

**NATIONAL ASSOCIATION FOR PERSONS WITH  
CEREBRAL PALSY**

**GENERAL FINANCIAL POLICY AND  
PROCEDURES**

29 JANUARY2008

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## Purpose

The purpose of this General Financial Policy and the accompanying Procedures is:

1. Define the general financial policy objectives of the NAPCP, especially with regard to:
  - Financial reserves;
  - Income;
  - Expenses;
  - Fundraising;
  - Use of capital income and reserves (bequests etc).
2. Define the roles and responsibilities of the structure of the NAPCP, including the Executive Committee and Grants Committee.
3. Provide guidelines for the evaluation of requests for grants.
4. Define the procedures to be followed in the management and execution of the financial affairs of the NAPCP.
5. Ensure that:
  - Accounting systems, procedures and standards are established and maintained;
  - Accurate financial accounts are kept, in terms of control measures and registers;
  - All statutory requirements regarding financial affairs are met;
  - All assets (fixed property, equipment and monies) are recorded and properly managed;
  - A budget is timeously drawn up for each financial year, and as far as possible the Association operates within that budget;
  - Income that is generated is used for the purposes of the NAPCP;
  - Responsibility for financial administration and functions is appropriately delegated in line with the policy decisions of the NAPCP;
  - Independent financial auditors are appointed to undertake the annual financial audit of the NAPCP;
  - Audited annual financial statements of the NAPCP are drawn up, presented to the Executive Committee, agreed by the Management Committee, and approved at the Annual General Meeting of the NAPCP.

## Responsibility

The National Director of the NAPCP is responsible for the operation of the National Office of the Association. He is the appointed Accounting Officer of the NAPCP, and is responsible to the Executive Committee and Management Committee of the Association for the performance of the delegated financial affairs of the NAPCP in line with the Financial Policy and Procedures, and decisions of the Management Committee.

## **Context**

The NAPCP is a National Association operating in the Republic of South Africa.

The aim of the Association is to take such actions as may be necessary to prevent the occurrence of cerebral palsy and to enable persons with cerebral palsy to attain their maximum level of independence and integration into the community.

The NAPCP performs as a national coordinating body and interface between its affiliates and government on issues of common national concern.

Within this context, the NAPCP must identify and initiate programs which will benefit individuals affected by cerebral palsy on a national basis. These programs could focus on building skills and capacity within the affiliates, or could provide support through grants for projects undertaken within the regions by affiliates of the NAPCP.

## **General Financial Policy and Objectives**

The NAPCP will at all times pursue financial policies that will provide financial security and stability to the organization, and maximize the benefits that can be derived by individuals and affiliates of the NAPCP.

The NAPCP will at all times maintain a level of financial reserves which is appropriate with its scale of operation, activities, and future financial commitments. This level of reserves will be reviewed by the Executive Committee and recommended to the Management Committee on an ongoing basis. The reserve funds will be accumulated and maintained through the allocation of a portion of any funds raised or bequests or grants received.

Bequests, capital income and returns on investments received by the NAPCP will be utilized by the NAPCP to maintain adequate reserves, fund benefit projects undertaken by the NAPCP, and fund grants to affiliated organizations for their benefit projects. The proportion of the allocation will be recommended by the Executive Committee for a decision by the Management Committee on a case-by-case basis.

The NAPCP will conceive and conduct or participate in national public campaigns which are targeted at the following objectives:

- Raising awareness of cerebral palsy as a condition;
- Raising awareness and promote the activities and projects of the NAPCP and/or the affiliated organisations;
- Raising funds for benefit programmes of the NAPCP and its affiliates.

Funds raised through fundraising campaigns will be utilized for benefit programmes of the NAPCP and its affiliated organizations, and for grants to individuals. These funds may also be used to fund the project operating costs of the benefit programmes.

The operating overhead costs of the NAPCP should be funded from affiliation fees and possible state subsidies in the first instance.

## Organization and Functions

The **Management Committee** of the NAPCP has overall responsibility for the activities and direction of the Association in line with the organisation's constitution. This committee meets at least once per year, at the national conference of the NAPCP which is normally held in May. A second meeting of the Management Committee may be held depending on the requirements. This second meeting will take place in late November / early December, ie approximately half-way between the sequential annual meetings.

The **Executive Committee** of the NAPCP is tasked by the Management Committee to oversee the financial affairs and decision-making of the Association, drive the activities of the NAPCP in fundraising and benefit programmes, and manage the award of grants. In addition, this committee must support the National Director and the staff of the NAPCP in pursuing and achieving the objectives of the organization. The Executive Committee meets every 3 months as a minimum (April, July, October and January each year).

The **Grants Committee** of the NAPCP is tasked with the establishment of criteria for the awarding of grants, and with the evaluation and prioritization of applications in line with the criteria. The Grants Committee meets at least once per year, coinciding with the national conference.

The appointment of additional sub-committees and ad-hoc committees and their terms of reference will be determined by the Management Committee from time to time.

Ad-hoc meetings of any of the committees may be held as approved by the Management Committee.

Meetings may also be held by telephone conferencing, video conferencing, or by circulation as appropriate.

# Financial Procedures

## 1. General

- 1.1. The financial affairs of the NAPCP will be conducted in accordance with the generally-accepted accounting principles, all legislative and regulatory requirements, and the constitution and other policy documents of the NAPCP.
- 1.2. Within these bounds, the Executive Committee will advise on and the Management Committee of the NAPCP will determine additional financial policies and procedures of the Association.
- 1.3. The approved Financial Policy and Procedures document can only be changed on recommendation of the Executive Committee and/or the Management Committee of the NAPCP.

## 2. Independent Internal Auditor

- 2.1. The Executive Committee may recommend to the Management Committee to appoint a suitable party from outside the NAPCP Staff to undertake internal audits. This internal auditor will present a report on each internal audit to the Executive Committee.
- 2.2. The accounting records must be maintained in terms of the following basic elements and guidelines.
  - 2.2.1. Receipts
    - Remittance register
    - Receipt book
    - Bank deposits
    - General ledger
  - 2.2.2. Payments
    - Invoices
    - Cheques – all cheques must be signed by two authorised signatories. The authorised signatories will be appointed by the Management Committee from time to time.
  - 2.2.3. Bank Reconciliation

All unpresented cheques older than four months must be considered stale, and written back.
  - 2.2.4. Petty Cash

The amount of petty cash to be held will be determined by the Management Committee from time to time.

### 2.2.5. Assets

#### 2.2.5.1. Assets Register

A complete Assets Register must be maintained. New purchases must be promptly added to the Register, and disposals removed.

### 2.2.6. Obligations of the NAPCP

The NAPCP is responsible for the maintenance of all financial accounting records and for making these available for inspection by the Auditors.

## 3. Motor Vehicles

- 3.1. Log books must be kept for all vehicles of the NAPCP. The log books must be kept in the respective vehicle.
- 3.2. A summary of the mileage and fuel consumption of all the vehicles must be reviewed by the Director at least on a monthly basis. Any unusually high mileage or fuel consumption must be investigated and adequately resolved. Any irregularities must be reported to the Executive and Management Committees.
- 3.3. Set guidelines governing acceptable use of the NAPCP's vehicles are drawn up by the Executive Committee and approved by the Management Committee.

## 4. Budget

The Accounting Officer is responsible for the preparation of a draft income and expenditure budget for the financial year. The draft budget must be presented to the Executive Committee for review and approved by the Management Committee, before being submitted to the NAPCP for approval.

### 4.1. Budget Control

If accurate actual expected income or expenditure figures become available after finalization of the budget, these must be entered as a variance with explanation, which must be submitted to the Executive Committee. The original approved budget must remain unchanged for comparison purposes.

### 4.2. Budget targets

Budget forecasts and actual income and expenditure often differ. Reasons for the differences and proposals for re-allocation within the budget must be presented to the Executive Committee for consideration and recommendation to the Management Committee. Any re-allocations approved by the Management Committee must be reflected as variances with explanations.

Meaningful reporting of financial performance can only take place against realistic budget estimates. Therefore the over-estimation of expenses and underestimation of income to allow for unassessed risks must be avoided.

4.3. Financial control and reporting

The ongoing daily financial control of the Associations activities is the responsibility of the Director. The Director must present a quarterly financial report to the Executive Committee, which must be copied to the Management Committee.

## 5. Accounting System

The accounting system reflects the financial situation of the NAPCP and must at all times be a true reflection thereof.

The system must be maintained on a suitable computer-based accounting software package, which must accommodate an integrated general ledger, debtors book, creditors, inventory control, and cash books, including bank reconciliation.

A trial balance, income and expenditure accounts and a balance sheet must be available at all times, through reports from the accounting software.

All financial reports must be directly traceable back to the accounting system, which must also be verified to the bank accounts through the bank reconciliation.

All income and expense items must be allocated to the correct income or expense account, to ensure effective financial management.

## 6. Investments

6.1. Recommendation of the Executive Committee and authorisation of the Management Committee must be obtained to request pay-out of any investment.

6.2. The best available interest rate must be determined by enquiries at various institutions (banks). The interest rate options must be presented to the Executive Committee for decision as and when necessary.

## 7. Development Fund

The NAPCP will maintain a Development Fund, which is intended to assist with the development of the NAPCP and affiliated organisations. The Fund will be financed by contributions from the general income account as recommended by the Executive Committee and approved by the Management Committee, and from specific funds budgeted and received by the NAPCP for development.

7.1. Purpose of the fund

7.1.1. To make available funds to benefit the NAPCP and its affiliated organizations through development.

7.1.2. To fund the hosting of conferences, seminars, symposiums or projects which contribute to the development of staff members, and so have a positive influence on the operation of the NAPCP and its affiliated organizations.

7.2. General criteria for the allocation of funds

- 7.2.1. The availability of funds
- 7.2.2. The submission of a complete motivation, including supporting documentation and proposed program of the seminar, workshop, conference or project to be organized. The motivation must be supported by the staff member's immediate supervisor, or the Director.
- 7.2.3. No allocation will be made if:
  - The project was not initiated by a staff member of the NAPCP or one of its affiliated organizations;
  - The principles of the project have not been discussed and agreed upon with the Executive Committee and Management Committee.
- 7.2.4. Effective planning for all projects is submitted for approval within a specified time-frame.
- 7.2.5. Cost-effectiveness of the project or function that is presented/ hosted (balance between best practice and the number of people who benefit):
  - 7.2.5.1. Specific financial assistance is required (Example traveling cost of a speaker to regional gatherings).
  - 7.2.5.2. Feasibility and value of project must be measured against objectives.
- 7.2.6. Specific criteria for seminars and symposiums:
  - 7.2.6.1. Several affiliated organisations must benefit simultaneously from the funds spent, be it by means of a seminar, conference, working group etc.
  - 7.2.6.2. Funds should preferably not be used to cover travel and accommodation cost of staff members who attend seminars / conferences, but rather for the organizing and documenting of these functions.
  - 7.2.6.3. Funds may be used as compensation (honorarium) for guest speakers who attend seminars / conferences, to cover their travelling and accommodation expenses.
  - 7.2.6.4. Funds may be used for meals, refreshments etc if the expenditure has to do with projects pertaining to staff development.
- 7.2.7. Specific criteria for approval of applications for individual members of staff:
  - 7.2.7.1. Applications must be directly related to staff development
  - 7.2.7.2. If a staff member undertakes travel for scientific research or investigation, conference attendance or study purposes (locally or abroad), and if it meets the desired objectives they may apply for financial assistance from the fund.

7.2.7.3. Reports on all activities supported from the fund must be submitted within 3 months after the completion of a project whether local or abroad.

7.2.7.4. Apart from the relevant prerequisites and criteria, the Executive and Management Committees may require additional conditions or outcomes, in order to grant support.

7.3. Application procedure

7.3.1. Applications for awards from the fund must be made in writing with supporting documentation. This must be submitted to the NAPCP National Office at least 3 months before the planned date of the function or project.

7.3.2. Additional supporting documentation or information may be requested before a decision is made.

7.3.3. After a specific award amount has been approved, the method of payment will be arranged in consultation with the applicant.

7.4. Adjudication of Applications

7.4.1. All applications for the allocation of funds are considered on merit and within the context of the criteria by the Executive Committee.

## **8. Affiliation Fees**

8.1. Determination of Affiliation Fees

Affiliation Fees for the following financial year are recommended by the Executive Committee to Management Committee, for approval by the NAPCP.

8.2. Refund of Affiliation Fees

Affiliation Fees are not refundable, except in cases of over- or duplicate payment.

## **9. Credit Card Facilities**

9.1. Approval of Credit Card Facilities and Card Holders

The Executive Committee is responsible for approving all credit card facilities and individual Credit Card holders.

9.2. Uses of the Credit Card facility

NAPCP credit card facilities may only be used for approved types of business purchases, to the maximum approved amount per month, which will be determined by the Executive Committee from time to time.

9.3. Payment of the Credit Card facility

The NAPCP credit card facility must be paid in full every month, and in accordance with the policy on payment of creditors.

## **10. Expense Claims**

### **10.1. General**

10.1.1. Claims relating to official business of the NAPCP must be submitted on the prescribed claim form, and supported by complete supporting documentation.

10.1.2. Completed claim forms and supporting documentation must be forwarded to the National Office of the NAPCP.

10.1.3. Claims are only paid for attending to official business or meetings of the NAPCP, where the individual acts as an official or representative of the NAPCP, and where approved by the NAPCP.

10.1.4. For activities where another organization pays for the travelling and accommodation expenses (for example the Education Department, NCPPDSA) claims must be submitted to that body directly. A claim for the difference in rates could be submitted to the NAPCP.

10.1.5. Claims mature after 60 days, and will not be considered after that time.

10.1.6. When two or more individuals travel together by car, only one claim may be submitted.

10.1.7. Where appropriate, set rates for claims are recommended annually by the Executive Committee to Management Committee for approval.

### **10.2. Claims for traveling expenses**

Claims for travel expenses are considered subject to the following guidelines.

#### **10.2.1. Travel by air**

- Economy class travel (SAA rate)
- Actual car travel expenses (at the approved rand per kilometer rate) to and from home / workplace and airport, and from airport to meeting place.
- Other actual expenses such as public transport that might be required (for example bus or taxi).
- Any exceptions to the specific guidelines are handled on an ad hoc basis by the Accounting Officer.

#### **10.2.2. Travel by car**

- The lesser amount between the rand per kilometer rate over the actual distance of the shortest route and an SAA economy-class air ticket.
- Traveling expenses by car or any other form of transport for any segments of the route which have not actually been traveled may not be claimed.

- Claims that are directly as a result of vehicle expenses, for example toll gate and parking fees, are reimbursed on the basis of receipts submitted.
- Only one vehicle expense claim will be paid when two or more people travel together in one vehicle.
- The NAPCP will not reimburse claims for any damages or losses or fines for traffic violations.

### 10.3. Accommodation expenses

Claims for accommodation expenses are considered subject to the following guidelines.

- A basic overnight rate as determined from time to time by the Executive Committee and approved by Management Committee is paid for overnight expenses including meals.
- Notwithstanding the overnight rate, a copy of a paid hotel or guest-house bill may be submitted for reimbursement, subject to a maximum daily amount recommended by the Executive Committee and approved by Management Committee.

### 10.4. Subsistence

A subsistence allowance is paid to individuals who attend meetings or functions in their official capacity as representatives of the NAPCP, and where attendance requires them to spend at least 80% of the day traveling to, attending, and returning from the meeting or function.

Subsistence allowance is paid subject to the following guidelines:

- The subsistence allowance is paid on a per-day basis, irrespective of how many meetings are attended on one day.
- If a subsistence allowance is paid, no other claims may be submitted for meals and/or refreshments.
- The subsistence allowance may be claimed for the day of the meeting, as well as any day(s) of travel, subject to the 80% and per-day restrictions.

### 10.5. Approved Rates

The rates will be determined by the Executive Committee and approved annually by the Management Committee.

10.5.1. <u>Airticket:</u>	The actual cost but not more than SAA economy class rate.
10.5.2. <u>Kilometer rate</u>	As set on an annual basis
10.5.3. <u>Accommodation</u>	As set on an annual basis
10.5.4. <u>Subsistence</u>	As set on an annual basis

#### 10.6. Advances

Advance payments for expenses may be made in certain circumstances. A complete motivation and schedule of expected expenses must be submitted for consideration. After the event, proof of all expenses must be submitted with the claim form. Any monies advanced will be deducted from the amounts repayable in settlement of the subsequent claim.

#### 10.7. Cancellation Expenses and Expenses for Meetings which are Cancelled

In the event that a meeting is canceled for reasons outside the control of the individual (excluding personal reasons and/or illness), expenses which can not be recovered (such as airline cancellation penalties) may be claimed.

#### 10.8. NAPCP Staff

NAPCP staff are not entitled to claim travel and/or accommodation allowances for business in Johannesburg, unless the business is a scheduled meeting outside the normal working hours, or during hours when the offices are closed.

NAPCP staff may claim travel and accommodation expenses in line with the pre-determined rates for scheduled meetings, where actual travel and accommodation expenses are incurred.

#### 10.9. Use of a Private Vehicle for NAPCP Business

Reimbursements for the use of private vehicle for NAPCP business is subjected to the following:

- Traveling expenses between staff member's homes and the NAPCP office within office hours is not reimbursed.
- Staff may claim for travel expenses when scheduled meetings take place on a Saturday, outside normal working hours, or when the office is closed
- Staff may claim travel expenses by car to and from the airport, when on official NAPCP business.
- Staff may claim parking fees at the airport when on official NAPCP business.

#### 10.10. Qualification

The NAPCP will be responsible for the payment of approved subsistence and traveling expenses of the following categories:

- Members of the Management Committee
- Members of Sub- and Ad Hoc Committees appointed by the NAPCP
- Representatives of the NAPCP on the NCPPDSA
- Members of the staff of the NAPCP

## **11. National Conference of the NAPCP**

- 11.1. The National Conference of the NAPCP is held annually, simultaneous with the Annual Meeting of the NAPCP.
- 11.2. Hosting of the National Conference is undertaken in rough rotation by the Affiliated Provincial Associations, as agreed between the relevant Provincial Association and the Management Committee/NAPCP.
- 11.3. The theme for the National Conference must be agreed between the Management Committee and the host Association.
- 11.4. The host Association takes full responsibility for the planning, organization, financing and hosting of the conference. This includes securing accreditation of the conference presentations for the award of CPD points, and pursuing funding for subsidization of the attendance for delegates with disabilities.
- 11.5. The National Office of the NAPCP will provide to each host Association guidelines with regard to content, as well as a list of representatives of Government Departments and National Organisations who should be invited to attend the conference.
- 11.6. The host Association may apply to the NAPCP for partial financial assistance for conference expenses, and any such application will be considered in the light of available funds and circumstances.

## **12. Insurance**

- 12.1. The NAPCP will maintain adequate short-term insurance over the Association's assets. The level of short-term insurance cover must be reviewed and adjusted as necessary, on an annual basis as a minimum.
- 12.2. The NAPCP will maintain accident insurance to cover NAPCP staff and all members of the Management Committee (not named) at any one time, including life cover, disability cover, and medical costs. This insurance must provide cover for members of the Management Committee, while on NAPCP business. The level of cover to be maintained will be recommended from time to time by the Executive Committee for a decision by the Management Committee.

## **13. Honorarium**

- 13.1. The NAPCP may pay an honorarium to individuals serving on its Committees and sub-committees, where the NAPCP makes substantial use of their individual professional capabilities and time. The nature and value of the honorarium will be recommended by the Executive Committee and approved by the Management Committee.

## 14. Cellular Telephones

The NAPCP will provide a cell phone allowance to senior members of staff as recommended by the Executive Committee to Management Committee from time to time.

## 15. Commission on Fundraising

- 15.1. The NAPCP will consider entering agreements for commission-based fundraising, subject to the following restrictions.
  - 15.1.1. Members of staff of the NAPCP will not be considered for commission-based fundraising.
  - 15.1.2. Proposals for commission-based fundraising must be for new and distinct fundraising efforts, and not for existing campaigns initiated by the NAPCP.
  - 15.1.3. Any commission payment and the amount thereof must be agreed in writing by the NAPCP and the fundraiser before any fundraising takes place.
  - 15.1.4. Any agreed commission must be payable directly from the funds raised, and not from the NAPCP's own funds.
  - 15.1.5. The payment of a commission on the funds raised must be permissible in terms of the funding agency's policies.

## 16. The Annual Financial Audit

- 16.1. The independent external auditors are appointed by the NAPCP.
- 16.2. The financial year of the NAPCP runs from 1 April to 31 March.
- 16.3. Conduct of the Annual Audit
  - 16.3.1. The Accounting Officer is responsible for the maintenance of the financial accounts of the NAPCP in such a manner to allow the compilation of the annual financial statements of the Association.
  - 16.3.2. The external auditors will carry out the annual audit and assess compliance with this financial policy.
  - 16.3.3. The audit must be conducted in accordance with standard auditing guidelines, without any restrictions being placed on the auditors.
  - 16.3.4. Certification by the Auditors

The Auditors must certify that the financial accounts are maintained according to accepted accounting practices and in accordance with all legislative and regulatory requirements.

16.3.5. The completed financial statements must be submitted to the NAPCP within six months of the year end.

16.4. Auditors Remuneration

The auditors are remunerated on the basis of their professional service fees, and as agreed with the Executive Committee and Management Committee.

16.5. Financial Consulting

The Auditors may be called in to provide the Executive and Management Committees with assistance and ideas on financial matters, in order for them to make decisions.

16.6. Draft Financial Statements

The draft financial statements and auditors report will be discussed with the National Director and the Executive Committee, and recommended to the Management Committee, before being presented to the National Association.

## **17. Ratification of the General Financial Policy and Procedures**

17.1. The General Financial Policy and Procedures, and any changes to them, must be recommended by the Executive Committee, approved by Management Committee and ratified by the NAPCP.