include an itinerary and means of travel with a clear description of the purpose of the journey. Where applicable, an official letter of invitation to travel must be attached.
- (c) Applications for tour related expenses, must reach the CEO of USSA at least twenty-one (21) working days before the date of such expenditure and shall include a detailed itinerary with the full names and institutions of the delegation members.

4.2 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) The Chairperson and Treasurer or General Secretary of the NUSA approves all expenditure or refers them to the Exco and/or NEC of USSA.

4.3 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 of the USSA NEC and/or CEO of USSA and any other official delegated by the NEC. No computer generated signatures are allowed on any documents with financial implications.

4.4 Order Forms

Order forms duly signed and authorised by the CEO, are completed for all purchases/services, except for those services for which written contracts exist or staggered supply on contract.

4.5 Quotations/Tenders

For purchase of all items not on USSA contract, the following limits shall apply:

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

4.6 Accommodation

Should funds permit, Exco members are entitled to stay overnight at the official USSA tariff or depart a day prior to meetings/events if circumstances, flight times or travel duration could cause unnecessary discomfort or danger. Such expense is to be incurred with discretion and within the approved budget.

4.7 Travel

- (a) Exco members required to use their own vehicles for approved USSA business/duties, may within budget and with the approval of the Exco be reimbursed at the official USSA tariff.
- (b) 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.
- (c) Should an Exco 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 members travel together, only one will be entitled to such payment.

4.8 Car hire

Exco members or any other individual (manager, coach, etc.) shall only be reimbursed at the USSA contract tariff for Group A vehicles (i.e. 1300cm³).

5. SPONSORSHIPS

5.1. Registration

NUSA's annually register their sponsorships with USSA, i.e. the NEC of USSA is informed in writing of the name, nature and duration of the sponsorship. A written agreement is concluded between the NUSA and the sponsor, a copy of which is kept with the National Secretariat of USSA.

5.2 Allocations

All sponsorships intended for USSA and/or NUSA's, are paid in with USSA. Such sponsorships are divided as follows:

- (a) Sponsorships raised by USSA:
 - USSA to keep 10%
 - NUSA to benefit 90%
- (b) Sponsorships raised by NUSA:
 - USSA to benefit 5%
 - NUSA to keep 95%

6. ASSETS

6.1 Principle

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

6.2 Control

- (a) A detailed computerised register is duly kept.
- (b) Property of associations is distinguished from property belonging to others.

- (c) Existence is verified twice a year and the register certified accordingly.
- (d) The NEC of USSA shall be informed of obsolete assets with the annual submission of the NUSA budget.
- (e) The register is balanced quarterly with the ledger account.

6.3 Depreciation

The depreciation of assets shall be in accordance with USSA National Policy.

6.4 Sale of obsolete equipment

The sale of obsolete items are done by means of tender (firstly to members) and adjudicated by the Management Committee of USSA.

6.5 Writing off

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

7. SECURITY

7.1 Financial records

All financial records are locked away in suitable cabinets. Back-ups of all computer systems are done monthly and duplicate sets kept at a place approved by the NEC of USSA.

7.2 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.

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. DOCUMENTS

All financial documents are kept for five (5) years.

10. AUDITORS

Auditors are appointed annually by the NEC of USSA for ratification by the AGM for the forthcoming year.

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.