FINANCE POLICY

APPLICABILITY:	All Hillsong Africa Foundation staff, volunteers, and other key stakeholders
VERSION:	V0125 (May 2025)
AUTHORISED BY:	Managing Director
REVIEW DATE:	May 2028

CONTENTS

INTRODUCTION 3

1. PREAMBLE 3
2. PURPOSE 3
3. SCOPE 3
4. RESPONSIBILITIES 3

FINANCIAL MANAGEMENT POLICY 4

5. POLICY 4
6. GENERAL ACCOUNTING POLICY 4
7. ACCOUNTING SYSTEMS AND SOFTWARE 4
8. ANNUAL BUDGET 5
9. BANK 5
10. EXPENDITURE 6
11. CAPITAL EXPENDITURE 7
12. INCOME 8
13. JOURNALS, ERRORS & FRAUD 9
14. FINANCIAL RECORDS 9
15. ANNUAL AUDIT OR INDEPENDENT REVIEW 9
16. COMPLIANCE WITH THIS POLICY 9

INTRODUCTION

1. PREAMBLE

1.1 Hillsong Africa Foundation Trust (HAF) are committed to ensuring that all funds and assets obtained by HAF are used only to further the purpose of the organisation and are done so in a responsible manner.

2. PURPOSE

2.1 HAF is committed to responsible financial management. The entire organisation including the board, staff and volunteers work together to make certain that all financial matters of the organisation are addressed with care, integrity and in the best interests of HAF.

2.2 It is the objective of these policies and procedures to:

(a) Protect the assets of HAF

(b) Ensure the maintenance of accurate records of HAF's financial activities

(c) Provide a framework of operating standards and behaviour expectations

(d) Ensure compliance with all legal and reporting requirements

3. SCOPE

3.1 This policy applies to all HAF staff, volunteers and other key stakeholders.

4. RESPONSIBILITIES

4.1 It is the responsibility of the Board to ensure that:

(a) any breaches of this policy that come to the attention of the Board are dealt with appropriately;

(b) the Governing Board and Management of HAF has adequate technical capacity to responsibly oversight and manage the finances of the organisation; and

(c) the finance staff have adequate experience, training and expertise for their finance roles and responsibilities.

4.2 It is the responsibility of Management (reportable to the Board) to:

(a) Ensure that Board members, staff and volunteers are aware of this policy;

(b) Review and approve monthly income and expenditure line items

(c) Ensure the Board has the information and reports required to assess the use of HAF's funds.

4.3 It is the responsibility of the Finance Oversight (reportable to the Managing Director) to ensure that:

(a) that the activities carried out are consistent with the financial and accounting policies, authorities, guidelines, practices and procedures

(b) all transactions recorded are accurate and complete

(c) management has the information and reports required to assess the use of HAF's funds

FINANCIAL MANAGEMENT POLICY

5. POLICY

5.1 HAF must use its funds (and ensure that its funds are used by third parties with whom it collaborates) only to further the purpose of the organisation and is in line with the activities as stated in the Trust Deed and not for personal use or gain.

5.2 HAF's funds and assets must be dealt with in a responsible manner, being reasonable and authorised.

5.3 HAF will take steps to ensure funds transferred to partners, grantees and suppliers are received and accounted for.

6. GENERAL ACCOUNTING POLICY

6.1 The financial accounting period for HAF begins on the 1st March each calendar year and concludes on 28th February the following year.

6.2 The financial statements are prepared on the cash basis of accounting. Revenue is recognized when cash is received regardless of when the good or services are provided. Expenses are recognised when cash is paid, regardless of when the good or services are received, or the liability is incurred.

6.3 An independent audit of HAF's annual financial statements will be conducted annually.

6.4 HAF is a Non-Profit Trust and is registered as a Public Benefit Organisation (PBO) with SARS under section 30 of the Income Tax Act, No. 58 of 1962. As such, the entity is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act provided that it complies with the requirements of the Act applicable to PBO's.

6.5 HAF will keep financial records in accordance with the NPO Act 71 of 1997

7. ACCOUNTING SYSTEMS AND SOFTWARE

7.1 HAF makes use of the following accounting software and systems:

(a) SAGE Evolution to capture all transactions. Access to this system is limited to the Finance Oversight.

(b) FNB online banking. Access is limited to the Finance Oversight, Managing Director, Hillsong Africa Church's Commercial Manager and Chief Operating Officer.

(c) DEXT and Google Forms are used by all staff to submit petty cash slips, request funds and load payment requests. The Finance Oversight and Managing Director has access to change the google form layout and inputs. The Finance Oversight has access rights to change the DEXT inputs.

8. ANNUAL BUDGET

8.1 It is the responsibility of Management to conduct a budget planning process each year as part of its annual strategic planning. The budget is reviewed and approved by the Board on an annual basis.

8.2 Management and Finance Oversight review the budget quarterly.

8.3 HAF's budget is flexible in responding to unforeseen events, including possible reductions in cash flow.

9. BANK

9.1 Hillsong Africa Foundation (HAF) hold accounts with First National Bank (FNB). All funds are kept in accounts in the name of Hillsong Africa Foundation. They are as follows:

(a) Main account for all operating cash flows
(b) Petty cash accounts
(c) Savings account

9.2 The Managing Director (MD) and the Board are the eligible bank signatories.

9.3 Banking:

(a) HAF's payment run is weekly on a Thursday, unless it's an urgent payment. If the Thursday is a public holiday the payment run will be either on the Wednesday or Friday.

(b) Payments:

(i) All payments (excluding salaries) are submitted to the Managing Director (MD) via a Google Form before 13:00 on a Thursday.
(ii) Payments include invoice payments and reimbursements.
(iii) The MD checks the allocation and determines whether it's within the budget before approving the request.
(iv) The Finance Oversight (FO) loads all payments on FNB online banking.
(v) The payments are then authorised by the Commercial Manager and Chief Operating Officer (COO)
(vi) The FO saves all invoices and POPs on the finance drive for record keeping

(c) Transfers/Money requests:

(i) All transfer requests are from the Main Account to the Petty Cash accounts.
(ii) Transfer requests are submitted to the MD via a google form before 13:00 on a Thursday for approval

(iii) When the transfer request is approved, the FO loads the transfer on FNB online banking

(iv) This is then authorised by the COO

(d) Income:

(i) Income received via EFT is identified on the bank statement and is allocated as general income unless the description specifically states otherwise or if HAF receives specific instructions regarding which projects the money is for.

9.4 All bank transactions (income and expenses) are captured on SAGE Evolution on a bi-weekly basis by the Finance Oversight.

(a) Transfers are allocated to the Interbank accounts. The Interbank account should be nil at month end.

(b) Payments are captured and allocated based on the details on the google form (Main account) or DEXT slips submitted (petty cash accounts)

(c) Income is allocated based on the count sheet detail, communication or bank reference.

9.5 Bank reconciliations are performed monthly by the FO

10. EXPENDITURE

10.1 All expenditure must be approved by the Managing Director (MD) and should be in line with the budget.

10.2 There are three types of expenditure requests:

(a) Invoice approval:

(i) HAF staff obtain an invoice from a supplier and complete a HAF Invoice Approval form (hosted via Google Form) and submit the form for approval

(ii) Details such as why this purchase is required, the development area and budget line are included on the form.

(iii) For first time suppliers, a bank confirmation letter is required.

(b) Reimbursement request: HAF staff and volunteers may on occasion be required to pay expenses, depending on their roles and duties, out of their own pockets.

(i) It is the responsibility of the oversight to ensure that the reimbursement is in line with the program activities before approval of the MD.

(ii) Reimbursement requests are limited to R1 500. If an reimbursement is above R1 500, written approval from the oversight should be attached.

(iii) All supporting documents (invoices and POP's etc) should be included in the submission

(iv) For first time reimbursements, a bank confirmation letter is required.

(c) Money requests: Oversights load a petty cash request for money to be transferred from the main bank account to the petty cash bank accounts.

(i) Each oversight has a FNB petty cash card which is linked to the relevant bank account.

(ii) They request funds for their card via the Money Request google form which is approved by the MD.

(iii) It is preferable to not use cash for payments / purchases but under very exceptional circumstances, if cash needs to be used, the withdrawal receipt and purchase receipt should be submitted on DEXT

(iv) After each purchase the oversight loads the receipt on DEXT with the relevant details.

(v) On a bi-weekly basis the Finance Oversight reconciles the petty cash bank statements and verify each transaction with the submitted receipt on DEXT. If the receipt is outstanding, the finance oversight will follow up before finalising the cashbook.

(vi) Missing receipts are allocated to the suspense account. The oversight is liable for any missing receipts.

11. CAPITAL EXPENDITURE

11.1 Refer to the expenditure section for purchase of assets.

11.2 An asset register is maintained by the finance oversight. Each asset will be allocated a unique identification number. The asset register should include the following detail:

(a) unique identification number
(b) name / description of the item
(c) serial number
(d) date of purchase
(e) cost price
(f) useful lives
(g) depreciation and carrying value

11.3 Assets less than R7 000 are recorded as an expense unless it's a sensitive item. Sensitive items include electronic items including but not limited to laptops, tablets, cell phones, cameras and accessories.

11.4 Assets are depreciated on a straight-line basis and have the following useful lives:

(a)	Furniture and fixtures	-	6 years
(b)	IT equipment	-	3 years
(c)	Motor vehicles	-	5 years
(d)	Office equipment	-	6 years
(e)	Sound and Lighting	-	10 years

11.5 The useful lives of assets will be reviewed as and when changing circumstances indicate that they may have changed since the most recent reporting date

11.6 Disposal of an asset must first be approved by the board.

12. INCOME

12.1 HAF income sources consist of donations, fundraising initiatives and grants.

(a) Funds received from ACCIR are restricted to ACCIR approved activities

(b) Funds received from Hillsong SA Trust is restricted to Local Impact activities

(c) All other income is unrestricted unless otherwise specified by the donor.

12.2 Funds are received via EFT, Yoco, Paypal, Payfast, SnapScan and cash.

(a) EFT: refer to banking procedures for capturing of funds received via EFT

(b) SnapScan, Paypal, Payfast and Yoco:

(i) A transaction statement is downloaded on a bi-weekly basis from the relevant platforms. The statement will be downloaded in excel and mapped to the correct general ledger accounts based on what initiative / which location / project the income relates to.

(ii) The funds are paid into HAF's main bank account. A bank statement will be downloaded and will be reconciled with the statement from payment platforms.

(iii) When funds received relate to different budget lines, the receipts will be allocated to a general income account. A reallocation journal is then processed to reallocate funds to the correct general ledger account.

(c) Cash:

(i) All Cash MUST be accompanied by a Count Sheet. The count sheet must be signed by two people and contact numbers and must be clearly marked for what the receipt is.

(ii) No cash may be used from the cash received for any other purchases. All cash needs to be recorded and banked.

(iii) Count Sheets must be handed in on the same day the money was received in a sealed envelope / blue bag. The sealed envelope / blue bag must be handed in to count team or venue control.

13. JOURNALS, ERRORS & FRAUD

13.1 Journals are used to:

(a) Capture monthly salaries

(b) Correct errors

(c) Reallocations between development areas and bulk income received for different areas

13.2 The journal voucher is used as a document of original entry for recording transactions that are not processed to the General Ledger directly from receipt forms.

13.3 All journals are prepared by the Finance Oversight and approved by the Managing Director. The finance oversight processes the journal on SAGE Evolution after approval.

13.4 Any incidents of suspected fraud must be raised in accordance with the Complaints Handling policy and Financial Wrongdoing policy.

14. FINANCIAL RECORDS

14.1 HAF must retain financial records for seven years that correctly record and explain:

(a) how the organisation spends or receives its money or other assets; and

(b) the organisation's financial position and performance.

15. ANNUAL AUDIT

15.1 The financial records should allow for true and fair financial statements to be prepared and audited by an independent auditor.

15.2 As part of the independent audit work, the auditor should also be requested to provide an opinion on the adequacy of the internal controls of the organisation and to provide a letter of advice with recommended improvements to finance record keeping and internal controls at the conclusion of the audit engagement.

16. COMPLIANCE WITH THIS POLICY

16.1 The Board, Management, HAF staff and volunteers must comply with this policy and review compliance as part of its standard self-evaluation.

16.2 If HAF's Managing Director or Board have reason to believe that this policy has not been complied with, they must investigate in accordance with the Complaints Handling Policy and Financial Wrongdoing policy.