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Umnga Farmers Training Group Expenditure Policy

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1. Introduction

The Umnga Farmers Training Group (UFTG) is committed to ensuring that all expenditures are managed responsibly, transparently, and in alignment with the organisation's mission and objectives. This policy outlines the principles and procedures for managing and approving expenditures.

2. Purpose

The purpose of this policy is to:

- Provide clear guidelines for the authorisation and management of expenditures.
- Ensure accountability and transparency in the use of funds.
- Prevent misuse of resources.
- Promote efficient and effective use of funds to achieve UFTG's goals.

3. Scope

This policy applies to all expenditures incurred by UFTG, including operational, programmatic, and capital expenses.

4. Principles

4.1 Accountability

All expenditures must be documented and authorised according to the procedures outlined in this policy. UFTG staff and board members are accountable for ensuring that funds are used appropriately.

4.2 Transparency

UFTG is committed to transparency in its financial dealings. All expenditures will be recorded accurately, and financial reports will be made available to relevant stakeholders.

4.3 Efficiency

Funds should be used in the most efficient way possible to maximise the impact of UFTG's activities. This includes seeking value for money in all purchases and contracts.

4.4 Compliance

All expenditures must comply with applicable laws, regulations, and donor requirements. UFTG will ensure that its financial practices adhere to generally accepted accounting principles (GAAP) and relevant local regulations.

5. Expenditure Categories

5.1 Operational Expenditures

These include costs related to the day-to-day functioning of UFTG, such as salaries, office supplies, utilities, rent, and administrative costs.

5.2 Programmatic Expenditures

These include costs directly associated with delivering UFTG's training programs and services, such as training materials, facilitator fees, transportation, and venue hire.

5.3 Capital Expenditures

These include costs for long-term investments in assets such as equipment, vehicles, and property.

5.4 Other Expenditures

Any other expenses not covered in the above categories, such as consultancy fees, marketing expenses, and fundraising costs.

6. Authorisation and Approval Process

6.1 Approval Levels

Expenditures must be approved according to the following levels of authority:

- Up to R5,000: May be approved by the relevant the finance department.
- R5,001 to R50,000: Must be approved by the Executive Director.
- Above R50,000: Must be approved by the Board of Directors or a designated finance committee.

6.2 Purchase Orders

All purchases must be accompanied by a purchase order. Purchase orders must be reviewed and approved by the authorised signatory before any commitment is made.

6.3 Requisition Forms

For expenses above R1,000, a requisition form must be completed and approved by the relevant authority before the expenditure is incurred.

6.4 Documentation

All expenditures must be supported by appropriate documentation, such as invoices, receipts, and contracts. These documents should be submitted to the Finance department for processing.

7. Budget Management

7.1 Budget Preparation

The annual budget will be prepared by the Executive Director in consultation with Finance department and approved by the Board of Directors. The budget will outline expected revenues and planned expenditures for the financial year.

7.2 Budget Monitoring

The Finance Department heads are responsible for monitoring their budgets and ensuring expenditures do not exceed allocated amounts. Monthly financial reports will be provided to the Executive Director and the Board to review budget performance.

7.3 Budget Adjustments

Any adjustments to the approved budget must be justified and approved by the Executive Director. Significant changes (above 10% of the total budget) must be approved by the Board of Directors.

8. Financial Reporting

8.1 Monthly Reports

The finance department will prepare monthly financial reports, including statements of income and expenditure, budget comparisons, and cash flow statements. These reports will be reviewed by the Executive Director and presented to the Board of Directors.

8.2 Annual Financial Statements

Annual financial statements will be prepared by the finance department and audited by an independent auditor. The audited financial statements will be presented to the Board of Directors and shared with donors and stakeholders as required.

8.3 Donor Reporting

UFTG will comply with all donor requirements for financial reporting, ensuring that reports are accurate, complete, and submitted on time.

9. Internal Controls

9.1 Segregation of Duties

To prevent fraud and ensure accuracy, no single individual should control all aspects of any financial transaction. Duties will be segregated among different staff members to provide checks and balances.

9.2 Cash Handling

All cash transactions must be documented, and cash should will be deposited in the relevant bank account. Cash handling procedures such as electronic transfers and bank card will be used to minimise the risk of theft or loss.

9.3 Expense Reimbursements

Staff and board members seeking reimbursement for expenses must submit a completed expense claim form with supporting receipts. Claims must be approved by the relevant authority before payment.

9.4 Audit

Internal audits will be conducted periodically to ensure compliance with this policy and identify areas for improvement. External audits will be conducted annually by an independent auditor.

10. Compliance

All UFTG staff and board members are required to comply with this expenditure policy. Non-compliance may result in disciplinary action, including termination of employment or board membership.

11. Policy Review

This policy will be reviewed annually by the Board of Directors to ensure it remains relevant and effective. Revisions will be made as necessary to reflect changes in organisational practices, legal requirements, or donor expectations.

12. Contact Information

For any questions or further information about this policy, please contact:

- **Executive Director:** Johann Stassen
- **Email:** info@umnga.africa
- **Phone:** 051 444 0201
- **Address:** 3 Boerneef Street, Langenhoven Park, Bloemfontein, 9301

This comprehensive expenditure policy ensures that UFTG's financial resources are managed responsibly, transparently, and effectively, in alignment with our mission to empower farmers in South Africa.

Approval details of the policy

Approved by	Board of Umnga Farmers Training Group NPC
Date of Approval	24 June 2024
Implementation Date	1 July 2024
Review Date	1 July 2026
Signature: Name: Johann Stassen Position: Executive Director	