

PART 9: FINANCIAL MANAGEMENT AND OBLIGATIONS

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9.1. RESPONSIBILITIES OF THE FINANCIAL MANAGEMENT DEPARTMENT

- 9.1.1. The financial department, inclusive of the bookkeepers, financial clerks and Management have to establish and maintain financial management procedures which include the management of the following income and expenses in Cycling South Africa:
- 9.1.2. Part of the department's responsibilities and in particular the Financial Manager, will be to ensure compliance with all regulatory requirements as indicated in the related legislation and regulations.
- 9.1.3. The Financial Department in conjunction with the Operations Manager and / or CEO and the Board of Trustees has to ensure adequate resource acquisition for the development of services in the support of Cycling in South Africa.

9.2. KEY WORK AREAS AND INTEGRATION OF TASKS BETWEEN THE OPERATIONAL AND FINANCIAL DEPARTMENT ARE:

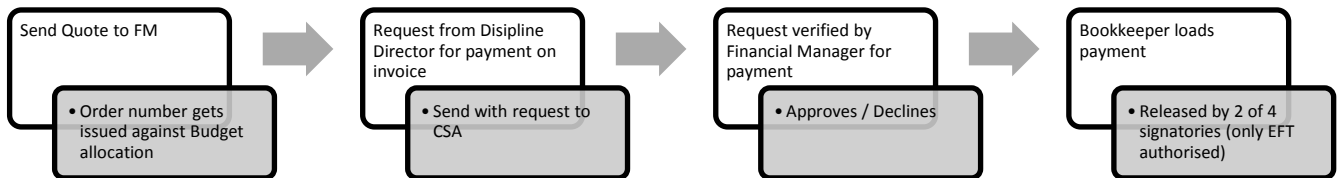
- 9.2.1. Planning and development
 - 9.2.1.1. Take responsibility for overall management and delivery of the business plan according to Vision 2020 (CyclingSA Long Term Strategy Plan)
 - 9.2.1.2. Draft, monitor and assess the business and development plan
 - 9.2.1.3. Assess options for coordinating the activities, procedures and systems so as to promote common policies and practices of the different commissions within Cycling. (Also assisting on provincial level)
 - 9.2.1.4. Manage the development of the service to ensure that the promotion of equality of opportunity and challenging discrimination are central to strategic development, management and its services to clients.
- 9.2.2. Supporting the governing body
 - 9.2.2.1. Arrange and attend meetings on behalf of CyclingSA and reporting back to the Board of CyclingSA.
 - 9.2.2.2. Advise CyclingSA on financial, managerial, staffing and service delivery issues.
 - 9.2.2.3. Report to the Board of CyclingSA on progress in comparison with agreed objectives.
 - 9.2.2.4. Prepare and draft the organization's Annual Report.
 - 9.2.2.5. Advise the Board of CyclingSA on possible compliance issues with all relevant legislation
- 9.2.3. Service delivery
 - 9.2.3.1. Identify development opportunities consistent with the aims of the organisation and the operating environment.
 - 9.2.3.2. Maintain an awareness of organisational and technological developments and ensure that the service operates in ways which make best possible use of the resources available.
- 9.2.4. Resource acquisition
 - 9.2.4.1. Develop and manage the organization's funding base to secure present and future service delivery. The funding structures currently include:
 - 9.2.4.1.1. Membership
 - 9.2.4.1.2. Calendar
 - 9.2.4.1.3. Sponsorship
 - 9.2.4.1.4. Grants (Lotto & SRSA)
 - 9.2.4.1.5. Event Management (as owners)
 - 9.2.4.2. Liaise and negotiate, as appropriate, with the funding authorities and other funding sources on future initiatives and developments in conjunction with the Operations Manager.
 - 9.2.4.3. Maintain appropriate relations with funders and make reports as necessary, ensuring compliance with any contracts.
 - 9.2.4.4. Identify opportunities for funded development of the service and to submit bids and applications accordingly (especially Lotto & SRSA)

9.3. THE RESPONSIBILITY OF A FINANCIAL MANAGER

- 9.3.1. Maintain day-to-day financial control of the service within budget. As agreed by the Board of CyclingSA for each of the different disciplines and commissions.
- 9.3.2. Ensure that all finances are properly administered and monitored, including credit control.
- 9.3.3. Support the Financial Trustee of CyclingSA in the provision of information for the estimates.
- 9.3.4. Advise on the proper allocation of funding (as per the ring-fenced grants).
- 9.3.5. Ensure that appropriate financial regulations and controls are in place and in use at all times.
- 9.3.6. Prepare and review detailed budgets for approval by the governing body in conjunction with the Financial Trustee and the Risk, Audit and Remuneration Commission and / or consultants.
- 9.3.7. Make regular reports to the Board of Cycling on income, expenditure and any variations from budgets.
- 9.3.8. Ensure that all financial reporting obligations are met in relation to submissions for funding, for grants, for contracts and any other initiatives.
- 9.3.9. Act as cheque signatory for all expenditures.

9.4. FINANCIAL CONTROLS

9.4.1. Process:



9.4.2. Signatories of the Board of CyclingSA:

Vice President
Financial Manager
Director
Director

9.4.3. Budget allocations:

- 9.4.3.1. Lotto & SRSA budgets that we use are those produced for Lotto funding. Lotto & SRSA are the only one source of funding for the different commissions.
- 9.4.3.2. The membership income is allocated to the monthly and annual overheads, inclusive of the staff salaries.
- 9.4.3.3. Sponsorship income is allocated to event management.
- 9.4.3.4. Calendar income is part of the membership income, but consideration should be given to incorporate more staff to manage the safety aspects of the events.

9.4.4. Reconciliation of expenses:

- 9.4.4.1. To ensure that the funds and payments are correctly applied, especially within the lotto and SRSA grant, a new set of General Ledger numbers should be created to manage these expenses, cash-flow and budget better.

9.5. PROJECT - TRAVEL EXPENSE REPORTING

(Should be read in association with the Travel & Expense policy of CyclingSA)

9.5.1. General Information

- 9.5.1.1. Expense reports filed on a timely basis with duly itemized and substantiated expenses, and in compliance with other requirements established in this policy, are conditions for reimbursement.
- 9.5.1.2. Expense reimbursement requests must be legible, prepared in ink or typewritten, must provide appropriate documentation and be completed as to the explanations of the specific business purpose of any entertainment or business development expense.
- 9.5.1.3. Expense reports not properly completed and approved will be returned unprocessed to either the traveler or traveler's / employee's Supervisor or Manager (Discipline Director or Commission Head). See Appendix for sample of completed Expense form.
- 9.5.1.4. For this system to operate successfully, it is essential that all persons who submit or approve expense reports conscientiously follow the policy outlined.

9.5.2. Approval

- 9.5.2.1. In all cases, "one over one" approval is required prior to reimbursement of these expenses. In order to maintain appropriate "one over one" approval, the senior associate present should always incur any joint expenses.

9.5.3. Acceptable Receipts

The following receipts are acceptable:

- 9.5.3.1. Original receipt completed by the vendor
- 9.5.3.2. Associate's copy of Credit Card receipt
- 9.5.3.3. Charge card billing statement

9.5.4. Unacceptable Receipts

The following receipts are not acceptable:

- 9.5.4.1. Restaurants tear tabs with no stamp or proof of location and contact details.
- 9.5.4.2. Photocopies, unless accompanied by a full explanation

9.5.5. Expensing Meals by Category

- 9.5.5.1. Each meal (breakfast, lunch, dinner) must be recorded separately on the expense report.

9.5.6. Filing Deadlines

- 9.5.6.1. Board Members are expected to file appropriately approved expense reports no later than five (5) days after each trip.
- 9.5.6.2. Employees are expected to file appropriately approved expense reports by no later than the 7th of each month.
- 9.5.6.3. Receipts are required for all expenses.

- 9.5.7. Any expense report over sixty (60) days requires the President's or Financial Trustee's approval signature for reimbursement.

9.5.8. International Expenses

- 9.5.8.1. In the case of International travel from South Africa, one expense form should be submitted for each local currency in which reimbursable expenses were incurred up to seven (7) days.
- 9.5.8.2. The amounts on the report should be stated in local currency (E.g. €).
- 9.5.8.3. The total for all expenses should be translated into Rand at the exchange rate(s) actually incurred. International travelers must submit rate of exchange receipts when exchanging currencies.

9.5.9. Seminars, Courses and Workshops

Work related seminars, courses and workshops will only be paid with the approval of the Board of CyclingSA.

9.6. POTENTIAL CONFLICTS OF INTEREST DECLARATION

Due to the nature of Sport, being a ‘niche’ community involved, it would be part of best practice to ensure that each Board Member’s involvement in Cycling is declared. This will reduce risk of fraud or corruption. The following policy may be introduced:

Information of Board Member & basic terms of Disclosure of interests in Cycling

Name: _____

Position held at CyclingSA: _____

Paid and unpaid affiliations, as well as shareholdings of whatever nature, should be disclosed.

- I agree to bring any interests of potential conflict to the attention of the Executive Committee of Cycling SA.
- I agree to bring to the attention of the Executive Committee the potential conflict of interest that is related to a topic under consideration by the Cycling SA Executive.
- I agree to disclose any relationships or potential relationships that could be construed as posing a conflict of interest relating to my service to Cycling South Africa as Board Member, Commissioner or Employee.
- If asked by the relevant Committee Chairperson or Executive Committee Member, I will not participate in the discussion or vote relating to a topic where I may have a potential or construed conflict of interest.
- I will abide with the decisions of such committee and will accept a request to excuse myself, as and when requested.
- I understand that this statement will be reviewed by the Executive Committee and will then be kept on file with the Secretary General at the Cycling SA Office in Table View, Cape Town.
- The forms may be shared with any Cycling SA member who submits a request in writing.
- I agree that I will update this statement whenever necessary during my term of service.

Sources of potential conflict:

COMPANY / PERSON POSING A POTENTIAL CONFLICT OF INTEREST:	RELATIONSHIP TO COMPANY / PERSON POSING A POTENTIAL CONFLICT OF INTEREST:	I HAVE BEEN INVOLVED WITH THIS COMPANY SINCE:

I, _____ declare that I indicated all the potential companies and / or persons who might pose as a conflict of interest in regards to my involvement with CYCLINGSA.

Signature (Representative / Employee)

Name & Signature of Executive Board Member

Signature (Representative / Employee)

Acknowledge receipt of Disclosure on behalf of CyclingSA

9.7. TENDER AND PARTNERSHIP MANAGEMENT

Cycling South Africa has during the past two years entered a new era. Not only are we managing our own events, creating infrastructure, but to manage all our projects, we constantly have to request for Bids, Proposals, Quotations and Information.

It is thus important that we show a good, transparent process which can be managed by the Risk, Audit and Risk Commission (as discussed in the Governance Module). One of the companies in RSA that has to keep good governance of their processes is TELKOM SA. I was able to look at the basic principles that Telkom applies to create a proposed Procurement Policy for CyclingSA.

9.7.1. Definitions

Manfin:	An executive committee formed known as Manfin will be represented by the President of CyclingSA, the Vice President of Cycling SA and the Financial Trustee of CyclingSA or other nominated non-Execo in association with the Operational & Financial Management of CyclingSA.
RFB:	Request for Bid;
RFP:	Request for Proposal;
RFQ:	Request for Quote; and
RFI:	Request for Information.

9.7.2. Procurement Services

Procurement services will always be taken between three Manfin Members the Commission Director associated with the process.

- 9.7.2.1. No verbal or written commitments (i.e. letters of intent, memorandums of understanding, interim supply agreements, formal supply agreement/contracts) may be made to any supplier unless via Procurement Services;
- 9.7.2.2. All quotes, tenders, RFI's, RFP's, RFB's must be issued through Procurement Services;
- 9.7.2.3. All negotiations on commercial matters to include Procurement Services;
- 9.7.2.4. Final Procurement Policies for all types of procurement, and process guidelines, to be set and authorized by Procurement Services;
- 9.7.2.5. Field trials to involve Procurement Services;
- 9.7.2.6. Procurement Services is responsible for the Cross Functional Sourcing/Purchasing Team (CFST/CFPT) process, which includes the adjudication of tenders;
- 9.7.2.7. Financial analysis of bids and quotes to include Procurement Services;
- 9.7.2.8. All purchase orders will be processed by Procurement Services (Purchasing);
- 9.7.2.9. Interfacing with the Department of Trade and Industries (DTI) will be conducted via Government Relations and Procurement Services;
- 9.7.2.10. Forecasting information required by supplier(s) shall be provided by Procurement Services – budgeting;
- 9.7.2.11. Supplier interface on supplier performance issues will be conducted by Procurement Services – IT services to be created for this purpose;
- 9.7.2.12. All foreign exchange forward cover on contracts/orders must be arranged and co-ordinate through Procurement Services

9.7.3. Decisions On Procurement will be made with the following considerations:

- 9.7.3.1. Cost reduction as a result of re-engineered business processes;
- 9.7.3.2. Automation of business processes;
- 9.7.3.3. Broader customer and supplier reach;
- 9.7.3.4. Greater accuracy;
- 9.7.3.5. Increased productivity;
- 9.7.3.6. Improved customer relationships;
- 9.7.3.7. New revenue;
- 9.7.3.8. Standardization.

9.7.4. Tender Communications

CYCLING SA may from time to time email or publish requests for Bids, Proposals, Quotations and Information.

Responses to RFB's/RFP's/RFQ's/RFI's must be forwarded via email or sealed envelopes to: The Secretary General, Cycling South Africa, Email: info@cyclingsa.com, Postal: PO Box 271, Tableview, 7439, Delivery: Raats Drive 104, Tableview, 7430

9.7.5. Tenders

9.7.5.1. Tender Process: Informal Process & Quotations

9.7.5.1.1.1. Verbal and/ or Formal Quotations

Up to a maximum value of R10 000, 00 (VATE) are allowed. At least three quotations are obtained.

9.7.5.1.1.2. Letter/Facsimile Tenders

This type of tender is restricted to purchases for amounts not exceeding R50 000, 00 (VATE). These tenders are not published on the Cycling SA website but are faxed, emailed posted or handed to a minimum of 3 likely bidders. To ensure an open, fair and transparent tender process, tenders close on a specific date and time. Responses may be faxed, hand-delivered or posted.

9.7.5.1.1.3. Approved List Tenders

The purpose of a list of approved suppliers is to monitor quality and to eliminate fly by night suppliers. Tenders are restricted to suppliers who have proven their ability to meet Cycling SA's requirements but not restricted to it. The concept of approved list tenders is being phased out and replaced by contracts. These contractors are approached to submit tenders, which close on a specific day and time.

9.7.5.1.1.4. Proprietary Tenders

This type of tender is restricted to the only (sole) supplier of a product / service for which there is no acceptable substitute. Cycling will obtain a fax quote from the supplier involved.

9.7.5.1.1.5. Restricted Tenders

This type of tender provides for: The invitation of tenders from Universities, CSIR, etc. for research and development projects.

9.7.5.1.1.6. These tenders are not limited to an amount and are also not published on the Cycling SA Website

9.7.5.1.2. Formal Process

9.7.5.1.2.1. Formal (open) tenders are invited for amounts exceeding R50, 000 (VATE). These tenders are published on the CyclingSA website [www.cyclingsa.com] and there is no restriction on who may tender.

9.7.5.1.2.2. Open tenders published on the website are usually held open for a predetermined period of between one and four weeks depending on the complexity and amount of work done by prospective bidders.

9.7.5.1.2.3. Closing time for all tenders, bids, etc. is normally at 11:00 of the closing date. A late response is not permitted for consideration and is returned to the bidder with an explanation. CyclingSA, may however, in its sole discretion admit a late response.

9.7.6. Tender Bulletin

CyclingSA can be accessed on the Internet: www.cyclingsa.com. Specific entries in the Tender Request reflect contact names and numbers which prospective bidders may contact should they require information before they decide to participate.

9.8. CODE OF BUSINESS CONDUCT

9.8.1. Supplier Selection

- 9.8.1.1. Selection of suppliers follows an open tender or bid process, allowing all potential suppliers to compete according to a model that is fair, equitable and consistent.
- 9.8.1.2. CyclingSA will strive to consider applicants and suppliers complying with the BEE recommendations of South Africa.

9.8.2. Conflict of Interest

- 9.8.2.1. Cycling SA Board Members, Commissioners or employees may not have an interest with any supplier. This includes the supply of non-public information, assistance with planning and designing of products or active involvement in marketing and selling
- 9.8.2.2. In the case where a conflict of interest exists, the particular person needs to exclude him or herself from the process.

9.8.3. Gifts and Invitations

- 9.8.3.1. Seasonal, congratulatory or promotional gifts may only be offered to CyclingSA Board Members, Commissioners or employees on strictly appropriate occasions, and when there is no reason to doubt the bona fides of the donor or recipient. Invitations to meals, sporting events, the theatre, cocktail parties and other forms of hospitality may not be offered with a view to influencing business decisions.
- 9.8.3.2. As a matter of policy, Procurement Services employees are not permitted to accept any such invitations or gifts in order to maintain a professionally aloof relationship.

9.8.4. Favours

- 9.8.4.1. An offer of commission, or any form of gratuity, for any reason whatsoever, is totally unacceptable and will lead to serious disciplinary action.

9.8.5. Bribes and Irregular Offers

- 9.8.5.1. CyclingSA adopts a policy on bribery and irregular offers which serves as a precondition to accepting a contract, which is summarized as follows:
 - 9.8.5.1.1. Should a tenderer, bidder or contractor have, in the opinion of CyclingSA, act fraudulently, illegally, in bad faith or in any improper manner, with regard to a contract or tender, then CyclingSA may, in its sole discretion:
 - 9.8.5.1.1.1. Ignore any tenders without advising the bidder thereof
 - 9.8.5.1.1.2. Cancel the contract without prejudice to any legal rights CyclingSA may have
- 9.8.5.2. CyclingSA is committed to the highest standards of integrity and any Board Members, Commissioners or employees transgressing the principles of basic ethics and the CyclingSA Constitution will be treated in accordance with the company's Disciplinary Clauses stipulated in the Constitution of CyclingSA.