South African Equestrian Tentpegging Association

South African Equestrian Tentpegging Financial Policies & Procedures

South African Equestrian Tentpegging Association

Mission

It is the mission of SAETA (South African Equestrian Tentpegging Association) to promote competitive Tent Pegging as a sport for all participating Tentpegging riders in the Republic of South Africa, through development, participation and the striving for excellence in achievement within the competitive sports structure.

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Finance Committee - Mission

The Finance Committee of SAETA is committed to timely, accurate and responsible financial management. We work with the president, council members and ordinary members to ensure that all financial matters are managed with care, integrity, and consistency within the best interests of SAETA and of achieving SAETA's mission and vision.

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1. Purpose

The policy and procedural guidelines contained in this policy document are designed to:

- protect the assets of SAETA;
- ensure the maintenance of accurate records of SAETA's financial activities;
- provide a framework of operating standards and behavioral expectations; and,
- ensure compliance with governmental, financial and legal reporting requirements

Exceptions to written policies may only be made with the prior approval of the Finance Committee or the SAETA Council. Changes or amendments to these policies may be approved by the SAETA Council at a properly constituted Annual General Meeting (AGM), Special General Meeting (SGM) or Ordinary General Meeting (OGM). A complete review of the policies shall be conducted every two years by the Finance Committee or the SAETA Council.

All members with financial responsibilities as well as ordinary members are expected to be familiar with and operate within the parameters of these policies and guidelines.

2. Roles

SAETA Treasurer and Finance Committee

The SAETA Treasurer chairs the Finance Committee, which is composed of members designated by the SAETA Council. The Finance Committee has whatever authority as may be designated by the SAETA Council, including:

- choosing the auditor
- performing regular, in-depth reviews of the organization's financial activity
- overseeing the development of the annual budget
- determining the allocation of investment deposits

SAETA President

The President has the responsibility for administering these policies and ensuring compliance with procedures that have been approved by the SAETA Council. The President has whatever authority as may be designated by the SAETA Council, including:

- making spending decisions within the parameters of the approved budget
- creating and amending operating procedures and controls
- making decisions regarding the duties and accountabilities of members and the delegation of decision-making authority
- entering into contractual agreements within council designated parameters

Policies and procedures which are not specifically addressed by this document may be determined by the President when the financial impact is less than R1,000 for any fiscal year. The SAETA Council must approve any unaddressed policy or procedure with an impact of more than R1,000.

3. General Accounting Policies

The accounting system follows general accepted accounting policies (GAAP).

Financial statements are prepared using the cash basis of accounting.

The fiscal year is August 1 through July 31.

4. Administration

Financial duties and responsibilities are separated so that no one member has sole control over cash receipts, disbursements, reconciliation of bank accounts, or any critical accounting function.

The Treasurer has primary responsibility for designing and maintaining the accounting system. Bookkeeping support may be provided by other staff as designated.

The accounting records are updated regularly and subject to the oversight of the Treasurer or President or its SAETA Council designate on at least a monthly basis.

A filing system accessible to the SAETA Council is maintained for all financial records. This filing system may be electronic or paper, or both.

Professional financial service providers are reviewed annually. For 2023 these are:

- Accounting software: Microsoft Money (Excel Version)
- Banking: ABSA
- Auditors: KPC Financial Services

5. Budgets

The annual budget for the fiscal year is prepared by the Finance Committee and President working closely with the appropriate members.

The SAETA Council approves the budget annually, prior to the beginning of the fiscal year if possible.

The budget is compared to the monthly financial statements in order to monitor the actual results.

The budget is reviewed mid-year and adjusted as necessary to reflect changing conditions. The SAETA Council approves proposed changes in the budget which exceed R1,000 or 50% of the line item, whichever is greater.

6. Financial Statements

Quarterly financial statements are completed and presented to the Finance Committee within 30 days of the close of the period.

A financial overview and Profit & Loss Statement through the end of the previous quarter are provided to the SAETA Council at the next Exco meeting.

7. Audit

An annual audit is conducted by an independent CPA after the close of each fiscal year. The audit covers the fiscal year of August 1st through July 31st.

The Treasurer and the President are involved in the annual audit review. Presentation to the SAETA Council of the audit is done by the Treasurer with assistance from the President.

Copies of the annual audit are provided to all members in accordance with agreements in effect.

8. Banking

General

The President chooses a financial institution which provides the most appropriate services for the lowest cost. The location of the financial institution is taken into account.

Separate or sub bank accounts are maintained for operating expenses, project expenses, fundraising expenses and savings. No more than R100,000 shall be on deposit at any one financial institution without prior approval from the SAETA Exco.

The operating account maintains sufficient funds to meet all anticipated expenditures. Generally, a balance between R50,000 and R150,000 is sufficient.

The savings account is used to replenish the operating account when necessary and to receive excess funds from the operating account when available.

Deposits

In general, deposits or payments are made electronically via the Online Banking provided through the applicable Bank. SAETA does not make use of cash transactions whereby physical cash are used for deposits of payments.

All funds deposited or payments made by SAETA or to SAETA through Online Banking must be accompanied by a copy of proof of payment for record keeping and audit purposes. This will serve as confirmation and proof that payment was made or received by SAETA.

9. Disbursements

The Treasurer will approve expenditures within the parameters set by the annual operating budget as approved by the Council, with the exception of the Treasurer's personal expense reimbursement items, which must be approved by another person having signing authority. The President may approve expenditures in rare instances when the Treasurer is not available.

The Treasurer approves fund requests/claims after comparing to supporting documentation. The Treasurer compares information on supporting documents and the request/claim for accuracy and appropriateness. The supporting documentation and the request/claim is then presented to the President for his/her signature and approval.

All disbursements are made by EFT and are accompanied by substantiating documentation such as the proof of payment.

Electronic banking allows electronic transfers of funds, and account balance inquiries are initiated and completed via computer or cellular phone. Electronic transfers cannot be set up, paid and approved by the same person and will be circulated between the Finance Committee members to be conducted.

When an electronic transfer has been set up by the Finance Committee member, the documentation supporting the transaction is given to the Treasurer for verification and approval before the transaction is initiated.

Procedure

- All invoices received by SAETA are placed in the unpaid open invoice file/folder.
- Fund requests/claims and supporting documentation are delivered to the Treasurer as and when required for comparison and approval.
- The Treasurer approves all invoices and expenditures on weekly basis.
- The fund request/claim, with supporting documentation (approved invoices, fund requests/claims), are forwarded to the President on a monthly basis. The President reviews all request and supporting documentation prior to signing. Any fund request/claim or invoice for amounts over R50,000 need approval from Exco. The Treasurer will be responsible for obtaining such approval.
- After the fund request/claim and invoices are signed, it will be filed, with supporting documentation attached, numerically in the paid file/folder.
- The Treasurer will then authorize a Financial Committee member to process the transaction via Online Banking.

10. Reimbursements

Funds will only be paid electronically through Electronic Fund Transfer (EFT).

A claim form is prepared and approved when requesting personal reimbursement for SAETA expenses. Relevant invoices and receipts needs to be attached.

Mileage expenses are reimbursed at the predefined rate in affect at the time of the expense as determined by the SAETA Council.

11. Account Reconciliations

Bank reconciliations are done monthly. Bank statements are reconciled by Treasurer and submitted to the President for verification and apporval.

Other balance sheet accounts are reconciled at least quarterly by the Treasurer.

12. Large Purchases

Purchases greater than R1,000 are approved by the Treasurer up to a maximum of R5,000.

Purchases greater than R5,000 are approved by the President up to a maximum of R10,000.

Purchases greater than R10,000 requires a tender process to be followed for approval.

The President and Treasurer has dual signature authority up to and including R150,000 for inter account transfers.

Purchases greater than R50,000 are approved by the SAETA Council.

Generally, SAETA seeks three quotations for purchases greater than R1,000 where at least three suppliers are available for that service or product.

13. Conflict of Interest

Purchases of goods or services are not made from any member or Council member of the organization. Members of the SAETA Council declare any conflict of interest with regard to financial terms.

Purchase of personal items for members or Council is not allowed.

14. Capital Expenditures

Tangible assets exceeding R1,000 and expected to last longer than a year are classified as capital assets and included in an inventory record. The capital assets inventory record contains descriptions, serial numbers, dates of purchase or receipt, valuations, dates of valuation and item locations.

A depreciation schedule is prepared annually by the auditing firm.

15. Donations

Donated capital assets are recorded at fair market value if it can be reasonably estimated. The nature and amount of the donated capital assets must be disclosed.

The value of donated materials and services is recorded at a reasonable estimate. The value does not exceed the value at which the organization could have purchased those materials and services.

All donations will be recorded in the donor database/register by the Treasurer and the Marking Commission Chairperson of all donations received and declared to the SAETA Council.

16. Honorariums

No salaries and wages are paid by SAETA to members serving on their respective committee, commissions or councils. Honorariums are paid annually or monthly to the chairpersons of applicable committees, commissions and or councils and or identified Exco members as a reimbursement for expenses incurred in service of SAETA.

These honorariums are determined by the SAETA Council and reviewed on an annual basis during the Annual General Meeting (AGM).

17. Investments

The investment objectives of SAETA, in order of importance, are the safety of principal, liquidity, and a competitive rate of return. Investment restrictions may, at the discretion of the SAETA Council, include such issues as quality, diversification requirements, or social issues.

The Finance Committee has primary responsibility for advising the SAETA Council on investment policy and for establishing any specific guidelines as to the mix and quality of the investment account.

The SAETA Investment Account will be managed as a sub account the main operating account of SAETA and will be reviewed annually during the Annual General Meeting (AGM).