

2.13

REQUESTS FOR SUNDRY PAYMENTS

Policy Number: 030A/06/04

Scope: The policy contains the rules and regulations of SU with regard to requisitions for cheque or electronic payments, excluding applications for advance cheques.

Policy:

Sundry payments are used for payments to staff members and students. No external vendors are paid via the sundry payment systems.

APPLICATION

Applications for sundry payments are captured on the financial system on FBT199P. After entering the request, a printable requisition is generated. The form reflects greater clarity regarding the responsibilities of the role-players and has to be signed by the beneficiary and the authorised approver before it is sent to Financial Services.

NATURE OF RESPONSIBILITIES

Four (groups of) role-players are involved in the application of a request for payment.

Beneficiary

The beneficiary is the person who incurred the expense (in the case of SU staff or students) and is now requesting a refund. The details of the beneficiary is captured Section A of the requisition. The beneficiary signs in the applicable place. By signing, the beneficiary (or proxy) declares that the expenses were incurred in the service of and to the best advantage to SU and that original supporting documents are attached. The person making this declaration will be held personally responsible in instances where the financial policies and procedures are not followed and this could lead to disciplinary steps.

Applicant

The applicant is the person who captures the request. The details of the person are printed in Section B of the application form. By capturing the request, he/she declares that the correct information has been provided and that supporting documents are attached.

Person who is authorised to approve the request

The detail of the person who is authorised to approve the request is filled in Section C of the form. By approving the request, the person in the faculty, department or division who approves the request confirms that the expense concerned was incurred in the execution of the functions of the University. In the case of the academic sector this entails research, teaching or community interaction. In the case of support services, it has to do with the functions of the relevant division. The person who signs declare that the expense represents university business, as set out in the financial instructions and policy, and that the request is thus approved. In the case of SU staff or students, the person who approves is someone other than the beneficiary.

Person who authorises the payment

The person who authorises the payment is the relevant faculty accountant in the Division: Finance. This person signs Section E and indicates any input VAT that can be claimed on the payment. By signing, he/she declares that all the financial-administrative control measures and policy have been complied with and the payment is authorised.

SUPPORTING DOCUMENTATION

The following supporting documents are required.

- No payments will be done on account statements, other than allowable medical expenses
- For the reimbursement of expenses, the invoice with the details of the expenses should be attached, together with the proof of payment
- Expenses must be claimed back within 3 months of payment to ensure that expense recognition is done within the correct period
- For registration fees or membership fees, the completed registration form or application should be attached, which should also indicate the cost, if the institution does not provide invoices
- If payment was made online, an extract of the bank statement should be provided as proof of payment
- If payment was made with a credit card, the original credit card receipt should be attached to the invoice as proof of payment
- For reimbursement of payments with a credit card in foreign currency, the credit card receipt, together with an extract of the credit card bank statement should be provided as proof of the ZAR-value of the payment. The value on the statement is correct as it converts the payment on the date of the transaction.
- Where other policies exist (e.g. entertainment and travel and accommodation), those policies should be checked for additional information that might be required.

APPROVAL PROCESS

For the sake of completeness, the SU key instructions with regard to the approval of requests for payment (as in the Financial Policy) are given below:

- All requests for payment by means of cheques or the electronic transfer of funds must be signed by the beneficiary and then be approved and signed by the dean/head of department/head/executive head/discipline head of division and/or an authorised person.
- Regarding the *delegation* of power of approval, the following:
 - Details of the designated management/control staff and of the persons to whom signing power has been delegated should be sent to the Financial Services Division every year.
 - The delegation form should be sent for the attention of the Director: Financial Services.
 - The Finance Division: Financial Services must be informed in writing as soon as possible of the delegation of signing power during absence (for example as a result of retirement, during leave, congress attendance, etc.).
- As there appears to be confusion, the approval of a request in terms of the Financial Policy entails the following:
 - that the expenses were incurred for the purpose of teaching, research and/or community interaction and to the best advantage of the University;
 - that all expenses are supported by complete and original documents as evidence;
 - that the expenses meet the requirements of the financial policy, which includes the Procurement policy;
 - a complete explanation of travelling and subsistence expenses are provided and are supported by original documents such as airplane tickets, hotel accounts or other documents; and
 - that the beneficiary is an employer and/or a student of SU and, if not, that the beneficiary complies with the definition of an independent contractor according to the South African Income Service (as set out in the Financial Policy);

- that the expenses meet the requirements of any external funder rules and regulations, where applicable.
- In accordance with the wording on the official application form (as cleared by Legal Services), the person who approves a request for payment may be held personally liable in cases in which the instructions and policy were not complied with and could even face disciplinary action.

PAYMENT PROCESS

The payment process entails the following key steps:

- All sundry payment requests, once they have been completed and approved by the designated person, together with all the supporting documents, are sent to the relevant faculty accountant at the Financial Services Division, who checks them and authorises the payment.
- Requests that are not completed in full or do not meet the financial policy requirements are returned to the applicant.
- After approval by the faculty accountant requests are paid by means of a cheque or an electronic transfer.
- In the case of electronic transfers to staff and students, the beneficiary is notified by e-mail that the transaction has been processed and is informed of the date on which the funds will be paid into his/her nominated bank account.
- All cheques and electronic transfers must be signed by two persons with authority to sign cheques.

GENERAL

Departments/divisions must not create an order and request a sundry payment – this results in double payments.

- As a result of the tax implications, a request for a payment with regard to remuneration must be sent to Human Resources.
- All cheques (other than petty cash and cash cheques) must be crossed as “non-negotiable” as well as “not transferable” in order to grant SU maximum protection in cases where cheques become lost or are stolen. In terms of the new bank law, not crossing may not be removed from a cheque under any circumstances.
- External suppliers of SU has to be paid via the creditors system and no direct payments via the sundry payment system will be allowed.
- Lost cheques are only cancelled after a month has elapsed.
- Electronic payments that are referred back by the bank due to incorrect banking details will be cancelled and returned to the requesting party to be captured again with the correct banking details.

ADVANCE PAYMENTS

Advance payments are only issued in highly exceptional cases, due to financial risks associated with it. However, should an advance payment be unavoidable, the following conditions apply:

- A payment request should be captured on which the SU number is included and sent to the relevant faculty accountant at the Financial Services Division.
- The advance finalisation form that is issued with the advance cheque must be returned with the necessary documents as evidence to Financial Services within 30 days.
- If an amount of money remains unspent, it must be deposited with the Cashiers against the same cost point account number against which the cheque was requested.
- If the costs incurred were greater than the advance, an additional cheque should be requested.

- Advance cheques are only issued to a creditor of the University in highly exceptional cases, since an order number has to be requested.

Contact Division:
Financial Services