

SPW Report Appendices

IkamvaYouth Self-Management and Peer Review Performance Policy
Draft for discussion, editing and adoption
Natcom SPW September 2010

Introduction

IkamvaYouth knows that when our learners take responsibility for their own learning, and are provided with a safe space where they get the information and support they can achieve excellence. We believe the same about our volunteers, interns and staff. Because Ikamva has been developed by social entrepreneurs who take initiative, make things happen and are passionate about high impact delivery, we have historically had a very off-hand approach to people management, as we believe that peoples' best managers are themselves.

However, now that we are growing as an organisation and becoming increasingly professional, we have decided as a team that we'd like to have a more formal performance management process in place, so that we can help one another to optimise our efficiency and effectiveness and be clear about our expectations of ourselves and each other. As our team grows and we're working increasingly virtually in geographically disparate places, it's important to create times where we communicate about our performance with one another so that we can help each other to achieve optimal performance (for ourselves, our branches, our org and ultimately our learners).

This self-management and peer review policy outlines the following issues:

- * Clarity of roles, responsibilities and expectations
- * Setting and communicating strategic objectives and goals
- * Review and appraisal; rewarding excellent performance and dismissal procedures for substandard performance

It is informed by our organisational values and beliefs:

- * By-youth, for-youth

IkamvaYouth is driven by young people for young people (young people for themselves & one another)

- * Equality

All ikamvanites are equal, and thus practice self-respect & mutual respect

- * Integrity

We value honesty and encourage ikamvanites to be courageous enough to do and say what they believe is right

- * Thoughtfulness

We seek to create an environment where people are free to think for themselves and express themselves openly

- * Transparency and openness

Decisions and processes are openly available and accessible to all. IkamvaYouth's work (the model, the content etc.) is open sourced – we encourage everyone to use, re-mix and replicate what we do. (Our content is published under a creative commons licence which allows for sharing and remixing, but requires attribution).

* Diversity

We believe that the bigger the mix of background, experience, race, gender, age and perspectives in our family, the better is our decision-making capacity.

* Commitment and encouragement

All ikamvanites – from learners to organisational leadership – are working to achieve what at face-value can sometimes appear impossible. From improving grades dramatically and accessing tertiary education to achieving great results with minimal financial resources, we can only achieve our mission through committed hard work. It is for this reason that tracking ikamvanites' attendance and requiring a minimum of 75% attendance is such an important aspect of the model. This performance policy for staff is a way for us to encourage one another and require commitment from each other.

* Pay-it-forward (The Future is in Our Hands)

IkamvaYouth is sustained by volunteerism. Learners are encouraged to stay on as tutors and mentors once they matriculate. Being a paid ikamvanite is the ultimate honour and privilege. (How lucky are we that these are our jobs!?)

* Collaborate, don't compete

It is only through working together that we can achieve our mission. Whether it's learners working together with others from other schools; working with partner organisations and/or the Government, or branches working together, IkamvaYouth believes that collaboration is the way forward.

IkamvaYouth's beliefs

Everyone can succeed
The Future is in Our Hands

1. Clarity of roles, responsibilities and expectations

1.1 Welcome pack

- Getting a sense of Ikamva's history is a good way to learn about the organisation's values and culture. The Annual Reports (all available for download on the website) provide some of this rich history and important perspective on the development of the programmes and people
- All policy documents [need to be] available on the website and referred to in each employment contract
- Employment contracts outline issues around leave, payment, etc.

1.2 Job descriptions

- IkamvaYouth aims to strike the balance between ensuring that roles and responsibilities are covered and allowing for individuals to utilise their talents, interests and skills for the good of the org and themselves.
- Each employee can take the job description from the employment advertisement as a starting point, and work together with the branch director / executive director to add any extra focus areas/responsibilities
- These job descriptions are attached to employment contracts
- They can be adjusted according with the organisation's needs
- Needs to refer to tasks and requisite attitudes (e.g. proactivity; etc.)

1.3 Contracts

- When ikamvanites join us, they are awarded a 1 year contract with a 3 month probation (unless they're an independent contractor or working on a shorter period fixed-term contract)
- 1 year contracts are reviewed 2 months before expiration, and following good performance, we can award permanent contracts

2. Setting and communicating strategic objectives and goals

*** Goal setting**

- BIG STRATEGIC OBJECTIVES FOR THE YEAR

During the Annual Strategic Planning Sessions (each branch has its own SPW and there is also a national strat plan), each ikamvanite should spend some time reflecting and then communicating their own personal goals within their work, and their plans for achieving them. Together with their team, they should identify the top 3-5 strategic objectives for the year against which their performance will be reviewed at the end of the year by their branchcom / natcom.

- MONTHLY GOALS

Each month we set smaller goals for ourselves which feed into our strategic objectives. There is a short monthly reporting template which shouldn't take longer than 10 mins to complete, but ensures effective communication of goals; progress; successes; challenges; support/info/resources needed; support/info/resources needed by team members.

Each monthly report asks "what's coming up next month?", and the 3-5 goals entered here become the goals for the following month, against which progress is self-assessed in the following months via iterative cycles.

(Please refer to attached monthly goal report template)

Monthly cash flow reports are due by 5th of the following month to ensure rigorous and effective financial management of branches and the organisation as a whole.

- QUARTERLY OUTCOME REPORTS

The quarterly branch reports are the ultimate tool for communicating your progress with programme delivery, outputs and results. It is only through timeous, accurate and comprehensive information about our results that we can ensure that we're implementing the model and identify problem areas requiring intervention strategies.

(Please refer to attached branch report template)

- MID-YEAR REVIEWS

6 weeks after the holiday programmes we'll review ourselves and one another on our progress with our strategic objectives and monthly goals. We'll reflect on the previous 6 monthly reports and summarise the period, discussing what's going well and what is not. We'll rate ourselves on our progress with each goal. These will be sent to the relevant branchcom / natcom for input and feedback, to discuss the ratings and decide on final ratings. Job descriptions will be visited during this time and reviewed. Career progression will be discussed with relevant branchcom /natcom, so that we're all getting the experience and development we need to further ourselves. (Please refer to attached mid-year report template)

- END-OF-YEAR ASSESSMENT

At the end of the year, each ikamvanite will rate themselves and each other re: their progress and delivery on:

- Their personal goals for the year
- The deliverables outlined in their job descriptions

Those whom their respective natcom / branchcoms rate as "excellent" will be awarded with bonus leave and (when we can afford it) a financial reward. Those whose respective natcom / branchcoms rate as "under-delivering" will not receive bonus leave / financial rewards.

3. Review and appraisal

The "rating" process is more a tool for discussion than any kind of quantitatively accurate assessment. However, it's a tool for branchcoms and natcoms to vote on levels of delivery, and can assist with rewarding excellent performance and addressing under performance. We can use the rating system to decide whom to award bonus leave to, and, once our financial situation allows, to incentivise excellent performance.

Rating will be done during mid-year review, so that people get a sense of how they're doing, and at the end of the year. Rating will happen against (i) deliverables in job description and (ii) personal professional goals as identified by ikamvanites during the SPW. The procedure for rating will be:

- (i) By the ikamvanite
- (ii) In conversation with the person who supports them (i.e branch director or executive director/financial director/board chairperson)
- (iii) By the appropriate com (branchcom/natcom/the board).

These final ratings will then be ratified and signed off, and will decide re: bonus leave / 13th cheque.

In the event that things are not going well...

- This will be picked up when monthly goals are not being met
- When a six-month review results in poor ratings
- When deliverables are not happening on time / not being met

In such cases, the relevant branchcom / natcom will:

- Vote on and then issue a verbal warning during a branchcom / natcom meeting

If sufficient progress is not made following this, then the relevant branchcom / natcom will:

- Issue a written warning via email with the relevant branchcom, natcom & the board on CC

If sufficient progress is not made following this, then the relevant branchcom / natcom will:

- Send a formal letter via email with the relevant branchcom, natcom & the board on CC

If sufficient progress is not made following this, then the relevant branchcom / natcom will:

- Terminate employment agreement (kickout!)

Financial Controls

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Introduction - The ABC

As IkamvaYouth (IY) grows, there is a greater need to ensure that all processes are running smoothly – especially from a financial perspective. One of the most effective ways to do this is to create policies and procedures so that everyone knows what to do in a particular situation. These are often called ‘internal controls’ and it is important to understand **WHY** we need to establish them at IY, **HOW** they ‘work’, **WHAT** consequences we face of not implementing them as well as the benefits of taking time to develop and then perform them properly.

A. WHY have Internal Controls?

Internal controls act like a skeleton to hold an organization like IY – or even a business like your local Pick n Pay. They serve the following functions:

Help align our objectives: ensuring we have comprehensive reporting procedures and that the activities carried out by IY are in line with our objectives. *For example – buying a new car for a branch would not be in-line with our objectives.*

Safeguarding (protecting) assets: ensuring IY’s physical and monetary assets are protected from fraud, theft and errors

Prevent and detect fraud and error: ensuring our systems quickly identify errors and fraud if and when they occur (so that we can do something about it as quickly as possible to protect IY and our stakeholders from suffering any loss)

Encourage good management: Allows management (on both a branch and a national level) to receive timely and relevant information on performance against targets. This ensures that we’re doing what we’ve agreed and planned to do, and that we’re on track with programme delivery *For example comparing what we actually spent on Winter Schools to what we budgeting and working out where we forgot to plan/didn’t control our costs properly.*

Allow action to be taken against undesirable performance: Authorising a formal method of dealing with fraud or dishonesty if detected (this is what we were doing when we created and approved our Fraud Policy)

Reduce exposure to risks: Minimising the chance of unexpected events (because the systems have helped us identify and adequately plan for things) which ensures that we maintain our good reputation for high integrity

Ensuring proper financial reporting: That all import thing – the AUDIT! As well as reporting to funders. With good controls, we can maintain accurate and complete reports required by legislation and the Board and minimising time lost correcting errors and ensuring resources are correctly and efficiently allocated.

NOTE: Without good controls, we cannot get the funding we need to grow!

B. How Internal Controls Work

Each internal control procedure is designed to fulfill at least one of these eight criteria:

1. **Completeness** - that *all* records and transactions are included in the reports of business
2. **Accuracy** - the right/correct amounts are recorded in correct accounts
3. **Authorisation** - the correct levels of authorisation, which cover such things as approval, payments, entry, computer access
4. **Validity** - that the invoice is for work that has actually been performed for IY
5. **Existence** - of assets and liabilities. Has a purchase been recorded for goods or services that have not been yet received? (ie when we pay for something but haven’t received it yet – for example paying up front for our Winter School’s Catering)
6. **Error handling** - that errors in the system have identified and processed
7. **Segregation of duties** - to ensure certain important functions are kept separate
8. **Presentation and disclosure** - timely preparation of financial reports in conformity with generally accepted

accounting principles.

All internal controls, whether from an admin or accounting perspective, have a financial consequence. For example, keeping records for about sick leave taken is an admin control but it does ultimately have a financial consequence.

C. Consequences of No/Poor Internal Controls

Some of the results of insufficient and/or weak internal controls include:

Fraud: Millions of rands are lost every day in all business environments due to fraud. Fraud can be committed by an individual, a number of staff and/or external parties. But fraud doesn't happen in a vacuum, fraud occurs due to a perception that it is possible to avoid being caught.

Bad business decisions: Not reconciling bank accounts regularly may result in over spending, and sudden cash shortfalls which can even lead to bankruptcy or insolvency.

Wrong decisions are made by people ill equipped to deal with a situation: People without permission (or who don't have the big picture view eg what activities grants have been approved for) may authorise payment of petty cash without following procedures and end up disbursing cash for non-business expenses or not having appropriate receipts for tax/audit purposes.

Not taking appropriate action in time to correct errors: Such as failure to take action to collect the funds when an invoice is paid twice.

Not allocating resources of the business correctly or most efficiently: Time is spent fixing problems that could have been avoided (think back to our 2008 and 2009 Audit issues). If you think your internal controls are fine, consider how many mistakes are made within IY - most could usually be avoided if the procedures clearer or more thorough.

D. The Benefits of Internal Controls

There are very positive consequences of maintaining good internal controls. These include:

Good communication: Well-written documentation not only makes sure everyone is clear on what they need to do and what is expected of them, but also builds a picture of the culture and processes that have been established to ensure IY meets its objectives. The added benefit is that it helps build our 'How To' guides for IY-in-a-Box

Education: They help new employees/volunteers learn the right way of doing things and the correct procedures needed to complete a task.

Error reduction: Internal controls procedures minimize errors and save time and money. It helps ensure business information is correct and that everyone is accountable for their actions. For example, everyone needs to know how that they need check their own work to ensure it is accurate.

Protection and authorization: They give us comfort that we are protected if we have acted in the way prescribed by the internal controls and within our authorisation limits. The Board cannot blame you if you have acted in good faith and within the guidelines specified.

Perceptions of detection: The existence of internal controls act as a deterrent for those considering fraud increasing the risk they will be detected and send a clear message to our funders and potential partners that we are serious about preventing fraud and maintaining IY's integrity.

And **an added** benefit: when we're designed our own controls, we can open source these processes and procedures via IY-in-a-Box, helping us to grow, get more funding and help others to do the same!

General Controls

Delegation of Authority

The Board delegates authority to the Executive (ED) and Financial Directors (FD) for the day-to-day running of the organisation at a National level. They then delegate authority to Branch Directors (BD) and BranchCom at a Branch level for certain decisions/ activities such as:

- Banking/signatories
- Authorising specific expenses
- Handling incoming cash and cheques
- Access to petty cash
- Checking and authorising accounting records
- Signing legal undertakings (eg Memorandums of Understanding - MoU)

NOTE: No one should authorise any transaction/s from which they will personally benefit. (eg. the Board does not allow us to increase salaries without their prior approval)

Specific Authority

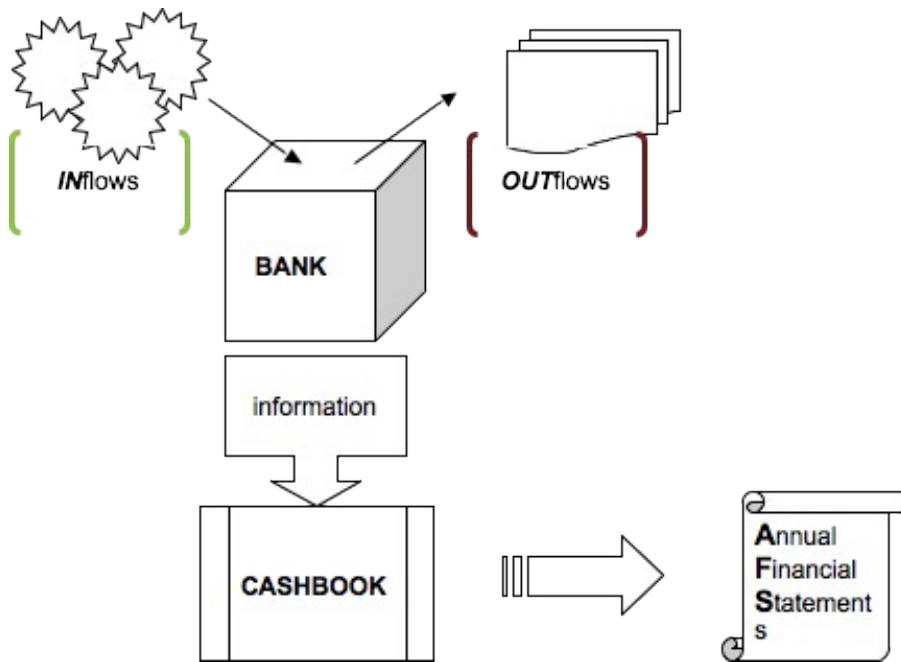
- For salary payments – BD's will be paid by National but will be responsible for paying other employees of the branch. FD will authorise payment of ED and visa versa
- For budgets – National to approve Branch budgets, Board to approve National.
- BD have authority to make payments based on approved budgets – any changes/where costs exceed further approval/approval is required from National
- Any new costs/expenditure at Branch level needs to be approved by National. Any new significant expenses at National level needs Board approval.
- Instances where authority has been exceeded/guidelines ignored will be reported to the Board and will be noted as part of staff performance management

Separation of Duties

To protect those responsible for financial duties and prevent fraud, there must be a separation of various duties ie. one person should NOT be responsible for everything. As far as is both possible and practical, duties should be shared between Branch Staff and/or BranchCom – and where this is not possible, between the Branch and National/NatCom.

Process Controls and Procedures

IY operates on a cash basis and there are two main flows of cash – namely **INflows** (receiving money from donations/ fund raising/ transfers from National) and **OUTflows** (payments made to purchase goods and services). These inflows and outflows are processed through separate Branch bank accounts and are recorded in separate Branch Cash Books.



A. Bank

As will be detailed in later, IY transactions should preferably be done directly through the bank account – ie direct deposit from funders and EFT payments to suppliers. The Bank is thus our main 'asset' that we need to keep secure as this is where all our money is effectively being managed. These are the basic controls that we keep in place to ensure that IY funds are used for their intended purposes and managed by authorised individuals.

Structure: National Bank account will be maintained where all general funding will be received. Funding will then be distributed to the branches and then managed by the Branch Directors (BD) at a branch level. Access to the National Account is limited to ED (executive director) and FD (financial director). At Branch Level, access should be limited to BD and other authorized signatory/ies.

Internet Banking: Most banking should be done via Internet Banking as this is the most secure medium and ensures that a complete and accurate transaction log is maintained (by the bank). To ensure that we maintain banking security, all account information **MUST** be kept confidential and banking is performed at a secure location as follows

- ONLY use your own laptop/ computer for this
- ONLY perform banking at Branch office or for National, at ED/FD home office
- ensure that log in details/passwords are protected (do not share this information with anyone and do not record/write them in an obvious place where someone else could find them)

NB! Where a BD leaves IY, all internet passwords and log-in details are changed so that our account remains secure from any unauthorized transactions. They should also be removed as a branch signatory and the new BD registered in their place. Documents required to do this are:

- NatCom board minutes/ constitution documents (such as thus)
- copy of ID book (and original)
- proof of residence (a bill sent to your physical address)

Contact our personal banker (for WC branches), Loyiso Hashe on: **email and tel:** to arrange this.

Branch Accounts: Each Branch has a separate bank account with a list of authorised signatories. Signatories should be regularly reviewed (at least annually) and the list updated when staff members leave the organisations.
At least two signatories are required to process any over the counter banking and/or make changes to limits etc. BD has custody of Branch Account debit card and must keep this (and PIN details etc) secure at all times. ATM cash withdrawals must be recorded using the ATM Voucher.

No cheques will be used at Branch level

NOTE: On a monthly basis, BDs must report payments and expenditure in the form of a daily cash book and monthly cash flow reconciliation. This is submitted to the FD at National level and any discrepancies are duly followed up.

B. Cash Control

When we do end up having cash on hand (ie from an ATM withdrawal or somebody giving us money in cash at a branch) it is vitally important to remember the **Golden Rules** for handling cash:

1. SEPERATE money coming IN from money going OUT

Never put cash received (or take out cash paid) without recording it accurately as will lead to error and confusion in the accounting records – as we have seen from the issues in our 2008 and 2009 Audits. For example:

A visitor comes to the branch and gives us a donation of R100. Suddenly the office runs out of paper so someone goes to buy more and takes R20 from the 'box'. No one records this properly and only the balance R80 is paid into the bank as a Donation – we did not reflect the full amount we received – or the cost of paper.

2. Issue a RECEIPT for money received

This 'protects' the person receiving the money (the amount received is shown) and ensures the person handing it over knows the money is being recorded and can possibly claim a tax deduction for their donation due to our PBO status. We have our own IY receipts register for both monetary and 'in kind' donations (more detail is provided in the next section)

3. Obtain RECEIPTS/INVOICES for money paid out

Make sure that whenever you buy something and have to pay out money that you get and KEEP the slip. No receipt means there is no proof that the purchase was made – and this is when it can look like money has gone 'missing'.

4. DEPOSIT surplus cash into the bank

Having cash lying around in the office could result in a break in. A casual approach to cash on the premises has led to the issues we had with tuXlabs and the 2008 and 2009 Audits. This might also lead to people wanting to 'borrow' from it – and instances of fraud have started in this way. Where possible donors should be encouraged to transfer money directly into the branch bank account and any amount of cash on hand over R500 should be banked immediately.

5. RESTRICT access to petty cash and the safe

Keys to the petty cash box and the safe (where we have one!) should ONLY be given only to authorised individuals and are the ultimate responsibly of the BD.

6. MINIMIZE cash transactions

Petty cash/cash should only be used as a last option. Wherever possible, suppliers (eg taxi drivers, caterers etc) should be paid via EFT. This maintains an audit trail and ensures only authorised people make authorised payments to authorised service providers/suppliers. This reduces the likelihood of theft or fraud.

Let's look at specifics now...

INflows

INflows occur when money/cash comes **IN** to our IY bank accounts or branches. This is usually in the form of some kind of donation or income.

We receive money from the following sources:

- funding grants

- donations from individuals/trusts
- contributions towards/to attend Winter School and Careers Indaba
- sales from fundraising initiatives (eg Jivela, selling photographs at Talent Show, selling old equipment)
- MySchools card
- at a Branch level, transfers of funds from National
- direct debits

We record and manage the money differently for each these inflows as follows:

1. Funding Grants

A funding grant is set amount of money that has come from an organisation (grantor) to which we have submitted a proposal. It is generally a fixed amount and the money has to be spent in accordance with the budget that we sent with the proposal. This money can **ONLY** be used for those activities and the related costs that were included in the original proposal. If anything changes, you need to update the budget and get approval from the grantor for these changes. Failure to do so is very **SERIOUS** as it is both a breach of contract and fraud – using the money for something **OTHER** than what was agreed to.

Procedure on receipt of funding

- Check that money has been deposited in the Bank Account by viewing the Bank Statement / recent transaction history online
- Record the deposit in the Cash Book
- Record the amount and details of funder in the Receipts Register. Note the pre-recorded receipt number and then use this to generate a receipt using the IY Receipt Template and updating this for grantor details as well as date we received the money and the amount in ZAR (South African Rands) as well as the foreign currency amount if it is an international grant
- Send the grantor an email thanking them for their grant and attach the receipt
- Update the Receipts Register to reflect that the receipt has been sent

2. Donations from Individuals/Trusts

Donations are different to funding as the person or organisation (donor) does not mind which specific activities or costs use this money for so it is easier to manage and report on. The procedures are similar to the how we treat funding grants

Procedure on receipt of donation

- Check that money has been deposited in the Bank Account by viewing the Bank Statement / recent transaction history online
- Record the deposit in the Cash Book
- Record the amount and details of donor in the Receipts Register. Note the pre-recorded receipt number and then use this to generate a receipt using the IY Receipt Template and updating this for donor details as well as date we received the money and the amount in ZAR (South African Rands) as well as the foreign currency amount if it is an international grant
- Send the donor an email thanking them for their grant and attach the receipt
- Update the Receipts Register to reflect that the receipt has been sent

NOTE: Another benefit of keeping a Receipts Register is that it contains the contact details (address, telephone number and email) of everyone we have received money from. This helps us when we want to contact people in the future for further funding requests, annual reports, IY newsletters, press releases etc

3. Contributions towards/to Attend Winter School and Careers Indaba

Contributions towards/to attend an IY 'event' are a specific kind of donation and this needs to be reflected on the invoice as that is the 'wish' /intention of the donor as we are effectively providing a service to them. The procedure is exactly the same as 'normal' donation *except* that we include an explanation in the receipt that reflects this eg *Contribution - attendance at Nyanga Winter School at UWC 14 – 25 June 2010 or Careers Indaba in conjunction with Equal Education 27 August 2010: Stand Contribution*

Currently this function is maintained at a National Level for both Grants and Donations:

A register is maintained at the National office by the FD to record all donations received. Any donation received by the branches via EFT, cash or other (such as equipment etc) must be reported to the FD so that a receipt can be generated and issued to the donor. Numbered (starting with the prefix 2010-x, then sequentially numbered for the year) PDF receipts are then sent to the donors as proof of receipt. Theoretically, when this system has been in operation for the entire period, the funding income should match the total receipts issued at year end.

Similarly, in the unusual circumstance where invoices have to be issued (for example: where other NGO sends their learners to the IkamvaYouth Winter School), a register is maintained that records all relevant details (date, amount, supplied to etc) and a sequentially numbered PDF invoice is generated by the FD and duly issued.

4. Sales from Fundraising Initiatives

These are examples of money that IY generates itself. Whenever we sell anything – a service (eg Computer Literacy Course) or a ‘product’ (eg entrance tickets to an event, an old computer or photographs taken by our learners) we need to issue a receipt to the person that purchases it from us. For bigger activities involving individual amounts *over* R200, these amounts should be treated like a donation and entered into the Receipt Register (see procedure for Winter School/ Careers Indaba Contributions below). For less informal situations with individual amounts *less than* R200 (like sales of tickets for Jivela, photographs at the Talent Show, small cash donation), we record it more simply.

Procedure for sales from fundraising initiatives

- BEFORE the event takes place, buy a pre-numbered receipt book from Waltons/CNA
- Make sure you have a lockable petty cash box to keep the money and receipt book in
- Fill in the name of the person paying, the date, how much was paid and what the money is for (eg Photograph Print or 2nd Hand Computer sold) NB receipts must be written in ink, **NOT** pencil
- Check the amount of money you receive is the same as what you have written on the receipt and mark the receipt as “PAID”
- Give the top copy to the person and leave the bottom copy in the book for our records. Make sure you more the carbon paper each time so that our copies have all the detail
- At the end of the event/ day, take a calculator and add up all the receipts and write down the total on last receipt.
- Then count the money in your petty cash box – the amount of money you have **MUST** agreed with the total of all the receipts

Record the total of the receipts in Cash Book: in Voucher No write “Receipt Book” and the range of receipts used (eg 1-20), in Paid From write “Multiple – see Receipt Book” and Receipt Description write whatever the event was (eg Jivela or Talent Show Photo sales)

5. MySchool Cards

This is a kind of passive income/donation that we receive via the Woolworths MySchools Card – when people who sign up for the card select IkamvaYouth as a beneficiary; we get a % of whatever they spend when they shop at Woolworths. Woolworths then deposits a total amount into our accounts on a monthly basis. We do not need to send them a receipt but merely record this in our Cash Book:

Procedure for MySchool’s card receipts

- Check that money has been deposited in the Bank Account by viewing the Bank Statement/recent transaction history online. Look for “STANCOM - 021L MYSCHOOL47542329395” (usually in the first 7 days of the month)
- Record the deposit in the Cash Book

6. (Branch Level) Transfers of Funds from National

Normally large grants/funding and donations will be deposited into our National Account. Based on the branch budget submitted and grant specifications, transfers will be made to the branch from the National account. This money is then the responsibility of the BD, who is to manage it in line with their budget.

Procedure for MySchool’s card receipts

- Check that money has been deposited in the Branch Bank Account by viewing the Bank Statement/recent transaction history online/Proof of Payment (PoP) emailed from ED/FD

- Record the deposit in the Cash Book as a *Receipts - Transfer from National*

7. Direct Debits (hopefully in the future)

We hope to set up more regular contributions/donations from individuals by allowing for debit orders etc to be set up where individuals or corporate can make contributions to us on a monthly/annual basis. The idea behind this is to send out regular newsletters (quarterly/monthly) to our supporters to keep them updated on our news and to remind them to give us money. Receipts will be sent to the individuals on an annual basis... **watch this space!!**

OUTflows

OUTflows occur when money/cash goes **OUT** to our IY bank accounts or branches to purchase (buy) or pay for something good or service. These are what we call expenses.

IY has the following main 'type' of purchases:

- regular/routine
- Summer/Winter Schools

These lead to (a) general and (b) specific kinds of payments, such as:

- *Tutor Transport Re-imburement*
- *Staff Transport Re-imburement*
- *ATM Withdrawals*
- *Expense Re-imburement*

Setting up EFTs

Certain predetermined steps/conditions need to be followed whenever we acquire goods/services so that the objectives of IY are efficiently and effectively fulfilled. We then record and manage cash outflow for each type of purchase differently, as follows:

Regular/routine Purchases

- Whenever the branch wishes to buy an item/add a new recurring expense (for example, cellphone contract) this should be included in the annual budget where approval/sign off can be attained from NatCom and the Board. Annual budgets must be drawn up by the BD using realistic costs and quantities and then signed off/approved by the BranchCom.
Due date of final Branch Budget: **November 1st (or 15th?)**
- Branch budgets will be authorised by National and included into IY Overall Organisational Budget which will be approved by Board.
Due date: **15th or 30th (depending on Branch date above)**
- For ad hoc purchases, BD can authorize **up to R200** but require approval from ED or FD for anything over R200
- Three quotes from a supplier are required for any goods/services **greater than R500** to ensure that IY is receiving a competitive price/deal. IY terms allow for a deposit of 20-30% payable up front and the balance payable only on satisfactory completion of the service. Any variation on this requires express **prior** approval from FD/ED.

Summer/Winter Schools Purchases

- Detailed budgets for Holiday Programmes must be drawn up by the BD based on a realistic cost and quantity analysis eg Catering = R30/person x (120 learners + 25 tutors & staff) x 10 days as this allows for meaningful projection and helps anticipate and calculate the 'cost' of any changes to the program. General/rough estimates are not acceptable.
- Holiday Programme budgets are due at the same time as annual budget (ie. November or preceding year) but need to be updated for learner numbers and additional information 6 weeks before the commencement of any program (Summer/Winter School). Changes can then be ratified by National/Board
- Three quotes are required from all suppliers of transport, catering and venue/accommodation. These quotes need to be received and reviewed 2 months PRIOR to the running of the course. These documents/emailed must be filed appropriately in a "Quotes" folder (for future reference)

- Once a service provider has been selected, IY payment terms must be agreed with the supplier (viz a deposit of 20-30% payable up front and the balance payable only on satisfactory completion of the service).
- An invoice must be obtained from the supplier for the outstanding amount on completion of the service *before* payment can be effected

General Payments

This covers how payments should be handled in general for costs which do not have specific IY forms. We still need to demonstrate that we are adhering to our internal controls so we have the following 'general' payment guidelines:

Staff/Tutor

- Where possible, payments should be done through the bank account to maintain an audit trail – preferably payment made to supplier should be done via EFT (internet banking/ debit order) or via Bank Debit Card. Cash should only be used as a last resort.
- Quotes from the selected service provider are used to generate the deposit payment and an invoice must be requested from the supplier for payment of the balance to take place.
- Where payments are required from National for Branch expense, an email must be sent requesting this along with the relevant supporting documentation to FD or ED. These will normally be processed *within 5 working days* so make sure you plan ahead

NOTE: If you are unsure how to manage an expense and its related payment, contact the FD/ED for advice

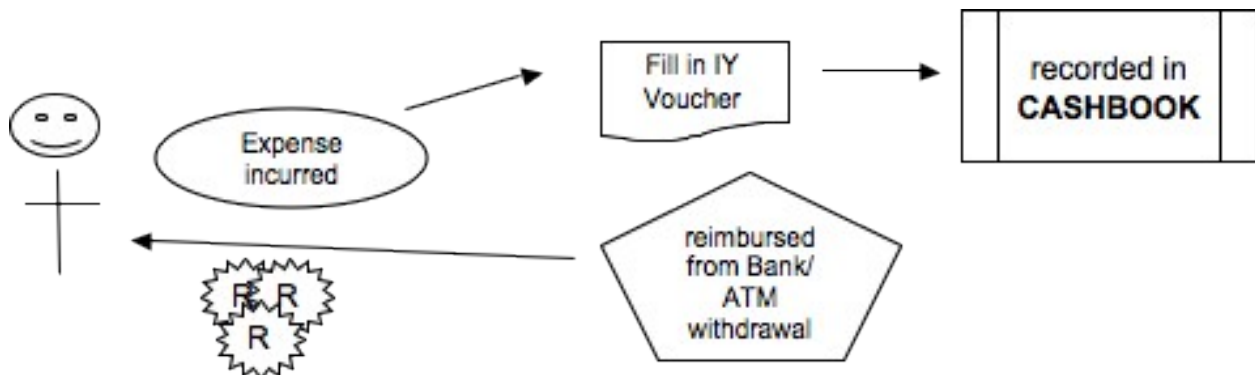
General Recording and Documentation

- ALL invoices/ receipts from suppliers must be retained and entered into the Cash Book **immediately**
- BD to retain ALL copies of quotes received from suppliers for future reference or in case of needing an alternative supplier.
- Selected supplier quotation is source document required to raise deposit – copy should be kept and referenced in Cash Book when deposit is paid.
- At completion of service when invoice is received, details must be agreed back to original quote to ensure that agreement and terms were adhered to. The invoice should detail the deposit paid and is then reference in the Cash Book for the payment of the balance owing

Also: signed service agreements (eg Amobias, Vodacom) to be kept and filed – with contact name and details - and these checked to actual costs etc so that any queries can be made on a timeous basis.

Specific Payments

These are payments that require specific IY forms to be filled in so that they can be recorded accurately in the Cash Book and so that we demonstrate that we are adhering to our internal controls.



1. **Tutor Transport Reimbursement**
Whenever Tutors are being reimbursed for travelling expenses (usually in the form of taxi fares – if cars are used, the Staff Travel Claim Sheet needs to be filled out) the following procedures and controls must be implemented by the BD:

Option A

- BD to print out 50 pages of Tutor Transport Reimbursement Vouchers from the IY Template Spreadsheet (TTR Voucher). Cut out the 4 vouchers per page and staple these together to form a book.
- Pre-number the vouchers in the space after 'NO:' starting at 1 and ending at 200. This is to ensure that we have all the slips and we can see if any TTR's have been removed from the 'book'. When you are finished with that book, print out new vouchers and start the numbering at 201 to 400.
- Whenever a tutoring session takes place and a tutor wishes to claim transport reimbursement, they must fill in a voucher recording his/her:
 - Full Name
 - ID number (*This is to prove to the auditors that payment is being made to valid person and not someone making up a fictitious person as a means to defraud the organisation*)
 - Description – this needs to reflect where the tutor travelled from and to so that we know whether the amount being claimed is reasonable
 - Amount paid
- More than one claim can be made per slip for the **same tutor** eg they tutored on Tuesday and Saturday but only claim on Saturday so they will reflect 2 trips. Thus the total will need to be calculated
- The tutor must then sign and date the voucher and whoever is paying out the reimbursement must also sign and date the voucher as proof of the accuracy of the claim
- On a daily basis, these vouchers must be posted to the Cash Book. As a reminder, each voucher requires that you tick "Posted to Cash Book?" once you have done so (**note:** the TTR Voucher number is what you record in the Voucher No column in the Cash Book)

OR

Option B

- On a monthly basis, BD prints out the Tutor Transport Reimbursement Register page from the IY Template Spreadsheet (TTR Register)
 - Fill in the Branch, Month and Year at the top of the page
 - Fill in TTR Number column starting at 1 and ending at 36. When you are finished with that register/ page, print out a new one and start the numbering at 37 and ending at 72.
 - Fill in the date that the tutor asks to be reimbursed.
 - Whenever a tutoring session takes place and a tutor wishes to claim transport reimbursement, they must fill in the register voucher recording his/her:
 - Full Name
 - ID number (*This is to prove to the auditors that payment is being made to valid person and not someone making up a fictitious person as a means to defraud the organisation*)
 - Session Tutored (ie. Tuesday/ Thursday or Saturday)
 - Travelled From – this needs to reflect where the tutor travelled from and to so that we know whether the amount being claimed is reasonable
 - Amount Claimed
 - Both the tutor and a member of Branch staff need to sign the register as proof of the accuracy of the claim and that the tutor has received the money claimed
 - On a daily basis, these vouchers must be posted to the Cash Book. As a reminder, the column "Posted to Cash Book?" needs to be ticked once you have done so (**note:** the TTR Voucher number is what you record in the Voucher No column in the Cash Book)
 - At the end of the month, this page must be filed with the monthly Cash Book as supporting documentation
1. *Staff Transport Reimbursement*
Whenever staff members use their own cars for organisational purposes and wish to be reimbursed for these costs the following procedures and controls needs to be implemented by the BD/ED/FD:
- All staff members who have and use their own car for IY purposes but keep a log book in their cars. Information that needs to be recorded is as follows:
 - Date

- Reason for travel
- Odometer reading at beginning of trip
- Odometer reading at end of trip

This information will ensure that accurate mileage is recorded so that fair reimbursement can be made.

- On a monthly basis, staff members must fill in a Staff Travel Claim Sheet, which details the relevant information about trips made to attend meetings etc:
 - Car registration number
 - Date travel took place
 - Reason for travel
 - From (place of departure)
 - To (destination)
 - Mileage (calculated as Odometer reading at end of trip less Odometer reading at beginning of trip)
 - A fixed rate of R2.50/km is applied to calculate the amount claimed for the trip
 - At the end of the month, this amount is totalled in order to reflect the total to be reimbursed to the staff member
- The Claim Sheet must be printed and signed by the staff member and submitted to the BD for approval
- The BD must review and sign the Claim Sheet to ensure that only legitimate claims for authorised organisational trips have been made, that the mileage is reasonable given the distance travelled and that the total calculated is correct.
- The Claim Sheet must then be filed with the monthly Cash Book as supporting documentation
- The electronic copy of Claim Sheet must be emailed with the Timesheet to National so that reimbursement can be effected via EFT with that month's salary. Late submission of the Claim Sheet will mean that reimbursement will only occur at the end of the following month

NOTE: You cannot claim for travel from home to work as this is not considered business travel by law. Also for income tax purposes, a deduction of business travel where you have received a travel reimbursement from your employer.

2. ATM Withdrawals

Whenever cash is required to make small purchases/payments for branch expenses, the amount withdrawn must be carefully managed and accounted for. Each time a ATM withdrawal occurs the following procedures and controls needs to be implemented by the BD/ED/FD:

- BD to print out 50 pages of ATM Vouchers from the IY Template Spreadsheet (ATM Voucher). Cut out the 4 vouchers per page and staple these together to form a book.
- Pre-number the vouchers in the space after 'NO:' starting at 1 and ending at 200. This is to ensure that we have all the slips and we can see if any ATM Vouchers' have been removed from the 'book'. When you are finished with that book, print out new vouchers and start the numbering at 201 to 400.
- Whenever money is withdrawn from an ATM, the staff member or BD must fill in:
 - Date withdrawal occurred
 - Total amount withdrawn (this amount will be reflected in the Bank Statement)
 - Withdrawn by – who withdrew the money from the ATM as *only AUTHORISED signatories should have access to the branch debit card and know the PIN number.*
 - In the 'body' of the voucher, you need to explain HOW this money was spent
 - date it was spent (eg tutor reimbursement)
 - who it was paid to (eg tutor's name)
 - description of what we paid for and why (eg transport reimbursement)
 - account (this is which account we will post to in the Cash Book and can be filled in later by the BD. In this example the account would be "Volunteer - transport re-imburement")
 - amount that was paid out

- All expenses/ payments must be accounted for so that the total of the expense amounts in the body of the voucher equal the amount originally withdrawn
- Where there is 'left over' money, this must be safely stored in a lockable petty cash box to ensure that no cash goes missing or is unaccounted for
- All supporting documentation – the ATM withdrawal slip and any other shop slips (eg Hungry Lion slip) MUST be attached to the back of the ATM Voucher
- The staff member who filled in the information must sign and date the ATM voucher
- the BD must check the amounts add up to the amount withdrawn and that all supporting documents are attached. (For TTR Vouchers, you do NOT need to attach the TTR Voucher – just write down the TTR Voucher *number* next to the amount as a reference)
- These vouchers must be posted to the Cash Book as soon as they are completed – ie amount withdrawn = the **TOTAL** of funds used (*note*: the ATM Voucher number is what you record in the Voucher No column in the Cash Book)

3. Expense Re-imburement

(This should be rare now that branches have their own bank accounts. Where possible, branch EFT or Debit Cards should be used.)

*Whenever staff members use their cash/credit cards to make purchases/payments for **authorised** organisational purposes and wish to be reimbursed for these costs the following procedures and controls needs to be implemented by the BD/ED/FD:*

- BD to print out 10 pages of Expense Re-imburement Vouchers from the IY Template Spreadsheet (ER Voucher). Cut out the 4 vouchers per page and staple these together to form a book.
- Pre-number the vouchers in the space after 'NO:' starting at 1 and ending at 40. This is to ensure that we have all the slips and we can see if any ER's have been removed from the 'book'. When you are finished with that book, print out new vouchers and start the numbering at 41 to 80.
- Whenever a staff member has used their own funds to pay for an authorised organisation expense, they must fill in a voucher recording his/her:
 - Full Name
 - Description – this needs to reflect what the expense eg sending a proposal registered mail
 - Accounted Affected – this is which account we will post to in the Cash Book and can be filled in later by the BD. In this example the account would be "Postage"
 - Amount paid
- The staff member must then sign and date the voucher and whoever is paying out the re-imburement must also sign and date the voucher as proof of the accuracy of the claim
- On a daily basis, these vouchers must be posted to the Cash Book. As a reminder, each voucher requires that you tick "Posted to Cash Book?" once you have done so (*note*: the ER Voucher number is what you record in the Voucher No column in the Cash Book)
- No one cannot process their own reimbursement for amounts *greater than R100*. BD must send a copy of their Expense Re-imburement Voucher/equivalent to National via email and the ED/FD will authorise and pay this amount directly into the BD's bank account.
- Similarly, the ED will send Expense Re-imburement Voucher/equivalent to FD for authorisation and payment. FD will send to ED. Neither can directly pay themselves
- For large one off payments such as the purchase of airline tickets (where these have been pre-authorised through at NatCom meeting for example), the originating invoice and proof of payment can be forwarded to the ED/FD for re-imburement along with your banking details

Salaries and PAYE

TBD at SPW

I suggest that this is done formally from National starting in September due to PAYE reporting requirements etc

Salary payments to BDs are made via National Account by ED/FD to ensure segregation of duties. Payment is only made on receipt completed time sheet, monthly branch report and cash flow reconciliation. To ensure payment by 25th, these reports for the previous month must be received by: **xx Date**

Cellphone Contracts

TBD when we get contracts. BUT monthly limits must be managed by each branch – where the call allocation of 120 minutes is exceeded, the BD will be responsible for excess & this will be deducted off salary.

EFT/Monthly Payments (eg. Telkom - and how you pay)

To facilitate regular payments.

Physical Controls

Physical controls are simply common sense precautions taken to safeguard the assets (computers, printers, phones, books etc) of IY.

Get a Safe...or a Safe Space!

Having a safe – or a safe lockable cupboard/ office– to store petty cash, valuable assets (laptops, computers, printers and cameras) as well as legal documents is important. Proper safes are expensive so it's better to ensure that cash is managed securely through the bank.

In the fortunate position where the branch has an IY office/lab, it is important to make sure that where possible, it is locked and that only authorised staff or BranchCom members have access to keys. Other considerations:

- make sure a spare copy of the keys is kept in a secure location ie BD/ BranchCom member to keep a copy at home
- when there is no one in the office make sure that it is locked
- keep the office clean and tidy and ensure that all documents, petty cash box and small assets are packed out of sight (this makes it more difficult for opportunistic theft to take place)
- only allow access to the locked cupboards/IY assets to authorised personnel

Safeguarding Fixed Assets

'Fixed' assets represent another form of 'wealth' held by IY in the form of computers, cameras, phones, urns, office equipment, books and (one day hopefully!) land and buildings. These require special attention to ensure their value is maintained and that they do not disappear.

To do this, we use an Asset Register measures to keep track over who has access and is responsible for these IY assets.

Receipt of Assets:

- when we receive/buy any assets, we need to mark these with a stamp/permanent marker as '*property of IY*' as well as contact details so that these can be returned if they get lost. Marking assets shows that these belong to us and should make it more difficult to steal
- the asset should be entered into the Asset Register and all requisite details filled in:
 - date received
 - description of the asset (eg Urn/Camera Phone)
 - the make (eg Salton, Nokia)
 - whether it was purchased (we had to pay for it) or donated (someone gave it to us)
 - the value (from the slip if we bought it) or the approximate value if it was given to us
 - if it is a high value item (over R1,000) this asset needs to be insured. Please follow up with EF/FD to make sure that this happens.
- a unique identifying number from the Asset Register should also be marked on the asset so that we can identify it and making it easier to keep track which assets are missing. The number starts with IY- then XX for Branch Code-and a sequential number. (Branch Codes: Makhaza: MK, Masi: MA, Nyanga: NY). For example, the urn is at Nyanga and is the first asset so the number we would assign and mark on it is **IY-NY-1**

Later when we 'release' (because it is old/broken/stolen/lost), we need to record this in the Asset Register as follows:

- the date it is released
- the reason for release (eh lost, broken, stolen etc)
- an IY staff member such as the BD needs to sign approval for the asset being released so that we know that the reason is legitimate

Process and Procedures for Specific Assets

Cameras

Phones

Other Equipment

Books (Answer Series)

IY has been given a set of valuable Answer Series Books and we need to ensure that we keep these (or other similar materials we receive in future) in a good condition so that they can benefit many learners over the coming years. The following procedures help us keep track of these books:

Receiving:

- when we receive any books/similar materials, we need to mark these with a stamp/permanent marker as property of IY as well as contact details so that these can be returned if they get lost
- a unique ID number must be given to the book and recorded
-
- only learners with 75% attendance are allowed to borrow books. Please check the database to ensure that the learner is meeting this requirement **BEFORE** issuing any books
- learners must sign the IY book contract and this must be signed by both the learner and his/her parent. These documents need to be filed and kept for later reference
- the Book Loan Register must then be populated.

Book loans – templates and procedure (see templates and contracts)

After discussion with Pinky yesterday, we realised that we don't have the human resource time to administer loaning one book at a time to grade 10s, and so we're going to loan them all out at once and do regular checks to ensure that they don't get lost and get back to us.

I think learners should get their parents/guardians to sign the contracts and then, upon return, they receive the books.

Please let me know how it goes, and share any ideas you have for looking after and best utilising these important assets.

NOTE: on recording assets, please refer to in-kind donations for recording of assets received for 'free' from donors/supporters/funders. When we as IY buy an asset, this should be recorded as an expense ("Equipment") in the year in which we receive it.

Financial Recording

Each BD is responsible for maintaining control over the Financial Records of their Branch. These records include:

- Cash Book
- Receipts and Invoice Register
- Reimbursement Forms
- Bank Reconciliation
- annual and holiday program Budgets
- Certain records are to sent to the FD w (the Chief Executive or Financial Controller in a larger organisation or a Treasurer in a smaller one) is to check and authorise records, count the petty cash and review orders for supplies, from time to time.

Reconciliation

Reconciliation involves verifying accounting records to make sure that there are no errors or omissions that have so far gone undetected. Records that should be reconciled at regular intervals are:

- Cash Book
- Petty Cash Book
- Stock control records
- Salaries and Deductions schedules

Once the records have been successfully reconciled, the reconciliation statement must be passed on to be independently checked with the source records by a line manager or a committee member. As noted above, this checking duty is a key responsibility of the manager or Treasurer.

- * Cash Books are completed & maintained by BD's on a daily basis and these are use to prepare monthly Bank Reconciliations that are then sent to FD to xxx

Cash Book

The Bank Book should be reconciled to the bank statement at least once a month. The purpose of this exercise is to make sure that the organisation's own records agrees with the bank's records which are rather like a parallel set of records. This is achieved by taking the closing bank statement balance for a particular date and comparing it to the closing Bank Book balance for the same date, then explaining the differences.

This is an important check not only for accuracy and completeness of records, but also as an early indication of fraud.

Petty Cash Book

The petty cash should be counted and reconciled at least weekly. If the imprest system is in use, this is a very easy operation as it is simply a matter of counting up all the payments made since the last reimbursement and counting the cash in the tin. The two totals together make up the total float. If a discrepancy is found, it must be noted in the petty cash book as either an 'expense – unidentified' or a 'surplus – unidentified' and allocated to an appropriate category. Discrepancies must be reported to a manager.

Financial deliverables from Branches:

- Cash Book
- Cash Recon
- Annual Branch Budgets
- Audit requirements

BRANCH Financial Reporting - MONTHLY PROCEDURES

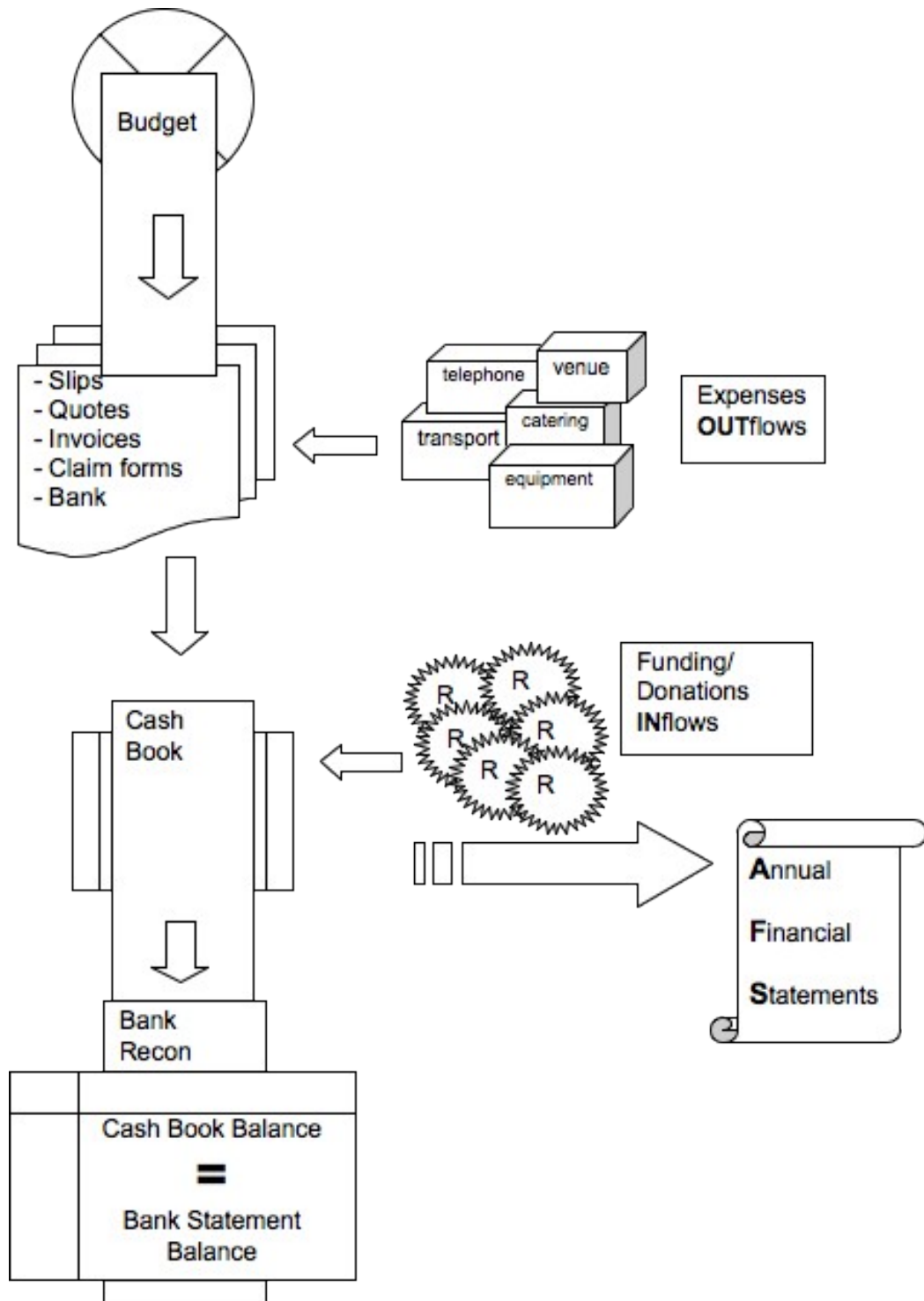
- Maintain (fill in) Cash Book on a daily basis. Download Bank Statement for the month (on 1st/2nd of next month) and check that all OUTFLOWS (eg expenses and ATM cash withdrawals) are reflected in the Cash Book.
- If there are expenses (eg direct debits) that have NOT been entered into the Cash Book, follow up WHY these have been entered and then record details in Cash Book.
- Check Bank Statement to ensure that all INFLOWS – ie. deposits (from National/Funders) are reflected in the Cash Book.
- If there are any INFLOWS that have NOT been entered into the Cash Book, follow up WHY these have been entered and then record details in Cash Book.
- Total the Cash Book, Print, Sign and File. Send an electronic copy to National FD by 5th of following month.
- Prepare Bank Reconciliation for the month based on Cash Book. Enter in the Bank Balance at the BEGINNING of the month. Then group together accounts from the Cash Book and enter the totals onto the Bank Reconciliation Template.
- Check that the Bank Balance calculated by the Bank Reconciliation Template for the end of the month agrees with the total in the Bank Statement. If these do not agree, follow up WHY and resolve and document this.
- Print the Bank Reconciliation, Sign and File. Send an electronic copy to National FD by 5th of following month.

BRANCH Financial Reporting - FOR THE AUDIT

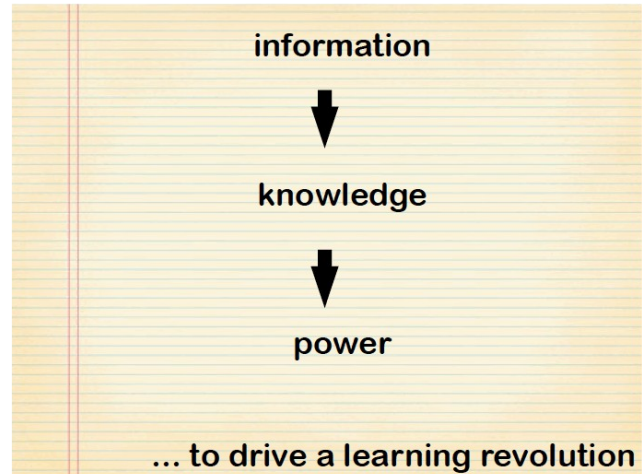
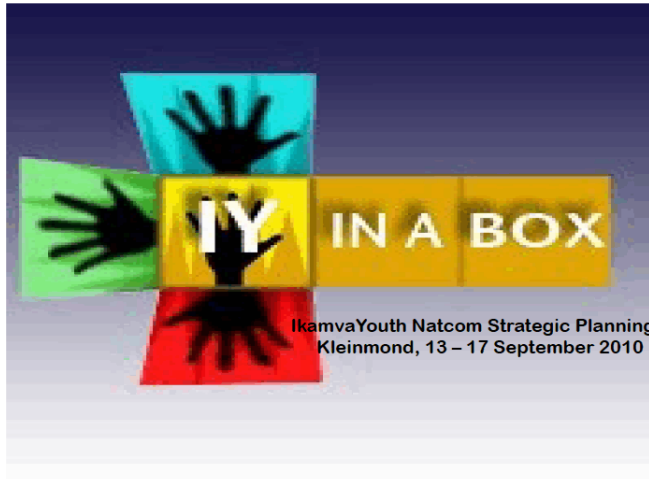
- File signed print out of Cash Book for Month. Attach all supporting documents (including Bank Statements) for the month in a plastic sleeve and file in Branch Financials File
- File print of Bank Reconciliation for the Month and file in Branch Financials File in front of Cash Book print out

NATIONAL

- PAYE and UIF per spreadsheet paid to SARS
- Budget Tracking



Ikamva Youth-In-A-Box PowerPoint



What is it?

Tools for:

- information management
(data collection, analysis and reporting)
- content management
(sharing, availing, storing, communicating info)
- networking
(within and outside of IY)



Some examples

- learner info (attendance, marks, achievements, applications and post-school opportunities secured)
- volunteer info (attendance, evaluation, incentivising etc.)
- generating reports (!)
- sharing news and stories (to potential volunteers, the media and funders)
- supporting and informing each other



Why do we need it?

- ensure we're meeting our mission & realising our vision (M&E)
- inform and enable efficient programme implementation (e.g. Kickout, learner support interventions, mentor allocation, awarding app & reg bursaries, incentivising volunteers)
- improve decision-making
- communicate with the right people at the right time



Where are we now?

- Learner info: MS Access database
<http://www.youtube.com/watch?v=5k0ikyru314&feature=player_embedded>
- Networking & tutor info: email inboxes, spreadsheets, googlegroups, facebook, twitter, bulk sms, personal phones
- CMS: Website, design, functionality