



PERFORMING ARTS NETWORK OF SOUTH AFRICA

Postnet Suite 237, P/Bag X18, Rondebosch, 7700 • Tel: 021 448 3513 • E-mail: info@pansa.org.za •
3b Beach Road, Woodstock, 7925
Website: www.pansa.org.za
Registered Non Profit Organisation: 019-469-NPO
PBO no: 930017636 PAYE no: 7550756755

01 April 2011

FINANCE POLICY

This document contains the policies and procedures governing financial transactions for the Performing Arts Network South Africa (PANSAs).

PURPOSE

All financial transactions of PANSAs must be justified, validated and recorded. The following is intended to provide a framework for the financial interactions of the organisation for accountability and financial management.

SETUP and PLANNING

1. All members of the organisation who are able to authorise payments are recorded below as 'Signatories'
2. All project expenditure will be governed by a Project Budget which should contain the following finance related procedural notes or forms:
Payment description
Payment units and/or cost
3. The Finance Department is for the time being overseen by the Treasurer of each regional province for Provincial expenditure, and National Treasurer for National expenditure

PAYMENT PROCEDURE

All PANSAs financial transactions must be requisitioned, authorised, recorded and approved. This includes debit orders, petty cash and debit card transactions. The *Payment Schedule Record* form is used for this purpose.

1. Requisition

All PANSAs financial payments must be requisitioned and authorised before they can be paid.

1. The staff member who is responsible for arranging/requesting the payment must **Request** the payment either through a physical **Payment Schedule** form or an email **Payment Schedule** form with request and attach the Original **Invoice** or a copy thereof, and pass it on to the appropriate manager for authorisation.

DIGITAL: As far as is possible a request should be done and emailed from the requisitionee's computer to the person responsible to authorise the payment with a data copy of the invoice attached. The email header will serve as electronic confirmation of the requisitionee's data signature.

- a. When supplying banking details the **branch name** and the **branch code** must be entered on the requisition.
- b. Data requisitions must be emailed in an unbroken chain from the requisitionee's computer to the authoriser's computer to finance for the data signatures to be acceptable.

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2. The manager who is sanctioned to approve payments must ensure that the payment and all details are correct and permissible in accordance with the *Finance Policy* and the *Budget* and authorise the payment by signing **authorised** and pass it on to the Finance Dept for payment.

DIGITAL: In the case of emailed requisitions, the person authorising the emailed requisition must forward the pdf email requisition and invoice to Finance with the word "authorised" in the body of the email above their email signature. The email header will serve as electronic confirmation of the authoriser's data signature.

2. Approval

1. Finance Dept must ensure that the original invoice is printed and details are given of
 - a. Paid
 - b. Payment date
 - c. Account from which payment was made
 - d. Project against which payment should reflect
2. Authorisation must then be done, upon notification by Finance, by another Signatory. In the case of National Treasurer payment authorisation does not need a second authorisation. The National Treasurer must ensure the correct requisition procedure is completed before payment.

3. Payment

- Payments take place on the **last working day** of the week unless in exceptional circumstances. Payment requests are to be presented no later than mid-week (Wednesday) in advance to accommodate this.
 - Payments can take up to 2 working days to be reflected.
 - Large payment requests (over R10,000.00) require a minimum of a week's waiting period, to ensure sufficient funds in the account.
- As far as possible all payments are to be completed via direct electronic transfer (Internet Banking or EFT).
 - a. Cheques are only to be used where the payee will not accept an electronic transfer and must be requested **two weeks** in advance to obtain the necessary 2 signatories.
 - b. Debit Cards are to be used for the purchase of retail items, restaurants, travel and petty cash withdrawals.
 - c. Debit Orders are only to be issued with respect of Salary deductions for Medical Aid and Retirement Annuities, and monthly accounts with long term service providers (ADT, Telkom, Rent, etc). Only those debit orders which are not fixed (eg: Telkom) require monthly authorisation by Finance.

PETTY CASH

Office Petty Cash floats of R500.00 will be maintained by the nominated office administrator to cater for the petty expenses incurred in the general daily running of the organisation. The *Petty Cash Record* form is used for this purpose.

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- All petty cash expenditure must be justified with cash slips for that expenditure. Wherever possible the details or official stamp of the vendor, and the date should appear on the slip.
 - a. If petty expenses of less than R20.00 are incurred for things that do not provide slips (parking meters, street vendors) a hand written slip signed and dated by the requisitionee and Finance is an acceptable substitute.
 - b. If a slip is lost a signed affidavit, co-signed by Finance, to that effect is acceptable.

Project Petty Cash floats of R2000.00 will be maintained by the nominated Project Manager to cater for the petty expenses incurred in the general daily running of the project. The *Petty Cash Requisition & Reconciliation Record* form is used for this purpose.

- All petty cash expenditure must be justified with cash slips for that expenditure. Wherever possible the details or official stamp of the vendor, and the date should appear on the slip.
 - c. If petty expenses of less than R20.00 are incurred for things that do not provide slips (parking meters, street vendors) a hand written slip signed and dated by the requisitionee and Finance is an acceptable substitute.
 - d. If a slip is lost a signed affidavit, co-signed by Finance, to that effect is acceptable.

Reconciliations will not be authorised unless the appropriate allocations have been made and signed.

REIMBURSING OF WORK RELATED EXPENDITURE

Should an employee spend their own money, with the necessary permission, on behalf of PANSOA this will be reimbursed using the payment procedure as detailed above, save that the payee will be the employee. No reimbursement will occur without the necessary prior permission, and invoices/cash slips.

1. Should an employee be required to use their own vehicle they will be reimbursed at the SARS rate for petrol and maintenance.
2. All use of personal telephones for work purposes must be supported by an itemised account of the call, including the number dialled, duration and cost as provided by the service provider. Unsupported claims will not be considered.
3. No personal effects may be purchased with PANSOA monies under any circumstances.
4. Where there is unjustified expense, the staff member / project manager will be held accountable

FINANCIAL & ADMINISTRATIVE PROCEDURES

1. Finance meetings will be held once a month in the 4th week of each month, the Finance Department is to compile minutes of this meeting.
2. Finance department maintains filing for the Organisation, Funding, Finance minutes, Salaries, Service Providers and all finance related documentation.

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ACCOUNTING

1. Bank balances, including interest are to be presented monthly for all bank accounts.
2. Monthly bank reconciliations between the current account and the accounting package are to be presented at the monthly finance meeting.
3. Finance Dept is to complete a **Finance Report** and present for approval in the Steering Committee meeting on a monthly basis along with any other reporting documents as requested/directed.

PAYROLL

1. Finance Dept is to complete all statutory payments and returns.
2. Any employee that cannot provide proof of being a provisional taxpayer will be taxed at the prescribe SARS rate.
3. The state privacy laws stipulate that PANSOA may not supply salary information of staff members to 3rd parties. Only information the 3rd party already has been given by the staff member can be confirmed.
4. The state privacy law advises that all electronic salary files are to be passworded.
5. The Finance Dept will be responsible to maintain all Staff files and all details pertaining thereto, updating files with sick certificates and amended contracts
6. Finance Dept is to issue a 'certificate of service' to all staff that leave PANSOA's employment on their final day of service.
7. All staff and contractors are to be requested to supply 1st and 2nd name, residential address, Identity number and income tax number as per SARS requirements
8. Payment of salaries will occur by 30th day of every month via the internet directly into the bank account of each employee. Finance Dept is to print and distribute the payslips.
9. Freelance / contract employees shall be paid as per contract.
10. Salaries/wages are to be requisitioned on a single spreadsheet showing all details. This will be authorised by the Finance Dept prior to payments being made.
11. Any unusual deductions are to have notes.
12. Notice of any impending changes / extensions to employment contracts must be received at least two weeks in advance.
13. Finance Dept may only amend monthly payments according to written instruction from management or the employee.
14. Finance Dept is to input all leave balances on the payroll.

INVOICING

Invoicing out:

1. All membership invoices will be generated from the regional office in which that member resides.
2. All membership invoices will be kept with the Regional coordinator and backed up as per *Back-up and storage policy*
3. All other invoices will be generated from the Finance Dept and a copy kept with the Finance Director (backed up as per *Data and Information Security Policy*)

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4. Invoices will all carry the following information: Date, Inv. Number, Details of PANSA rep, Details of Invoice organisation rep, Project ref., PANSA Header, PANSA Bank Details.

Invoicing in:

1. All invoice to PANSA must contain:
 - a. PANSA NPO reg number on: 019-469-NPO
 - b. PANSA billing address: for the moment 3b Beach Road, Woodstock, Cape Town, 7925 (or appropriate Regional Office)
 - c. The invoicing organisation's VAT and CK reg. number if they are VAT registered

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