

# **SOUTH AFRICAN SCOUT ASSOCIATION**



## **Finance and Administration Policy**

### **1. One corporate body**

The Association is one corporate body (Constitution X11.1) and as such all component units are subject to the constitution, policy, rules and decisions of the various bodies set up to operate and administer S A Scouting.

### **2. One finance & administration policy**

There shall be no individual policy or administrative system by any component unit of the association. Failure to comply with the policy or procedures and rules as set out will result in that unit acting ultra vires to the constitution and accordingly will place that unit in bad standing.

### **3. Units deemed to be in bad standing**

All units deemed to be in bad standing would stand to forfeit the rights and privileges of membership. A unit deemed to be in bad standing will be given 30 days written notice that failure to comply with the financial and administrative policy within the period of 30 days will, unless the National Finance Committee extends such period, immediately forfeit the rights and privileges of membership.

- A. That unit will not be entitled to attend any scouting function.
- B. No grant applications to the Scout trusts will be recommended.
- C. No literature, supplies will be provided or any certificates awarded.
- D. Membership will cease.
- E. The Area Commissioner and Chairman in an Area will not be entitled to vote at national meetings and will have to meet their own costs of attendance.

### **4. Accountability**

All persons who accept positions of financial or administrative responsibility shall be accountable to the chairman at the next reporting level. All income and expenditure must be accounted for by way of financial reports as required by the next reporting structure. They are also required to make themselves fully acquainted with all the financial policies and procedures.

### **5. Property**

The association as a whole owns all fixed or leased property or other assets used for administrative or any other purposes in the delivery of the Scout programme. Annual details of these properties must be provided with the submission of the annual financial accounts. Details that must be provided are;

Size and extent of the property (land and building), if known

Purpose and use of the building

Municipal valuation and estimated market value, if known

Address and erf number

Confirmation of insurance cover, together with a copy of policy cover sheet if not covered through the national policy. (In special circumstances, which must be cleared in writing with NFC beforehand, separate cover may be taken out).

Groups, Districts and Areas using Scout property or other assets shall be responsible for maintenance, insurance, charges in respect of rates, tax, hire and municipal service charges, together with any interest or other costs relating to the asset. Failure to meet these costs shall jeopardise the future right of use and ownership to the said property in favour of the Area.

All property costs at national, Area or District level shall be paid from income to the property, and those entrusted with the management of property shall be responsible for its financial viability.

No fixed properties belonging to the S A Scout Association shall be disposed of without obtaining prior written permission from NFC. A proposal in writing must be submitted if property is required to be sold. All proceeds from disposal of fixed assets will be deposited in trust in a designated account (for the benefit of that unit/area) in the Scout Foundation. (See clause 10.)

## **6. Banking**

Bank accounts may only be opened subject to Rule 624.5 and any other policies and rules pertaining thereto. Any subsidiary account or special account shall be accounted for as a part of the parent unit, and the responsible person in the parent unit shall be accountable for all such accounts. All bank accounts must be reported to NFC on an annual basis setting out the account name, number, balance at year-end and the purpose for which that specific account is held. All Area bank account signatories must include the chairman and manager of the NFC. Likewise all unit (Group, District) bank accounts must include the chairman and secretary of the Area as signatories. It is noted that all bank accounts are funds of the National Scout Council.

## **7. Annual General meetings**

Every unit in the association shall call a general meeting of its members annually. The Group annual general meeting shall be held within 3 months of the year-end; the District (L.A.) and any Regional annual general meetings and the Area annual general meeting shall also be held within three months of the year-end.

The business of all annual general meetings shall include:

- a. the election of officers as set out in PO&R;
- b. approval of the annual financial statements;
- c. approval of the budget; It must be noted that a budget that forecasts a loss may not be approved, without clearance from the next level of authority, who will only do so on properly motivated circumstances;
- d. agreement on the subscription for the following year;
- e. any other business approved by the chairman.

## **8. Financial reporting**

All funds issued in the name or on behalf of the SA Scout Association must be accounted for by way of standard accounting practice. These records must be available at all times in order to allow the scrutiny thereof by the next reporting level in the Association. All units are required to provide an annual financial statement signed in a format approved by the National Finance Committee, signed by an independent qualified accountant or firm of auditors, as appropriate, and to present this for adoption at the annual general meeting where after the statements are to be submitted to the next reporting level. This statement shall incorporate a balance sheet and income statement. The financial year shall close on 30 September. Accounts must be presented by no later than three months after year-end.

Areas and SAHQ shall additionally present a budget to the Council concerned, prior to the start of each financial year.

## **9. Contributions**

An annual contribution shall be paid by Groups to District, by Districts to Region, by Regions to Area, and by Areas to the National Scout Council. The amount of the

contribution shall be as agreed by the Council to which the contributions are due. Membership contributions at Group level shall be agreed at the annual general meeting of the Group Parents' Committee. Any funds collected from members in excess of the contribution payable to the Area shall be utilised towards the Group operating budget.

Area contributions due to National Scout Council must be paid on due dates. Failure to do so within thirty days will result in a written warning being issued that the unit is deemed to be in bad standing.

#### **10. Scout Foundation**

- A. No formal applications for funds may be made to national organisations, corporations, companies and trusts without first obtaining prior written consent from the Scout Foundation, through SA headquarters. Response to such written request will be made within 14 days. No funding applications by any unit may be made to other Scout Associations or their members.
- B. The Scout Foundation shall hold in trust all monies received from the disposal of fixed properties, wherever they may originate.
  - i) Capital proceeds thus realised will be accounted for as a fund under administration in the name of the Area having disposed of such fixed assets. These funds are assured and cannot be distributed without written motivation from the said Area's Scout Council. Investment income not utilized will accrue to the capital balance of that fund.
  - ii) 10% of the investment income earned on these funds shall be paid to the general fund of the Scout Foundation. The balance of the investment income is available for utilisation by the Area and will be distributed by way of a written application setting out the motivations for such requests and supported by the Area Commissioner and Area Chairman.

#### **11. Finance committees**

In Groups and Districts the Group Committee or Local Association, as appropriate, shall be responsible for the financial health and accountability of the Group. At Area and national level a separate finance sub-committee shall be responsible for the financial health and accountability of the Council concerned, accountable ultimately to the chairman of National Finance Committee. (Within the framework of clause 2.)

#### **12. Camps and other outdoor activities**

All camps and other outdoor activities shall be self-financing, and a budget showing how this is to be achieved shall be among the first planning tools for any such activity.

#### **13. Training**

All training activities shall be self-financing within the Area budget, and a budget showing how this is to be achieved shall be among the first planning tools for all training courses.