



# SOUTHERN GAUTENG HOCKEY ASSOCIATION

## FINANCE POLICY

REVISED DECEMBER 2022

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## 1. INTRODUCTION

- 1.1. Financial policies are to be reviewed for appropriateness and effectiveness annually by the Executive Committee (Exco). Review findings by the Exco must be presented to Council members at the Annual Council Meeting for ratification including any changes made.
- 1.2. Our financial policy exists to safeguard assets and ensure good financial management in support of the delivery of strategic goals in a financially sound manner. They also ensure we have adequate cash flow to support operational activities, maintain medium to long-term operational sustainability, preserve trust in particular with our Council members and all hockey players, operate efficiently and to ensure internal and external compliance. This policy also clarifies the roles, authority, and responsibilities for essential financial management activities.

## 2. ANNUAL PLANNING AND YEAR-END PROCEDURES

- 2.1. The Treasurer is accountable for the drawing up of an annual budget based on the operational plan of each Exco member. These plans and budgets shall be reviewed and agreed to by the Exco. Thereafter the operational plans with their budgets will be presented to Council at the AGM for the following financial year. Budget details must include operating expenses and how those expenses are recovered with details for at least the following:
  - 2.1.1. Team entry fees for all leagues and events
  - 2.1.2. Income generating opportunities
  - 2.1.3. Hockey league and event costs
  - 2.1.4. High Performance costs
  - 2.1.5. SAHA levies
- 2.2. High Performance costs are funded via the receipt of an agreed percentage of team entry fees and income generating activities initiated specifically to fund High Performance costs. This percentage is agreed on an annual basis and requires both Exco and Council approval each year.
- 2.3. The purpose of generating income is to cover our costs and not to create profit. Surplus funds not required for future adverse budget variances and investment purposes should be returned to members in the same ratio that their contributions were made. These refunds are to be determined at the end of the financial year. Any exception to this would require both the approval of the Executive and Council.
- 2.4. Annual Financial Statements (AFSs) are to be drawn up for each accounting period within 6 months of the financial year-end. These accounts are currently subject to an external audit, in compliance with SAHA requirements. Copies of signed AFSs must be forwarded to the Exco, all Council members and South Africa Hockey Association (SAHA) when they become available and must be presented at a Council meeting for ratification.

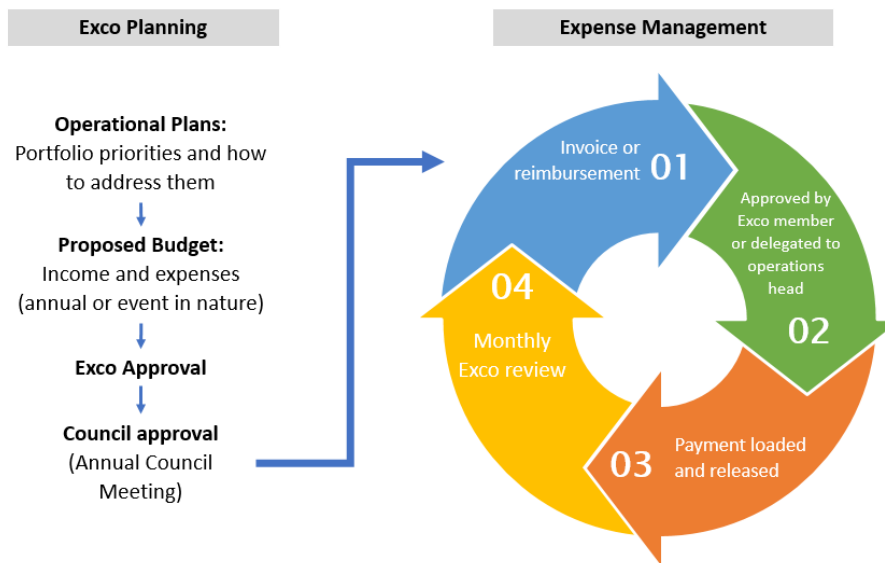
## 3. MONTHLY PROCEDURES

- 3.1. Management accounts need to be presented to the Exco every 1 to 2 months and to Council members at least, every 3 to 4 months. Management accounts must at a minimum include:
  - 3.1.1. Income statement
  - 3.1.2. Balance sheet
  - 3.1.3. Debtors listing
  - 3.1.4. Creditors listing
- 3.2. Bank reconciliation for each bank account.
- 3.3. Borrowing of funds and making medium to long-term investments requires the prior approval of the Exco. Borrowing of funds also requires Council approval.

- 3.4. The Treasurer is required to ensure compliance with regulatory requirements including SARS, NPO and SAHA requirements.
- 3.5. Fixed assets are generally expensed in the month in which they are purchased. The safeguarding of those assets is the responsibility of the relevant Exco member.
- 3.6. SGHA provides limited credit facilities for certain stakeholders. The recovery of debt is the responsibility of the relevant Exco member.

#### 4. EXPENSE MANAGEMENT

- 4.1. Expense management takes the following principles or controls into account, dependent on the personnel available to execute these financial responsibilities:
  - 4.1.1. The treasurer, using the income statement actuals versus budget, monitors financial health across the portfolios as well as SGHA’s cumulative financial position (balance sheet).
  - 4.1.2. Officials (Exco members and if applicable, management personnel) monitor relevant income and expense accounts.
  - 4.1.3. The same official cannot submit and approve their own invoice or reimbursement. Another official should authorize the expense in these instance (appropriate segregation of duties).
  - 4.1.4. Payment of expenses should preferably be undertaken by two officials, typically the Accountant and either the Treasurer or General Manager (appropriate segregation of duties).
  - 4.1.5. Regular invoices require a service contract (template available for this for 3 months or more).
  - 4.1.6. Re-imburement of expenses requires supporting documentation.
  - 4.1.7. Accountant record keeping includes invoices, approvals and account allocation. All documents need to be appropriately stored.
  - 4.1.8. The holding of petty cash is discouraged.
  - 4.1.9. Combined with annual planning, the expense management cycle looks as follows:



#### 5. GENERAL

- 5.1. SGHA offers a commission-based incentive for any person, connected person to SGHA or otherwise, who brings in sponsor monies to SGHA. The commission % paid to a broker would be based on the efforts of the broker versus those of SGHA when it comes to lead generation, proposal and negotiation activities in particular.