sibongile
day & night care centre

FINANCIAL MANAGEMENT POLICY & PROCEDURE

SECTION 1 I PURPOSE

The purpose of this Financial Management policy and procedures document is to specify

- roles and responsibilities for every person in the organisation who has some role in financial management or procedures
- financial planning and reporting that Sibongile Day & Night Care Centre should undertake each year
- financial policies to be followed by every person in the organisation

SECTION 2 I KEY PRINCIPLES

The key principles on which all Sibongile Day & Night Care Centre Financial Policy is based are:

Organisation Funds

- Organisational funds belong to the Sibongile Day & Night Care Centre. They should not be used for private purposes, including private grant or loan.
- Funds should be carefully used in an effective way in the best interests of the organisation.
- All Board, Staff and members are responsible for the careful and honest use of funds.
- Funds granted to Sibongile Day & Night Care Centre for a specific purpose will be used for that purpose.

Collective Accountability

- All Board members and staff of Sibongile Day & Night Care Centre have a collective (shared) responsibility for the financial health of an organisation.
- Each person has specific financial responsibilities. Some responsibilities are larger than others, for example the Treasurer. However everyone on the Board and all staff dealing with finances must share responsibility for the careful and honest use of the organisational funds
- Everyone on the Board is also responsible for examining and questioning the monthly financial report and for formally approving it.

Transparency

- All financial documents and reports should be available to all members of the Board and all staff members with financial duties.
- Annual accounts should be available to all members.
- Generally there is no reason for the Board to withhold any financial report from a member.

Centre Manager: NBX Date: 6/11/2021

3.4. DIRECTOR

In relation to Sibongile Day & Night Care Centre's Financial Management policies and procedures, the Director will undertake to:

- manage the organisation's financial systems efficiently
- prepare the annual budget in consultation with the Chairperson and Treasurer
- act as a cheque signatory
- check the monthly Bank Reconciliation against the Bank Statement
- assist as necessary with the preparation of the month financial report and review it
- inform the Treasurer if any budget line is close to budget
- ensure all financial records are kept up to date

SECTION 4 | **FINANCIAL POLICY SUMMARY**

4.1. FINANCIAL PLANNING

- A full organisation budget will be prepared annually
- A budget review will be undertaken after six months

4.2. BANK ACCOUNT

- Sibongile Day & Night Care Centre will hold a bank account
- All Sibongile Day & Night Care Centre income and expenditure must go through the Sibongile Day & Night Care Centre bank account
- The signatories to the Sibongile Day & Night Care Centre bank account will be the Chairperson, Treasurer and the Director.

4.3. INCOME

- All income is receipted
- All income is banked into the Sibongile Day & Night Care Centre bank account
- No unbanked income is used for petty cash
- Ideally income is to be daily but must be banked weekly. All Income, no matter how small, is always banked by the end of the month. Income and Ex

4.4. EXPENDITURE

- All expenditure must have an approved budget allocation
- Where possible, services are to be obtained by setting up of an account with payment to be made on the 20th of each month.
- *Separate Payroll records are to be kept for all salaries and wages*
- Small payments under R5000.00 may be paid using the Office petty cash, at the discretion of the Director

4.5. ACCOUNTING FOR INCOME AND EXPENDITURE

- Income and Expenditure is to be accounted for
- Electronic records are kept using the linked Excel cashbook
- Income and expenditure data is entered into the cashbook on a regular basis, at least weekly

- A bank reconciliation is carried out monthly.
- The bank reconciliation is to be checked by the Director and the Finance Committee

4.6. REPORTING

- A monthly bank reconciliation report is prepared and printed. This reconciliation is reviewed and checked by both the Director and Finance Committee. It is to be attached to the bank statement it relates to and filed in the Bank Statement file.
- Monthly Income and Expenditure reports for the organisation are to be prepared and printed by the Treasurer
- Monthly financial reports are presented by the Treasurer at the monthly Board meeting
- After approval by the Board and signed by the Treasurer, the monthly report should be filed in a separate file

4.7. RECORD KEEPING

The following records are to be kept and maintained by staff. The files are to be kept in a safe and secure place known to and approved by the Treasurer and Chairperson.

- **Physical records**: Receipts books, income file, bank statement file, Monthly Income and Expenditure file
- **Electronic records:** The Excel cashbook is to backed up on a weekly basis onto a diskette or USB Drive (Data Pen).

At the end of the financial year, the financial records for that year are to be archived and stored in a safe place.

4.8. ANNUAL ACCOUNTS AND AUDIT

- Annual Accounts are to be prepared
- Annual Accounts are to be audited
- Annual Accounts are to be presented to members at the Annual General Meeting

4.9. MISUSE OF FUNDS

- Any suspected misuse or misappropriation of funds will be investigated by the Chairperson and Treasurer
- The investigation is to follow fair procedures. Once completed and the facts clearly established, the Chairperson / Treasurer will take appropriate action. For minor issues this may be kept to internal disciplinary action. For serious offences, the matter will be referred to the Police.
- The Chairperson will inform the Board of any serious offences and the action taken

4.10. BOARD VOLUNTEERISM

- The Sibongile Day & Night Care Centre Board members agree to work for the organisation in the spirit of volunteerism
- No Board meeting allowances will be paid
- All work done for Sibongile Day & Night Care Centre by Board members will be unpaid

4.11. CONFLICT OF INTEREST

- Board and staff members will undertake to avoid real, apparent or potential conflict of interest situations in their work for Sibongile Day & Night Care Centre.

Centre Manager: NBX ____________________ Date: 6/11/2021

Separation of Duties

- This principle states that no one person covers all financial tasks. Where ever possible, financial tasks are split between two or more people.
- Usually one person will **DO** the task and another person will **CHECK** the task is done correctly.

SECTION 3 | ROLES & RESPONSIBILITIES

3.1. CHAIRPERSON

In relation to Sibongile Day & Night Care Centre's Financial Management policies and procedures, the Chairperson will undertake to:

- ensure the Sibongile Day & Night Care Centre has written financial policies and procedures that have been adopted by the Sibongile Day & Night Care Centre Board
- ensure that the Board and staff have a copy of these, have read them and understand them
- ensure financial management policy is implemented effectively
- ensure a yearly Budget is prepared and approved by the Board and that a six monthly review is carried out
- ensure the Board meets regularly (monthly if possible) to review and approve financial reports
- liaise with Treasurer to ensure financial reports are prepared
- read and question monthly financial reports
- act as a cheque signatory
- check the Payment Voucher and the individual cheque before signing and authorising the payment

3.2. TREASURER

In relation to Sibongile Day & Night Care Centre's Financial Management policies and procedures, the Treasurer will undertake to:

- ensure financial management policy is implemented effectively
- liaise with Chairperson on financial matters and bring any irregularities to his attention urgently
- ensure a yearly Budget is prepared and approved by the Board
- ensure financial reports are prepared for the Board and check their accuracy
- present these reports to the Board and be able to answer questions on these reports
- act as a cheque signatory
- check the monthly Bank Reconciliation against the Bank Statement
- regularly carry out spot checks on procedures and financial documents

3.3. BOARD MEMBERS

In relation to Sibongile Day & Night Care Centre's Financial Management policies and procedures, all Board Members will undertake to:

- attend Board meetings regularly
- read and understand Sibongile Day & Night Care Centre Financial Policy and Procedures
- learn to understand the financial budgets and financial reports
- approve the Sibongile Day & Night Care Centre Annual Budget
- read and question monthly financial reports that are tabled at the Board meetings
- approve these monthly financial reports and specifically the monthly payments