

SADTU Finance Manual

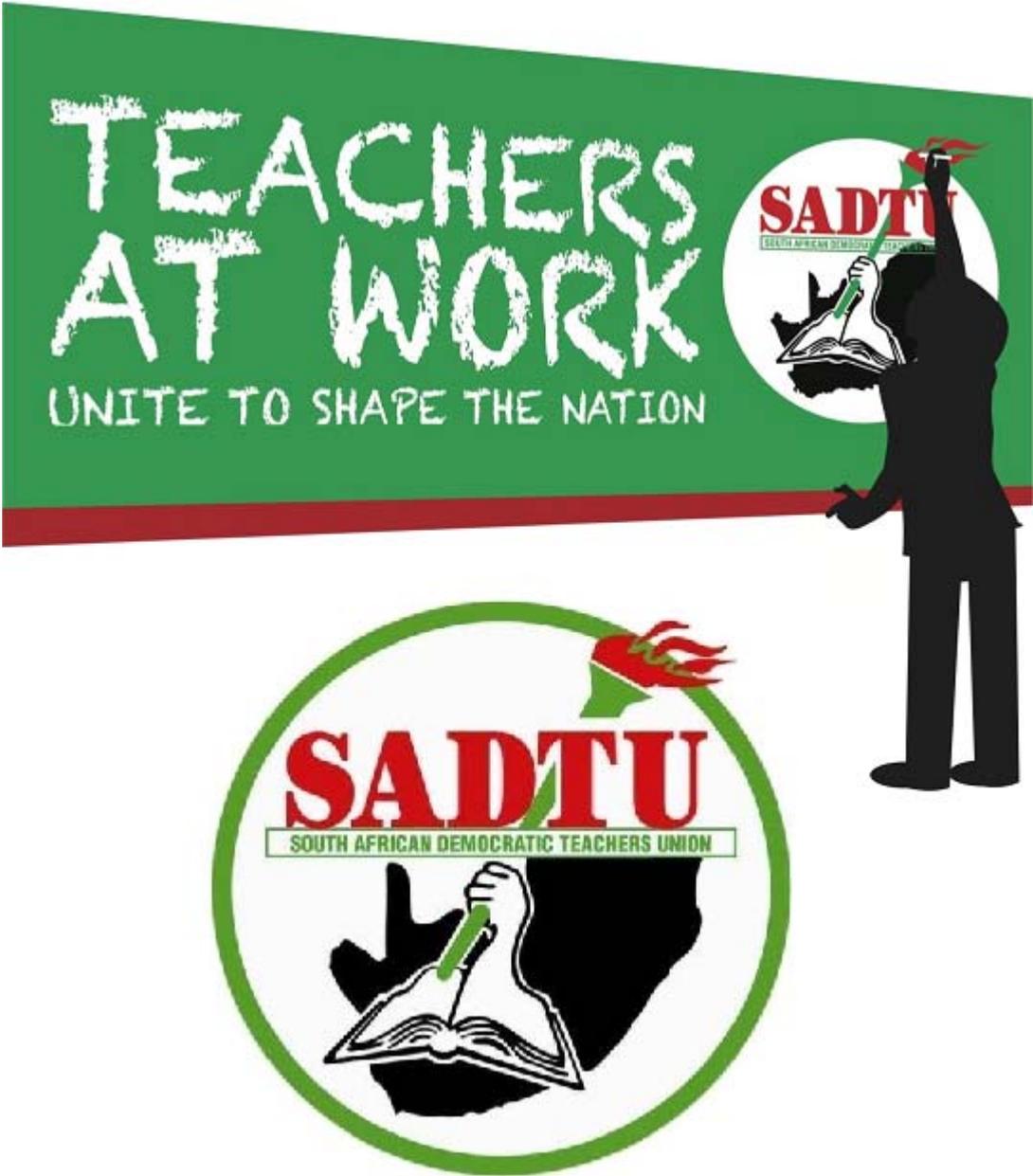


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FOREWORD

The *first edition* of the SADTU Finance Manual, was adopted at the National General Council (NGC) held in September 1997, was aimed at achieving greater synergy between the financial policies and practices of the South African Democratic Teachers' Union. In accordance with the unitary nature of the organisation the finance procedure manual was made *applicable to all the structures of the Union*, i.e. Provinces, Regions and Branches.

This *third edition* has been necessitated by:

- the September 1998 National Congress resolution to amend the Union's financial period to end on 31 December of each year;
- the review and adoption of financial policy decisions by the National Executive Committee,
- recommendations made by the Union's auditors, since the implementation of the previous editions, and
- the changes in the finance environment as captured in the International Accounting Standards.

This edition is also intended to further crystallise the process initiated through the adoption of the first edition of the finance manual and serves to administer, record and communicate approved financial related policies and procedures of the Union.

Let us view this manual as an important vehicle to realise our vision of establishing an effective, efficient and truly unitary financial system operating optimally at every level of the organisation.

SADTU NATIONAL EXECUTIVE COMMITTEE

SECTION A: GENERAL

1. Objectives of Finance Manual

The objective of the Financial Manual is to clearly outline all aspects governing the financial operations of the Union at all levels. This would entail the following:

- Constitutional stipulations relating to finance;
- Roles and responsibilities of the Finance Committee;
- Fiduciary duties of accounting officials and staff; and
- Financial procedures, rules and regulations.

The Finance Manual is therefore aimed at providing assistance in respect of the:

- Maintenance of an effective control environment;
- Maintenance of an effective financial function;
- Maintenance of proper books of account;
- Implementation of an effective control system and internal regulations; and
- Adequate safeguarding of assets, documents and financial records.

The policy and procedures in this Finance Manual are applicable to every official and staff member of the Union, irrespective of their position.

The onus is on every official and staff member to ensure that the procedures are followed and applied and that they are fully acquainted with the contents of all its policies and procedures.

Any departure from the stipulated guidelines shall require the approval of the National Executive Committee. Further the Union has the authority to take full disciplinary action against any official or staff member who does not fully comply with the policies and procedures as adopted.

2. SADTU Constitution

The following are extracts from the SADTU constitution, *as amended at the National Congress held in September 1998*, relevant to the administration and management of the Union's finances.

Clause 4: Legal Status

4.1 The Union shall be a body corporate with perpetual succession, capable of entering into contractual and other relations and of suing and being sued in its own name. It shall hold property apart from its members. The liability of members shall be limited to the amount of their subscriptions outstanding or other monies due to the Union at any time.

4.2 The Union is an association not for gain.

Clause 13.3: National Executive Committee

13.3 Subject to the provisions of this Constitution, the NEC shall have the power to:

- (h) acquire by purchase, lease or otherwise any moveable and immovable property and to hold the same on behalf of the Union and to sell, let, mortgage or otherwise deal with or dispose of any moveable or immovable assets of the Union provided that no immovable property shall be acquired, sold, mortgaged, let or leased for a period of longer than five years unless four weeks' written notice of intention to do so has been given to each Province, Region and Branch of the Union;
- (i) operate banking accounts on behalf of the Union, to control the funds and finances of the Union and to allocate funds to Provinces, Regions and Branches;

Clause 16: Financial Policy

- 16.1 All subscriptions and levies from members or any other funds payable to the Union shall be remitted to the General Secretary and shall be deposited to its credit within three days of receipt thereof.
- 16.2 One or more bank accounts shall be operated by the Union with such approved financial institution as the *National Executive Committee* may from time to time decide upon and all such accounts shall be in the name of the “South African Democratic Teachers’ Union”.
- 16.3 The National Executive Committee shall from time to time direct that monies not required for immediate use be invested with approved financial institutions.
- 16.4 The signatories to the National Account shall be the President, Treasurer, General Secretary and two members of the National Executive Committee appointed for that purpose by the National Executive Committee, any three of whom shall jointly sign cheques. The signatories to the other accounts of the Union shall be decided upon by the National Executive Committee who may delegate such power to the Provincial, Regional and Branch Executive Committees of the Union. All payments shall be made in accordance with the financial policy which will be adopted by the NEC from time to time in line with the constitution.
- 16.5 In the event of any one or more signatories being unable or unwilling to be a signatory to such cheques, the National Executive Committee may appoint such other signatories as it deems suitable.
- 16.6 Monthly allocations to Provinces, Regions and Branches shall be made on the authorisation of three signatories to the National Account. The National Congress shall determine the proportional basis according to which allocations are to be made. The National Executive Committee shall decide on any appropriate measures to be taken in the event of failure by a Province, Region or Branch to account for funds allocated.

- 16.7 The Treasurer shall submit to the National Executive Committee at each ordinary meeting a detailed report on the financial affairs of the Union.
- 16.8 The books of the Union shall be audited at least once a year, by certified auditors approved by the National Executive Committee.
- 16.9 The financial year of the Union shall commence on 1 January and end on 31 December of each year.
- 16.10 All funds of the Union shall be managed according to the financial policy stipulated in the Finance Manual and determined by the National Executive Committee from time to time.
- 16.11 True copies of the consolidated audited accounts of the Union together with the auditors' report shall be made available to all members of the Union at all offices of the Union.
- 16.12 The National Executive Committee may at any time with a view to securing funds for any particular lawful purpose contemplated by the Constitution impose a levy provided that not less than fourteen days notice of the proposed levy has been given to all Provinces, Regions and Branches; provided further that any Provincial Conference may demand that a ballot of members of the Union be taken on the subject. The purpose of the levy shall be clearly set out in the notice as well as the period of operation of such levy. Such levies may differentiate on the basis of earnings and may be either fixed amounts or a percentage of earnings. Under no circumstances shall the amount of the levy exceed two and a half percent of any member's earnings for any calendar year and shall not apply for more than one year.
- 16.13 No profits or gains of the Union will be distributed to any person and the funds of the Union shall be utilised solely for the attainment of the objectives for which the Union was established.

SECTION B: ROLES AND RESPONSIBILITIES

3. National Finance Committee

3.1 Composition

The Finance Committee (FINCOM) shall be made of the following persons to ensure fair representation, efficiency and accountability.

- Treasurer, who shall serve as convenor;
- Two members of the Executive Committee ;
- Two elected Treasurers;
- General Secretary and/or Deputy General Secretary;
- Accountant;
- Administrator;
- the President/Chairperson as an ex-officio member; and
- the Committee shall have powers to co-opt other persons for specific purposes.
- The Treasurer shall preside at all meetings and only under exceptional circumstances shall the President/Chairperson preside.
- One of the following shall be present in all the meetings: the General Secretary or Deputy Secretary.

3.2 Accountability

As a standing committee of the National Executive Committee, the Finance Committee:

3.2.1 Is under the direct authority of the NEC.

3.2.2 Should submit a report on its activities to each ordinary meeting of the NEC for adjudication and ratification. Should ensure that financial statements and management reports are tabled at each ordinary meeting of the NEC.

3.3 Duties and Powers

The FINCOM shall have the following duties and powers as a standing committee of the NEC:

- 3.3.1 to meet at least once every quarter;
- 3.3.2 to formulate financial policies and procedures to implement these policies;
- 3.3.3 to prepare and review budgets subject to ratification by the NEC;
- 3.3.4 to review financial statements and ensure that financial policies and procedures are adhered to;
- 3.3.5 to discuss the audited financial statements and management report by the Auditors;
- 3.3.6 to approve the acquisition of capital expenditure items within the budget.

4. Segregation of Duties

Whilst the Finance Committee are broadly responsible for the overall management and supervision of the financial affairs of the Union, the elected officials and personnel listed below would have the following specific duties relating to the administration and control of the Union's finances.

4.1 The National Treasurer

- 4.1.1 Shall be responsible for the supervision of all the financial affairs of the Union in terms of the Financial Policy.
- 4.1.2 Shall monitor, check and critically review the finances to ensure that assets, liabilities, income and expenditure are properly accounted for.
- 4.1.3 Shall ensure that meetings of the FINCOM are held regularly and to preside at such meetings.
- 4.1.4 Shall report on the state of finances at all constitutional meetings, i.e. NEC, NGC and National Congress.
- 4.1.5 Shall ensure that payments are made by cheque to which s/he shall be the last signatory whenever possible, after checking payments against statements, vouchers and claims.
- 4.1.6 Shall ensure that variances between actual payments and the budget are reported on at the meetings of FINCOM.
- 4.1.7 Shall ensure the closure of all books of accounts on the last day of the financial year for the purpose of an external audit.
- 4.1.8 Shall regularly check on all books of accounts of the Union.
- 4.1.9 Shall advise the NEC on audits conducted at Provincial, Regional and Branch levels.

4.2 General Secretaries

- 4.2.1 Shall jointly be responsible with the National Treasurer for the supervision of all the financial affairs of the Union in terms of the Financial Policy.
- 4.2.2 Shall assist with the accurate compilation of membership records for the purpose of monthly allocations to Provinces, Regions and Branches.
- 4.2.3 Shall ensure that payments of accounts and claims are made by cheque to which they shall be signatories after checking such payments against the necessary supporting documentation.
- 4.2.4 Shall ensure that meetings of the FINCOM are convened timeously in terms of the Finance Policy of the Union
- 4.2.5 Shall monitor income generated by the Union from membership subscriptions, sponsorships and other sources.
- 4.2.6 Shall assist with the preparation and review of budgets.
- 4.2.7 Shall attend all meetings of the FINCOM.

4.3 National Accountant

As the Administrative Head of the Finance Department, the National Accountant shall have the following duties:

- 4.3.1 Ensure the proper control and recording of all financial information in terms of the Financial Policy and Procedures as determined by the NEC.
- 4.3.2 Keep all books of accounts in accordance with Generally Accepted Accounting Practice (GAAP), Generally Recognized Accounting Practice (GRAP) and International Accounting Standards (IAS).

- 4.3.3 Maintain an efficient and proper filing system for all financial documents, i.e. **contracts, agreements, vouchers**, statements, invoices, etc.
- 4.3.4 Accurate preparation and verification of supporting documentation for all payments and transfers, i.e. cheque requisition forms, electronic printouts, etc.
- 4.3.5 Ensure that all payments are authorised by the Treasurer and/or General Secretaries prior to processing.
- 4.3.6 Check all requests for payments against the budget.
- 4.3.7 Prepare and control orders for the purchase of stationery, capital equipment and furniture in terms of the Finance Policy.
- 4.3.8 Assist with the accurate calculation of membership records for the purpose of monthly allocations.
- 4.3.9 Verify the accuracy of all income generated to the Union from all sources.
- 4.3.10 Accurate reporting of all relevant and necessary financial information at the meetings of the FINCOM, NEC, NGC and National Congress.
- 4.3.11 Prepare necessary financial information and books for annual auditing.
- 4.3.12 Maintain a journal file for all general journals posted, supported by original documentation and approved by the National Treasurer.
- 4.3.13 Together with the National Administrator shall that the assets verification is performed in accordance with the policy

4.4 National Administrator

- 4.4.1 Shall assist the National Accountant with verifying the accuracy of all accounts and claims.
- 4.4.2 Shall check all orders and requests for payments against the budget.
- 4.4.3 Shall assist with the preparation of all documents and correspondence relating to finances.
- 4.4.4 Together with the National Accountant, ensure the verification of assets in accordance with policy.
- 4.4.5 Shall be delegated by the General Secretary to authorize travel and accommodation requisitions.
- 4.4.6 Responsible for all maintenance on vehicles and the building(s)
- 4.4.7 Administer the daily itinerary of all the pool cars
- 4.4.8 Shall attend the FINCOM meetings.

4.5 Co-signatories to the Banking Accounts

Shall ensure that all payments are made by cheque/electronic transfer after checking such payments against supporting documentation and against the budget.

SECTION D:

PROVISIONS, RULES AND REGULATIONS

This section of the financial manual deals with a range of accounting procedures and internal controls. In an organisation the size of SADTU, where there is a substantial amount of financial activity at all levels of the Union, it becomes imperative to have these operating criteria and to monitor adherence thereto.

The provisions, rules and regulations shall serve as a guide to the various officers who have been entrusted with financial administration and management responsibilities, and encourage the necessary respect for the financial control structures.

5. Accounting Policies

The financial statements of the Union are prepared on the historical cost basis. The following are the principal accounting policies of the Union.

5.1 Revenue

Subscriptions received are accounted on the accrual basis. A reconciliation shall be performed on a bi-monthly basis and errors identified shall be followed up with the respective department of education.

Grants, commissions and levies received are accounted for on a cash received basis.

5.2 Fixed Assets

Fixed assets are depreciated on a straight-line basis over their anticipated useful lives, according to the following rates:

Land and buildings	4%
Computer equipment	33.3%
Computer software	50%
Furniture and fittings	16.7%
Motor Vehicles	20%

6. Budgets

- 6.1 The Finance Committee shall submit an annual budget to the NEC for approval at least thirty days before the commencement of the next financial year.
- 6.2 The process of preparing the budget shall be initiated at least six months before the commencement of the next financial year.
- 6.3 A detailed Budget Variance Statement shall be prepared on a quarterly basis by the Finance Department to assist in the comparison of actual performance and results with the adopted budget.
- 6.4 The FINCOM shall identify areas of over-, under and no-expenditure and recommend appropriate corrective measures to be taken.
- 6.5 Any adjustments to the original budget would only be made if the FINCOM and NEC considers it as absolutely essential.

7. Audits

- 7.1 The auditing of the finances of the Union shall be performed annually by a registered public accountant and auditor, appointed by the NEC.
- 7.2 The Union may also commission an audit of specific activities and projects when necessary.
- 7.3 The purpose of the audits shall be to obtain reasonable assurance that in all material respects, fair presentation is achieved in the financial statements.
- 7.4 Audits shall include an evaluation of the appropriateness of the accounting policies, an examination on a test basis of evidence supporting the amounts and disclosures included in the financial statements.
- 7.5 Audits shall also assess and evaluate the reasonableness of the overall presentation of the financial statements.

8. Fixed Assets

8.1 Policy

Fixed assets are purchased for the exclusive use of the Union. Fixed assets consist mainly of the following categories:

- Land and buildings
- Motor vehicles
- Furniture and equipment
- Computer equipment
- Computer software

All fixed assets shall be recorded in fixed assets register. Assets with a cost price of less than R1 000 shall be expensed and kept on an inventory list.

8.2 Acquisition of New Assets

- 8.2.1 The purchase of assets shall be determined by normal needs identified by the FINCOM and made within the framework of the budget.
- 8.2.2 The General Secretaries shall make a formal request to the FINCOM for the purchase of items.
- 8.2.3 FINCOM shall authorise the request(s) for the purchase of capital items on condition that quotes are obtained from at least three companies or suppliers.
- 8.2.4 A pre-numbered order form shall be completed and approved by the General Secretaries before actual purchases are made.

8.3 Fixed Assets Register

- 8.3.1 The National Accountant is responsible for the maintenance of the fixed assets register.
- 8.3.2 All assets purchased or disposed off should immediately be recorded in the register.
- 8.3.3 At the end of the financial year this register should be closed off and reconciled to the general ledger accounts.
- 8.3.4 The register should contain the following information in respect of each asset:
- description
 - cost per item
 - quantity
 - total cost
 - location
 - date of acquisition
 - rate of depreciation
 - depreciation provided each year
 - accumulated depreciation since date of acquisition
 - book value
 - date of disposal
 - proceeds from disposal

8.4 Physical Verification and Disposal of Assets

- 8.4.1 A physical verification of fixed assets should be done bi-annually and the fixed asset register should be updated accordingly.
- 8.4.2 All fixed assets will be bar-coded that will agree to the fixed asset register.
- 8.4.3 On completion of each stock count, the National Accountant must furnish the FINCOM with the following:
 - a) any surplus or deficiency which may be found to exist as regard both quantity and value.
 - b) details of any damaged or obsolete items.
 - c) suggest as to the disposal of items mentioned in (b) above.
- 8.4.4 Any disposal of fixed assets shall be submitted to the FINCOM for approval

8.5 Insurance/Theft/Loss of Assets

- 8.5.1 The National Accountant shall ensure that all the fixed assets of the Union are adequately insured by obtaining cover from a reputable Insurance Company.
- 8.5.2 The loss and/or theft of fixed assets shall be reported immediately to the FINCOM after discovery, who may commission an internal investigation to ascertain the circumstances surrounding such loss and/or theft.
- 8.5.3 Any loss and/or theft of a fixed asset item shall be reported to the South African Police Service and a claim submitted within the stipulated time to the relevant Insurance Company.

9. Stationery and Consumables

- 9.1 The purchase of stationery and consumables shall be determined by normal needs identified by the FINCOM and within the parameters of the budget.
- 9.2 The General Secretaries in consultation with the National Accountant shall purchase items and quantities of stationery and consumables as determined by normal needs. An order form shall be completed and approved by the General Secretaries before actual purchases are made.
- 9.3 All stocks of stationery and consumables must be checked immediately on receipt by the General Secretaries and any shortfall reported immediately to the relevant supplier.
- 9.4 Payment shall be made after checking the supplies against the necessary order form and invoice, and after any shortfall had been corrected.
- 9.5 The General Secretaries shall assign a National Officer for the proper safekeeping and control of the consumption of stock purchased.
- 9.6 The National Officer shall monitor the rate of consumption of stock and take the necessary precautions to guard against loss or theft.
- 9.7 Minor items of stationery and consumables not involving bulk purchases may be purchased from petty cash with the approval of the National Accountant.

10. Payments

10.1 Cheque Payments

- 10.1.1 The documentation concerning the purchase of goods and payment of invoices, accounts and claims shall be forwarded to the General Secretaries for approval and authorisation.
- 10.1.2 A cheque requisition form (CRF) must be prepared by the National Accountant for all payments and forwarded to the General Secretaries with the necessary supporting documentation.
- 10.1.3 After approval and authorisation by the General Secretaries a cheque may be issued by the National Accountant.
- 10.1.4 All cheque requisitions, together with supporting documentation, shall be filed sequentially and safeguarded from unauthorized access.
- 10.1.5 The National Accountant shall take the necessary precautionary measures to ensure that cheques issued reach the payee without delay.
- 10.1.6 If a payee reports non-receipt of a cheque payment, the National Accountant shall immediately instruct the bank to stop payment of the cheque in question.
- 10.1.7 In the case of a cheque been lost or stolen and payment has been stopped before it was presented for payment to the Bank a new cheque may be issued to replace the lost or stolen cheque.
- 10.1.8 In the case of a cheque been lost or stolen, and it was presented for payment to the Bank before payment thereof could be stopped, the matter shall reported to the FINCOM and South African Police Service (SAPS) for proper investigations. Only when investigations are concluded, may a replacement cheque be issued.

10.2 Electronic Transfer Payments

- 10.2.1 Electronic transfer payments shall be made in respect of monthly subscription allocations, distribution of assurance commissions, payment of creditors, or any other items as determined by the FINCOM.
- 10.2.2 An electronic transfer requisition form (ETRF) must be prepared by the National Accountant for all payments and forwarded to the General Secretary with the necessary supporting documentation.
- 10.2.3 The National Accountant shall prepare the necessary supporting documentation before any electronic transfer payment (ETP) is made.
- 10.2.4 The National Accountant shall submit the necessary supporting documentation together with a detailed printout to the General Secretaries prior to the payment for the approval and authorisation of any electronic transfer payment.
- 10.1.9 Electronic transfer reports shall be attached to the ETRF together with supporting documentation, filed sequentially and safeguarded from unauthorized access.
- 10.2.5 At least 2 passwords will be required for any ETP to be made of which one should be that of the senior office bearers. Confidentiality of passwords will be maintained and changed regularly.
- 10.2.6 A record of all electronic transfer payments authorised by the General Secretaries shall be kept by the National Accountant.

10.3 Diners Club Cards

- 10.3.1 The NEC shall determine from time to time which officials of the Union shall be entitled to the use of diners club cards.

- 10.3.2 Diners club cards issued to officials shall only be used for bona fide and emergency union expenses. Under no circumstances shall the Diners club cards be used for the payment of personal expenditure.
- 10.3.3 Officials using diners club cards shall submit original vouchers with details of the activity for which payment was made to the Accountant for the purpose of reconciliation.
- 10.3.4 The Accountant shall reconcile the original vouchers with the statements received from the institution on a monthly basis.
- 10.3.5 Officials using diners card must first call the General Secretary/Treasurer if the card is to be used for other categories other than the bona fide emergency union expenses.

10.4 Petrol Cards

- 10.4.1 The NEC shall decide from time to time which officials and/or staff members of the Union shall be entitled to the use of petrol cards.
- 10.4.2 Petrol cards made available shall only be used for travelling and minor repairs in respect of approved union activities. Under no circumstances shall petrol cards be used for personal or unauthorised purposes.
- 10.4.3 Officials and staff members using petrol cards shall submit original vouchers together with a log book to the Accountant for purpose of reconciliation.
- 10.4.4 The Accountant shall reconcile the original vouchers, log book entries and statements from the financial institution on a monthly basis.

11. Receipts

- 11.1 All money received in cash, cheque, postal order, or other any other form, shall be brought into account by issuing an official SADTU Receipt.
- 11.2 A pre-numbered manual receipt book shall be used for this purpose.
- 11.3 The National Accountant should ensure that money received is verified with a remittance advice, schedule or statement from the source(s) concerned. Any discrepancies should be immediately followed up and reported to the FINCOM.

12. Banking

- 12.1 All money received and collected must be deposited in the banking account of SADTU within 24 hours of receipt thereof.
- 12.2 An official deposit book obtained from the bank shall be used whenever money is deposited into the SADTU account.
- 12.3 Cash, cheques, etc. must be carefully checked by the National Accountant before a deposit slip is completed and the actual deposit is made.
- 12.4 A bank reconciliation shall be prepared for all bank accounts on a monthly basis (reconciling the balances per bank statements to the cashbook and general ledger) and reviewed and sign by the National Treasurer as proof thereof.

13. Membership Subscriptions

- 13.1 The National Accountant shall verify all cheques received from the Provincial Education Departments with the accompanying schedules.
- 13.2 Money received in respect of membership subscriptions shall be distributed to National, Provincial, Regional and Branch as per decision of the National Council or National Congress of the Union.
- 13.3 Allocations to Provinces, Regions and Branches shall be made before the 7th day of each month.
- 13.4 A statement reflecting the calculation of amounts allocated shall be faxed immediately and an original copy posted within seven days to Provinces, Regions and Branches.
- 13.5 Distribution of subscriptions to the provinces/regions/branches shall be made after deduction of expenses incurred on behalf of the involved parties. Supporting documentation for deductions made shall be filed and the result of transactions shall be accurately reflected in the general ledger accounts.

14. Proceeds from Insurance Companies

- 14.1 The National Accountant shall verify all amounts received from Insurance companies in respect of commissions and profit shares with the original agreements and accompanying schedules.
- 14.2 The formula according to which commissions and profit shares is distributed to the various structures of the Union and the purpose(s) for its utilisation shall be determined by the National General Council or National Congress of the Union.
- 14.3 The frequency or intervals at which such distributions are made shall be determined by the FINCOM and NEC.

15. Legal Fees

- 15.1 The advice and services of a reputable firm of attorneys or lawyers shall be obtained in labour, legislative, contractual and other matters which have legal implications for the Union.
- 15.2 The Union shall not obtain legal services in matters of a criminal nature, i.e. assault, theft, etc.
- 15.3 The NEC shall authorise the institution of legal action. In the absence of an NEC meeting a decision shall be taken by the General Secretaries in consultation with the President and at least two other Office Bearers.
- 15.4 Instructions to attorneys in writing shall be undertaken in the name of the General Secretary.
- 15.5 Settlement of legal fees shall be implemented only on receipt of a written statement with details of all expenses incurred.
- 15.6 The settlement of legal fees in respect of instructions to attorneys by Provinces, Regions, Branches and individual members shall be borne by the respective structure or member concerned.

16. Accommodation

- 16.1 The only hotels which may be used for accommodation are those hotels where a special rate has been negotiated through a written agreement with the hotel group and for which an account has been officially opened.
- 16.2 All hotel and conference centre bookings must be made by the National Office.

- 16.3 Accommodation facilities shall be restricted to:
- (a) Bed and breakfast at the negotiated rate.
 - (b) Dinner at the negotiated rate, which will exclude any alcoholic beverages.
 - (c) Lunch at the negotiated rate, if not provided for at the venue of the meeting, workshop, summit or conference.
- 16.4 In some instances where meals are not provided by the hotel or are not part of the hotel bill, the following standard allowances shall apply:
- (a) Breakfast at R40.00 per person
 - (b) Lunch at R60.00 per person
 - (c) Dinner at R60.00 per person
- 16.5 Telephone calls are to be paid by members on leaving the hotel or conference centre. Any telephone refund claim for official Union calls will have to be made in writing with the reason for the call(s) detailed and must be accompanied by receipts before it would be considered for authorisation.
- 16.6 Bar, laundry, room service and any other charges will not be paid for by the Union. Members shall be entitled to include laundry expenses as part of the bill when more than two nights are spent at hotels on official business as directed by the Union. In special circumstances, e.g. where members arrive at hotels after the restaurant had closed, members shall be allowed to use room service facilities, subject to the ceilings indicated in 16.4 above.
- 16.7 Any person booking into a hotel without following the above procedures, will be held responsible for the immediate payment of the charges.
- 16.8 No subsistence allowance will be paid when delegates are accommodated at hotels or conference centres where meals are provided.

17. Travelling

17.1 Road Travel

Personal Vehicles

Union officials and members using their own motor vehicles shall be refunded according to the kilometers traveled as per the Official Automobile Association (AA) schedule of distances.

The rate per kilometer shall be decided upon by the NEC and shall be in respect of fuel and reasonable wear and tear.

Union Vehicles, Union-subsidised Vehicles and Hired Vehicles

Union officials and members utilising vehicles owned by the Union or vehicles for which the owner receives an allowance from the Union in respect of its maintenance or vehicles hired by the Union from a reputable Car Hire Company, shall only be refunded for reasonable fuel expenses incurred on approved union business.

Union officials and members utilizing vehicles owned by the Union can only use such vehicles for Union purpose only and all trips shall be authorized by the General Secretary. Any deviation shall only be allowed on the explicit authority of the General Secretary.

Public Transport

Union officials and members using public transport shall be refunded according to the general applicable rate charged.

17.2 Car Hire

17.2.1 All bookings of hired cars are to be made through the National Office and are payable by the Union.

17.2.2 Only reputable Car Hire Companies approved by the NEC are to be utilised.

17.2.3 Users of hired cars shall ensure that distances covered are strictly for official and approved Union business.

17.2.4 Users of hired cars shall ensure that the said cars are returned promptly on the date and time specified on the voucher received when the car is collected from the Hire Company. Any extension or deviation shall only be allowed on the explicit authority of the General Secretaries. Any cost incurred due to an unauthorised extension or deviation shall be borne by the individual concerned. If a verifiable reason for such occurrence is submitted in writing to the General Secretary, the billing of the individual may be reconsidered.

17.3 Toll and Parking Fees

Toll and Parking fees shall be paid on the submission of the necessary vouchers as part of the standard claim form.

17.4 Driver's License

17.4.1 Union officials and members who for any reason may drive a Union vehicle, or hired vehicle or their own vehicle, to transport people on behalf of the Union are required to submit a certified

copy of their valid driver's license to the General Secretary before they may drive under the above circumstances.

17.4.2 The Union will not be liable for any damages or costs as a result of incorrect information or failure to submit the required information to the General Secretary regarding drivers' licences.

17.5 Traffic Fines

17.5.1 Under no circumstances shall the Union be held responsible for the payment of traffic fines or any other related charges.

17.5.2 Any summonses received by the Union will immediately be referred back to the relevant traffic authority with the name and address of the person responsible for the vehicle concerned.

17.6 Air Travel

17.6.1 All air tickets are to be booked through the National Office and are payable by the Union.

17.6.2 No travel agent is to be used unless approved by the NEC.

17.6.3 Air tickets must be arranged in time to exploit any available discounts and to be delivered to the National Office or Provincial Offices concerned, or collected from the Travel Agent.

17.6.4 Union officials and members booked on flights must ensure that they arrive at the airport at least 40 minutes prior to domestic departures and two hours for international departures.

17.6.5 If a booked flight is missed or changed and a re-booking or a new flight is required the individual will be held responsible for the any cost incurred. If a verifiable reason for such occurrence is

submitted to the General Secretary, the billing of the individual may be reconsidered.

17.6.6 In the event of an air ticket issued to an official or member not being used, for whatever reason, the Union shall instruct the Travel Agent to cancel the said ticket within seven (7) days of the date issued and credit the account of the Union with the reimbursement amount. Individual members shall therefore not be entitled to these unused air tickets or any reimbursement.

17.6.7 Union officials and members shall be entitled to claim, as part of the standard claim form, all costs pertaining to the storage and carriage of firearms.

18. Travel Allowance

18.1 International Travel

18.1.1 On all Union-approved trips, to meetings, conferences, congresses, seminars, etc. a per diem allowance will be paid to a person officially representing the Union calculated as follows:

All international trips:	US\$70
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18.1.2 On all twinning programmes the per diem per Union representative shall be equal to US\$ 75.

18.1.3 The total amount of the per diem allowance shall be made available to a delegate in the form of traveller's cheques prior to departure.

19. Motor Vehicle Schemes

19.1 Full-time Elected Officials

See attached annexure for details.

19.2 Union Employees

See attached annexure for details

20. Loans

20.1 Loans to Staff Members

20.1.1 Loan applications shall only be considered from permanent staff members, after the completion of the probationary period of employment.

20.1.2 Applications for loans will only be considered for the following extraordinary expenses: education, [housing], funerals and classified emergency loans. The last category of loans shall only be considered upon full disclosure of the necessary details by the applicant.

20.1.3 Loan applications shall only be considered if accompanied by documentary proof of the expenditure.

20.1.4 In the event of the loan application being approved, the cheque shall be made payable directly to the institution requiring the money and to the applicant if the loan is for funeral purpose.

20.1.5 The maximum loan amount granted may not exceed double the monthly gross salary of the employee and the repayment scheduling may not exceed twelve (12) months. Any deviation regarding the maximum amount and repayment period shall be at the discretion of the FINCOM on recommendation by the General Secretaries.

20.1.6 All staff loans granted by the Union shall be subjected to [the minimum legally acceptable interest per annum calculated in advance]. A prime minus 5 interest on amounts more than

R3000. The amount less than R3000.00 shall be subjected to taxation

20.1.7 One loan will have to be fully repaid, before any further applications shall be considered. The only exception shall be for funerals, in which case, two (2) loan repayments plus interest, shall run concurrently.

20.1.8 All applications for loans shall be made directly to the General Secretary on the official Union Loan Application Form.

20.1.9 All applications for loans, both in National and Provincial offices of the Union, shall be made to the National Office for consideration and processing. Monthly repayments of loans granted shall be deducted directly from the salaries of staff members.

20.1.10 All applications for loans shall be approved by the General Secretaries and thereafter submitted to the FINCOM for ratification.

20.2 Loans to Provinces

20.2.1 All loans to Provinces shall be regarded as an advance against future subscriptions allocation.

20.2.2 All applications for loans from Provinces shall be in writing to the General Secretary and per resolution of a Provincial Executive Committee (PEC) meeting.

20.2.3 The maximum loan amount granted may not exceed the net monthly allocation to the Province and the repayment scheduling may not exceed six (6) months.

20.2.4 All applications for loans from Provinces shall be approved by the General Secretary in consultation with the Treasurer, and thereafter submitted to the FINCOM for ratification.

21. Use of Union Fax machines, Cellular phones and Office telephones.

21.1 Union Fax Machines

In the event of the Union making a fax machine available for the use by an official, the Union shall pay the full account if a separate Telkom line is used or fifty percent (50%) of the account if a separate line is not used. Payments shall only be authorised after receipt of an official account from Telkom accompanied by a detailed fax transmission report printed from the fax machine.

21.2 Cellular Phones

In the event of the Union making a cellular phone available for use by an official, the Union shall be responsible for the payment of the monthly subscriptions payable to the service provider plus a maximum amount for calls charged, not exceeding the ceiling as determined by the NEC.

The official shall be responsible any amount for calls charged, in excess of the ceiling as determined by the NEC.

21.3 Office Telephones

Employees of the Union shall be [entitled] allowed to one personal call per day, not exceeding one minute from an office telephone.

In the event of the above stipulations to be exceeded, prior permission shall be obtained from the General Secretaries, for such extra calls or longer duration for a call.

Failure to comply with above shall result in the employee being held responsible for the cost of any calls exceeding the above limits, from office telephones.

22. Staff Salaries

- 22.1 The NEC shall determine the salary scales and other fringe benefits payable to employee, based on recommendations from the National Staffing Committee.
- 22.2 Staff salaries shall be paid on the 25th day of each month or the last working day of the week if the 25th is on a Saturday, Sunday or Public holiday.
- 22.3 The Accountant shall prepare a salary schedule at least fourteen (14) days before the date of payments of salaries.
- 22.4 The Accountant shall submit all salary schedules to the General Secretary for authorisation before payments are processed.
- 22.5 The Accountant shall ensure that all statutory and other deductions are made in accordance with the relevant policies, rules, regulations and statutes.
- 22.6 The Accountant shall ensure that deductions from employees' salaries and Union contributions where applicable, in respect of taxation, provident fund, medical aid and unemployment insurance fund are paid to the relevant institutions not later than the 7th day of the following month.
- 22.7 The Accountant shall prepare a reconciliation of the payroll expenses paid per the payroll report with the relevant general ledger accounts supported by explanations and documentation for variances identified.
- 22.8 Proper personnel files shall be maintained for all staff and safeguarded against unauthorized access.
- 22.9 Records to be kept on personnel files:
- ❑ Appointment letter
 - ❑ Authorisation for deductions;

- Copy of Identification Document;
- Approved leave application forms and a leave register;
- Approved letters for salary increases / adjustments;
- Approved letters for loans / advances on salaries;
- Other correspondence

22.10 Payroll reconciliation shall be prepared on a monthly basis and reviewed by the Senior Accountant.

22.11 Salary related control accounts shall be used to account for expenses, cleared regularly and reviewed by the senior accountant.

22.12 A schedule for staff loans shall be maintained, reconciled to the general ledger and reviewed by the Senior Accountant on a monthly basis.

23. Petty Cash

23.1 The petty cash should be utilised for the payment of relatively small expenses which cannot conveniently be paid by cheque.

23.2 The petty cash shall be operated and maintained on an imprest system. The imprest amount shall be determined by the FINCOM from time to time.

23.3 All approved payments from petty cash should be supported by cash slips, receipts or invoices, which must be attached to a petty cash voucher.

23.4 All payments shall be recorded in a petty cash analysis book which must be reconciled on a monthly basis.

24. Creditors

- 24.1 All short term creditors are to be paid within thirty (30) days of the date of statement.
- 24.2 All trade credit accounts shall be opened by the General Secretary, after approval by the FINCOM, on an official Union letterhead.
- 24.3 Any restriction required on the account, shall be detailed in writing to the creditor, before the terms of the account shall be agreed upon.
- 24.4 Creditors' reconciliations shall be done on a monthly basis, reconciling the balance per statement received to the balance per the system. The Senior Accountant shall review these reconciliations and sign it as proof of review.
- 24.5 Documentation shall be cancelled (stamped as "PAID") after such payment has been effected.

25. Amounts receivable

- 25.1 Invoices raised shall be accounted for on the date of issue.
- 25.2 A debtor's age analysis shall be prepared on a monthly basis and reviewed by the Senior Accountant and signed as proof thereof.
- 25.3 Long outstanding amounts shall be followed up timeously and the Accountant shall prepare a list of amounts to be written off/ considered irrecoverable for the approval of the Treasurer.

26. Photocopying and Fax Charges

- 26.1 Photocopies will be charged at the following rates per copy:
 - A4 size @ 50cents per copy
 - A3 size @ 70cents per copy
- 26.2 Only Union paper shall be used and no special rate for own paper will be charged.
- 26.3 Faxes will be charged at the following rates:
 - All incoming faxes @ 150c per page
 - Outgoing faxes (Local and National) @ R5,00 for the first page and R3,00 per additional page.

Outgoing faxes (International) @ R10,00 for the first page and R5,00 per additional page.

- 26.4 Proper records shall be kept by the General Secretaries of all photocopying and fax charges and money received shall be paid over to the National Accountant for banking.

27. Postal and Courier service

- 27.1 The General Secretaries shall keep a stamp book in which accurate records are kept of all postal and courier service transactions made by the Union.
- 27.2 Only courier and freight companies approved by the FINCOM shall be used for speed and bulk mailing purposes by the Union.
- 27.3 The charges for courier services in respect of media publications for members, for example diaries, calendars, etc. shall be shared by the various structures of the Union as determined by the NEC.

28. Paraphernalia

- 28.1 The design and production of paraphernalia shall be the responsibility of the Secretariat in consultation with the other desks and departments of the Union.
- 28.2 No order for paraphernalia shall be placed without prior approval by the FINCOM.
- 28.3 No bulk purchases of paraphernalia shall be made by the Union, unless orders from Provinces, Regions and Branches have been received in advance and any amounts due are to be deducted from allocations.
- 28.4 In the case of major events, the paraphernalia to be purchased should form part of the normal budgetary allocation.

29. Books of Account

The following books of account shall be maintained by the Union.

	Books of Account	Structures
5.32.1	Cash Book reflecting details of all money received and paid, to be reconciled at the end of each month with Bank statement.	National, Provincial, Regional and Branch
5.32.2	Petty Cash Book for the purchasing of minor items and operated on an imprest system.	National & Provincial
5.32.3	General Ledger of all Balance sheet and Nominal accounts.	National & Provincial
5.32.4	General Journal for effecting adjustments to accounts. All entries to be substantiated with proper narration and documentation.	National & Provincial
5.32.5	Trial balance reflecting a list of balances of all accounts.	National & Provincial
5.32.6	Income and expenditure statement	All structures
5.32.7	Balance Sheet	All structures

30. Procurement of Investment

31. Income and Expenses

- 31.1 Income and expenses should be accounted for on the accrual basis in the period it was incurred.
- 31.2 A debtors- and creditors sub-ledger should be maintained for all transactions incurred via invoicing.
- 31.3 Suspense and control accounts should be used in order to account for monthly expenses/income (i.e. payroll expense). These control accounts should be cleared and reviewed on a monthly basis by the Senior Accountant.
- Income and expenses shall be accounted for excluding Value Added Tax (VAT):
 - The Accountant shall insure that VAT is excluded as prescribed by the VAT act;
 - VAT – returns will be completed on a timeous basis and submitted to the Receiver of Revenue.
 - The Accountant will review the VAT-control accounts on a monthly basis to ensure accuracy thereof.

32. Custody and Disposal of Accounting Records

The following are the minimum periods for the retention of accounting records in the Union.

	Records	Retention period
5.33.1	Cash Books, Ledgers, Journals, Fixed Assets Register	20 years
5.33.2	Debtors and Creditors Ledgers	5 years
5.33.3	Petty Cash Book	5 years
5.33.4	Salaries and Wages Journals and Loans Registers	10 years
5.33.5	Minutes of FINCOM and NEC meetings	5 years
5.33.6	Receipts and Vouchers 5.33.6.1.Invoices and statements 5.33.6.2.Paid cheques 5.33.6.3.Bank statements 5.33.6.4.Receipt books 5.33.6.5.Petty cash vouchers 5.33.6.6.Claim forms 5.33.6.7.Deposit books	5 years

33. Finance Leases

- a. Assets purchased through finance leases should be accounted for at the cost price of the asset and a corresponding lease liability account should be raised.
- b. Monthly installments should be deducted from the lease account as incurred and the interest incurred on such payments should be accounted for as such.
- c. Contracts and other correspondence should be kept on file and a register should be maintained for leases in place.
- d. Statements of all outstanding leases should be obtained from the relevant institutions at year-end indicating outstanding balances and movement for the year and this should be agreed to the general ledger.

34. Grants received

- a. A separate bank account and general ledger expense account shall be maintained for all grants received.
- b. Documentation, requirements, agreements regarding the grants received shall be properly filed.
- c. Expenses paid out of the bank accounts will only be for the purpose intended as prescribed by the donor of the grant. The monies may not be used for expenses other than the intended purpose.
- d. A reconciliation and detailed schedule should be maintained for all grants in use on a monthly basis and reviewed by the Senior Accountant.

35. Inter-union loan accounts

- a. Balances of all loan accounts between the different offices of the union shall be confirmed in writing on a monthly basis by the relevant offices and such approval shall be kept on file.
- b. Any discrepancies shall be cleared timeously.

