
 <b>iZiBaLo</b> Solving Problems by <b>DOING</b> Maths Document Name:	<b>Financial Management Policy</b>
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# FINANCIAL MANAGEMENT POLICY

## Financial Management Policy

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### 1. Purpose and Objectives

1.1 The purpose of this Financial Management Policy is to ensure the responsible planning and management of Izibalo NPC's financial resources, uphold transparency, and maintain accountability in all financial matters.

### 2. Governance and Oversight

2.1 The Board of Directors holds ultimate responsibility for financial oversight.

2.2 A Finance Committee must be established, consisting of at least two board members, responsible for regular financial reviews.

2.3 Staff members involved in financial management must report regularly to the Finance Committee.

2.4 The Board, finance committee and staff will adhere to Izibalo NPC's Code of Conduct, dealing with values and ethics that underpin all the financial policies and procedures.

### 3. Budgeting

3.1 An annual budget will be prepared by the Executive Directors and Finance Committee, aligning with the strategic plan for the organisation's projects and administration.

3.2 The financial year end from 2026 will be changed to 31 December.

3.3 Budget amendments require approval by the Finance Committee.

3.4 The board will review and approve the final budget six months prior to the following fiscal year i.e. by the 30<sup>th</sup> of June of each year.

3.5 A transaction that is over the amount of thirty thousand rand (R 30 000) must be authorised by at least two executive directors. A non-executive director will have viewing rights on the organisation's bank account for oversight.


3.6 In the event of deviation from the approved budget, management must seek approval from the board.

### 4. Procurement Processes

4.1 Needs Identification - Define what is needed and confirm specifications, quantities, and budget.

4.2 Three quotations to be obtained from potential suppliers or contractors.

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4.3 Supplier Evaluation - Assess quotes based on price, quality, experience, and compliance. May include site visits or reference checks.

4.4 Approval & Budgeting - Internal review and approval of selected supplier. Ensure funding is available and aligned with donor or organisational policies. Both the CEO and COO should reach a consensus on the service provider that will render services, being cognisant of value for money.

4.5 Contracting - Draft and sign a formal Service Level Agreement or purchase order. Terms of delivery, payment, warranties and penalties must be included.

4.6 Delivery & Installation - Supplier delivers goods or completes services, This to be monitored against agreed specs and quality of goods and services.

4.7 Inspection & Acceptance - Verify that work is completed to standard and signed off on delivery or completion. Ensure all necessary certificates are obtained.

4.8 Payment - Process payment according to contract terms. All documentation to be obtained and filed for auditing and reporting.

4.9 Reporting & Evaluation - Document lessons learned, supplier performance, and impact. Share updates with funders or stakeholders.

### **5. Accounting and Record-Keeping**

5.1 Izibalo NPC will maintain accurate financial records using a cloud-based accounting programme.

5.2 All income sources, including donations, grants, and program revenues, will be recorded.

5.3 Financial records will be kept in accordance with South African accounting standards.

5.4 Procedures regarding donations, other income, banking, and handling of cash.


### **6. Financial Reporting**

6.1 Financial reports, including income statements and balance sheets, will be produced timeously, and presented by the Finance Committee Board of Directors.

6.2 Bi-annual financial reports will be provided to the board.

6.3 An independent accountant will prepare annual financial statements, in compliance with South African reporting regulations. The appointment of the auditor will not be mandatory, but such may be required if the company reaches a certain threshold or is required by a donor or funder.

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### 7. Internal Controls

7.1 Adequate internal controls will be established to safeguard assets and prevent fraud.

7.2 Financial audits will be conducted by an independent auditor when the company reaches a certain threshold.

### 8. Asset Management

8.1 Procedures for acquiring, maintaining, and disposing of assets will be documented and adhered to.

8.2 All assets acquired are to be recorded on an asset register and insured.

8.3 Assets will be used exclusively for the organisation's mission.

8.4 The following procedures will be followed for the management of and disposal of assets:

8.4.1 At least three board members will accept fiduciary responsibilities for the organisation. They will not be connected persons in relation to each other, and no single person directly or indirectly controls the decision-making powers relating to the organisation. These individuals are expected to act in the **best interest of the organisation**, manage its finances responsibly, and ensure compliance with laws and regulations.

This statement outlines a key governance requirement for **Public Benefit Organisations (PBOs)** under **Section 30 of the South African Income Tax Act**.

8.4.2 No funds will be distributed to any person other than while undertaking any organisation's activity.

8.4.3 Upon dissolution of the organisation, the remaining assets must be transferred to:

8.4.3.1 Another public benefit organisation which has been approved in terms of section 30 of the Income Tax Act, 1962 (Act No. 58 of 1962) of South Africa.

8.4.3.2 Any institution, board or body which is exempt from payment of income tax in terms of section 10(1)(cA)(i) of the Income Tax Act, which has as its sole or principal object the carrying on of any public benefit activity; or


8.4.3.3 Any department of state or administration in the national or provincial or local sphere of government of the Republic contemplated in section 10(1)(a) or (b) of the Income Tax Act.

### 9. Cash Management

9.1 Procedures for handling cash, including petty cash, will be documented, and followed.

9.2 Bank accounts will be reconciled monthly to ensure accuracy.

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### 10. Fundraising and Grants Management

10.1 Funds raised will be allocated in accordance with donor intentions and organisational priorities.

9.2 Compliance with grant requirements and timely reporting will be ensured.

### 11. Compliance and Legal Considerations

11.1 Izibalo NPC will comply with all South African laws and regulations related to financial management.

11.2 Tax-exempt status will be maintained, and all required filings will be submitted on time.

### 12. Financial Risk Management

12.1 Risks to the organisation's financial stability will be identified and mitigated through risk management strategies.

12.2 An Emergency Reserve Fund to be set aside to cover 6 months of operating expenses. This reserve will cover essentials like: Salaries, electricity, insurance and overheads.

12.3 The Emergency Reserve will be activated in circumstances such as:

12.3.1 Loss of major donor or grant.

12.3.2 Natural disasters or facility damage.

12.3.3 Economic crisis or inflation spike.

12.3.4 Unexpected legal or regulatory costs.

12.4 Access Protocol - The Board is to approve access to the reserve and documented how the reserve is to be used. A Timeline is to be set out on how this Emergency Fund will be replenished after use.

12.5 Replenishment Strategy - Plan to build the reserve through:

12.5.1 15% from paying learners.

12.5.2 10% from administration costs.

12.5.3 25% from unrestricted corporate funding.

12.5.4 Individual donor contributions: 100% contribution to the emergency fund.


12.5.5 Future fundraising campaigns.

12.5.6 Budget surpluses.

12.5.5 The replenishment income must be put into an interest-bearing fixed account and the CEO & the COO must report to the board on this account at every general meeting.

12.6 Risk Assessment - Annual review of potential risks and reserve adequacy.

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12.7 Transparency & Reporting - Include reserve status in financial reports. Communicate with donors and stakeholders about how reserves are managed and used.

### 13. Conflict of Interest

13.1 All board members, staff, and volunteers will annually disclose potential conflicts of interest.

13.2 Procedures for managing conflicts of interest will be implemented, as necessary.

#### Amendments

This policy may be amended by a majority vote of the board of directors.

#### Acknowledgement

Board members will acknowledge receipt and understanding of this policy annually.

**Effective Date: 11 November 2025**

**Review:** This policy will be reviewed and updated annually.

### Ratification of Policy by the Board of Directors:



Sikhokele Mvubu (Nov 10, 2025 13:10:36 GMT+2)

Sikhokele Mvubu  
(Chairperson)



Anthea Napoleon (Nov 12, 2025 08:13:09 GMT+2)

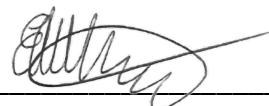
Anthea Abigail Taai  
(Deputy Chairperson)



Roy Michael Hewett  
(Secretary)



Lynn Eunice Glover  
(Chief Executive Office)



Edumisa Mtoli  
(Chief Operations Officer)











# Financial Management Policy Final November 2025

Final Audit Report

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