



UJ FINANCE POLICY

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Division/Unit/Department	Financial Governance & Revenue, Revenue Administration & Financial Expenditure
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¹ Approval must be by the same structure that approved the initial policy.

Policy should be read in conjunction with	
<p>Internal Documents</p> <ul style="list-style-type: none"> • Policies, regulations, guidelines, and contracts • UJ Statute • UJ Vision and Mission • UJ Strategic Plan • UJ Operational Plan • Other UJ Related Policies • Other Finance Related Policies • Standard Operating Procedures 	<p>External Documents</p> <ul style="list-style-type: none"> • Banks Act • Basic Conditions of Employment Act • B-BBEE legislation and regulations • Companies Act • Companies Act No. 61 of 1973 – Regulations for the Retention and Preservation of Records (R2592 of 25 November 1983) • Debt Collectors Act • Employment Equity Act • Employment Services Act • Higher Education Act of 1997 • Income Tax Act • Labour Relations Act • Magistrates' Courts Act • Medical Schemes Act • National Credit Act • Pension Funds Act • Skills Development Act • Tax Administration Act • Unemployment Insurance Act • Value-added Tax Act (VAT Act)
<p>Stakeholders affected by this document (units and Divisions who should be familiar with it):</p>	<ul style="list-style-type: none"> • Council • Senate • Management Executive Council • Subcommittees of Senate • Executive Deans and Vice-Deans • Executive Deans and Directors • Heads of Departments • Student Representative Council • All UJ employees
<p>Website address of this document:</p>	<p>https://rb.gy/noy4oq</p>

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FINANCE POLICY

1. TERMINOLOGY

DEFINITIONS	
Council	Council of the University of Johannesburg
Department	Any faculty, support department, school, section, or unit within the University of Johannesburg
Employee(s)	Refers to (a) any person, excluding an independent contractor, who works for the University of Johannesburg and who receives, or is entitled to receive, any remuneration; and (b) any other person who in any manner assists in carrying on or conducting the business of the University.
Executive Dean/(s)	Executive Dean/(s) includes the Dean of the Johannesburg Business School
Faculty	Faculty/ies include the College of Business & Economics and the Johannesburg Business School
Financial Aid	Bursaries, Scholarships, NSFAS
Head of Department	Head of a School or Department
Independent contractor	A person who works for, or supplies services to the University as part of the person's business, undertaking or professional practice. The person performs the work for the University by working independently and without supervision or control of the University.
Manager/ Management	The management of a specific department, for example, the Head of Department, Executive Dean, Executive Dean, or Senior Director
Personal Expenses	Private expenses incurred by an individual, not related to any UJ account, cost centre, or other source of funding
Student(s)	Registered students of the University, both part time and full time
The University	University of Johannesburg
BPM	Budget and Project Management
ELG	Executive Leadership Group of the University of Johannesburg, Consists of the Management Executive Committee, all the Executive Deans and all the Executive Deans

HOD	Head of Department
ICT	Information and Communication Technology
MEC	Management Executive Committee of the University of Johannesburg
NSFAS	National Student Financial Assistance Scheme
SD	Senior Director
UJ	University of Johannesburg

2. INTRODUCTION

- 2.1. The rules and regulations as contained in the Finance Policy of the University are applicable to all financial activities and transactions within the University environment, regardless of the source of funding. It is the duty of each employee and student to ensure that they comply with all these rules and regulations.
- 2.2. Furthermore, it is also the responsibility of all University employees and students to familiarise themselves with the University Finance Policy.
- 2.3. The latest Finance Policy is available on <https://rb.gy/kr4va2>

3. OBJECTIVES OF THE FINANCE POLICY

- 3.1. The primary aim of this Finance Policy is to ensure that all financial transactions comply with the University requirements regarding internal controls, financial liability, and the management of financial risks, as well as comply with all legal and financial requirements as determined by the laws of South Africa, the South African Revenue Services (SARS) and any other institution that contributes funds to the University.

3.2. In addition to the above, the objectives of the Finance Policy are to:

3.2.1.1. Safeguard the University assets and ensure the effective use of existing resources.

3.2.1.2. Emphasise a culture of accountability in the control of the University's assets.

3.2.1.3. Ensure that effective controls are communicated to management, employees, and students, through a clear and comprehensive written Finance Policy document.

3.2.1.4. Continually develop and implement best finance practice and stay abreast of national financial legislation within the University.

4. COMPLIANCE WITH FINANCIAL POLICIES AND PROCEDURES

4.1. The ultimate responsibility for internal control and governance within departments rests with the manager of the department.

4.2. Accordingly, the manager must ensure that:

4.2.1. Appropriate and adequate controls exist within departments to safeguard all assets (refer to 24.4 for roles and responsibilities).

4.2.2. Finance Policies and Procedures are always complied with.

4.2.3. Records are maintained in as complete and accurate a form as possible.

4.2.4. All University employees and students must familiarise themselves and comply with the Finance Policies and Procedures.

4.2.5. Should employees or students become aware of or suspect a contravention or a deviation from these Finance Policies and Procedures, their immediate manager should be informed accordingly.

4.2.6. If the manager is involved, employees and students must report the contravention or deviation to the Chief Financial Officer.

4.2.7. All transgressions by employees and students within various departments should be reported to the Chief Financial Officer or the respective Executive Dean within the Finance Division.

4.2.8. Confidentiality must be maintained to ensure that all matters being investigated are dealt with in the appropriate manner, alternatively, the use of the whistle-blower fraud line should guarantee confidentiality.

4.2.9. Should employees and students be uncertain about the application of a policy or procedure, or about their obligations, they must discuss the matter with their

supervisor or an employee at management level responsible for implementing that Finance Policy or Procedure.

- 4.2.10. Training should be arranged with the Finance Division should employees and students find the application of policy or procedures difficult to comprehend.

5. DELEGATION OF AUTHORITY

- 5.1. This policy should be read and applied in conjunction with the Finance Delegation of Authority (DOA) and contract delegation within the Finance DOA available on <https://rb.gy/noy4oq>
- 5.2. The delegation of authority documents determine the level to which the authority to perform financial transactions and signatures to contracts may be delegated.
- 5.3. All expenditures must be approved according to the authorisation framework. No employee nor student is permitted to approve his/her own expenses. A higher-ranking, authorised member of staff together with a Financial Business Partner must always approve the transactions prior to the expense being made.
- 5.4. Managers of departments must ensure, wherever possible, that the duties of their employees and students are segregated so that different members of staff and students are responsible for different aspects of recording and the processing of a complete transaction, for example, for receipt, recording and banking of income or for the placing of orders, receipt of goods and approval of invoices for payment.
- 5.5. If limited resources allow for little or no segregation of duties, the manager must ensure that adequate procedures for regular independent checks of financial transactions are in place.
- 5.6. Advice on recommended internal control procedures can be obtained from the Finance division.
- 5.7. The Finance division must be notified of all employees that will be approving requisitions, part-time claim forms and other financial documents by completing the form available on <https://rb.gy/46nsdq>
- 5.8. Any changes to the approved hierarchy of approval levels should be communicated to the Finance division, by completing the said form to ensure that the workflow and specimen signatories are updated timeously.
- 5.9. The Finance division must ensure that all transactions received from departments have been properly authorised by authorised signatories in line with the authorisation frameworks.

6. PROTECTION OF PERSONAL INFORMATION

- 6.1. All employees and students should ensure that personal information as defined in the Protection of Personal Information Act (POPI Act) obtained in the execution of this policy and its related procedures is dealt with in compliance with the Act. Employees and students should not disclose personal information to third parties without prior consent of the information of that person unless required by law.

7. AUTHORITY TO CHANGE/ AMEND FINANCE POLICY

- 7.1. The Council of the University has the ultimate authority to change/amend the Finance Policy.
- 7.2. Any employee or student may propose a change/amendment of the University Finance Policy, provided that a proper written motivation is submitted to the policy owner.

8. DEVIATIONS FROM FINANCE POLICY

- 8.1. The policy must be complied with in full. Any deviation thereto should follow the approval process by the CFO or his/her proxy.

9. POLICY VIOLATION

- 9.1. Failure to adhere to this policy constitutes a violation and will result in disciplinary action in accordance with the University disciplinary process as provided for in the Conditions of Service.

10. EFFECTIVE DATE OF IMPLEMENTATION

- 10.1. This Finance Policy replaces the previously approved University Financial Policies and Procedures document and is effective from the date that it is approved by the University Council.

11. BUDGET

11.1. Objectives

- 11.1.1. To provide a foundation and framework to promote sound financial management and assistance to the University's stability, efficiency, and effectiveness.
- 11.1.2. To ensure appropriate allocation of financial resources in support of the University's strategy.
- 11.1.3. Ensure efficient utilisation of financial resources through spending.
- 11.1.4. To ensure transparent and accurate budget and expenditure reporting.
- 11.1.5. To ensure appropriate accountability in respect of budget management.

11.2. Scope

- 11.2.1. Income Budget.
- 11.2.2. Remuneration Budget.
- 11.2.3. Restricted Budget.
- 11.2.4. Operational Budget.
- 11.2.5. Capital Expenditure Budget (Capex).

11.3. Guiding Principles

- 11.3.1. The University budget year corresponds with the financial year which runs from 1 January to 31 December.
- 11.3.2. Annual budget guidelines are issued prior to the commencement of the budget cycle.
- 11.3.3. The budget should be prepared in line with the budget guidelines.
- 11.3.4. Projected income and expenditure targets should be aligned with the University's Strategic Plan and Annual Performance Plan (APP), taking into consideration the sustainability model targets.
- 11.3.5. Funds are budgeted for a specific financial year to support or fund goals and objectives that are to be achieved during that specific financial year.
- 11.3.6. Budget utilisation (spending) must be aligned to principles of efficient, effective, and transparent utilisation of resources.

11.3.7. No operational expense budget roll-over from the previous financial year will be allowed. Capital expenditure budget roll-overs will be allowed under exceptional circumstances subject to approval in terms of the delegation of authority.

11.3.8. Any unutilised funds on operational budgets at the end of a financial year, except for funding allocated for multi- year backlog and maintenance projects, will revert to the University.

11.4. Responsibilities of the Budget

11.4.1. The Support Departments/Faculties are responsible for the preparation of the budget, coordinated by the Financial Business Partner for the respective domain.

11.4.2. The Budget and Project Management department is responsible for the compilation and control of the expenditure budget and financial reporting.

11.4.3. The compilation of the income budget is prepared by the Treasury and Reporting department.

11.5. Budget Approval

11.5.1. The MEC, Financial Sustainability Committee of Council and Council have a direct responsibility to approve the budget.

11.5.2. The budget is presented to Council for final approval at its last meeting of the year.

11.6. Budget Monitoring and Controls

11.6.1. Budget expenditure must be in line with the approved delegation of authority.

11.6.2. Budgetary control over operational expenditure, salaries and CAPEX should be exercised systematically at line-item level.

11.6.3. Budget control will be exercised at category level. Overspending within budget categories should be reported to the respective ELG for the domain and Dir: BPM.

11.6.4. Any budget transfer within categories is allowed to the extent that there is no overspending at Support Department/Faculty level, according to the approved delegation of authority.

- 11.6.5. Budget transfers from budget cost centres to reserve cost centres is guided by the delegation of authority.
- 11.6.6. All transactions that occurred during the financial year should be aligned to the procurement year-end and cut -off circular to match budget allocation to the actual spend.
- 11.6.7. All invoices of the previous year must be submitted and processed no later than the third week of January of the following year, so that the expenses are reflected in the correct financial year.

11.7. **Budget Reporting**

- 11.7.1. Monthly budget reports showing the status of revenues and expenditure will be presented, analysed and submitted to management of the various domains.

12. **STUDENT FEE DEBTORS, BURSARY GUIDELINES FOR STUDENT FINANCE**

12.1. **Objectives**

- 12.1.1. To deal with the administration of bursaries and student fees payments in Student Finance.
- 12.1.2. To ensure that the student debtors control management processes assure the effective management, control, and collection of amounts due to the University.

12.2. **Scope**

- 12.2.1. Tuition, residence, and other student related fees.
- 12.2.2. Student Financial Aid.

12.3. **Student Fees Description**

- 12.3.1. A significant proportion of income for the University is derived from tuition, residence, and other student-related fees.
- 12.3.2. The rules and regulations pertaining to these fees, including the payments and recovery of unpaid amounts, are available in a separate fee booklet, which is available at:
<https://rb.gy/in7brt>

12.4. **General Principles**

- 12.4.1. The overdue debts owed by University students may be written off when the possibility of recovering the debt is considered remote and after all the avenues of collection have been pursued.

- 12.4.2. All avenues towards recovering monies owed to the University must be pursued prior to student's debts being written off. Furthermore, credit bureau listing may also be explored.
- 12.4.3. Under no circumstances may a manual receipt book be used by a department for tuition or residence fees receipts.
- 12.4.4. Tuition and residence fees must be paid using ULink (online payment option) or into the University's bank account.

12.5. Handover of Student Debt

- 12.5.1. At the end of August each year, all outstanding amounts from the previous year greater than a value which will be determined on an annual basis and included in the Standard Operating Procedure must be handed over to the external collectors for collection, except for NSFAS-funded students and selected internal bursary students.
- 12.5.2. Once the accounts have been handed over, the external collectors take over the responsibility for the management of that account. All communication or payments must be channelled directly to them.
- 12.5.3. Exceptions to this policy may be made by the SD: Revenue Administration whenever it is established that an extension of the payment deadline is warranted, and in cases where in-house debt collection is being explored.

12.6. Provision for Bad Debts

- 12.6.1. Provision for bad debts may be made when it is probable that the debt may not be recovered.
- 12.6.2. The provision of student debt is based on the amount in prior years' arrears for all students, after academic registration.
- 12.6.3. The accounts that are administered by the external collectors are included in the provision.

12.7. Irrecoverable Debt Written off

- 12.7.1. The Senior Manager: Student Finance is authorised to write off any amount smaller than or equal to a value which will be determined on a year-on-year basis and included in the Standard Operating Procedure. This must be reported to the Senior Director: Revenue Administration on a quarterly basis. These amounts should not be handed over to external collectors.

- 12.7.2. Student debt that has been outstanding for more than three years (including the current year), must be presented to be written off to the SD: Revenue Administration for recommendation by the Executive Dean: Financial Governance and approval by the CFO or his/her proxy.
- 12.7.3. The approved irrecoverable accounts must be written off on a yearly basis.
- 12.7.4. Once the student responsible for payment of the account is handed over to an external collector, the debt is allocated to a specific account type to be monitored. All handed over debt older than three years (including the current year) is written off.
- 12.7.5. The student account should be flagged with a financial status code to ensure that the student will not be able to register again before all outstanding amounts and written-off amounts are paid in full or an acceptable payment arrangement is approved.

12.8. Deceased Students

- 12.8.1. The tuition fees for deceased students for the current year of academic registration and prior will be written off upon receipt of supporting documents.
- 12.8.2. A death certificate must be submitted to the University.
- 12.8.3. Any credit arising from the cancellation below will be returned to the payer or next of kin if in line with 12.8.5. The University's refund process will apply.
- 12.8.4. If a student passes away in the first semester before the exam has been written, the faculty will backdate the cancellation of modules registered to 15 February and for a student who passes away in the second semester, the cancellation of modules registered will be backdated to the end of July.
- 12.8.5. Only payments made by students are refundable, this excludes payments received from a third party, for example bursaries, NSFAS etc.
- 12.8.6. The registration, ICT and international levies are non-refundable.

12.9. Recovery of Debt already Written off

- 12.9.1. Payments received after the account has been written off must be allocated to the bad debt recovered account.
- 12.9.2. The flag with financial status code that excludes students from registering will be removed only when the debt written off is settled in full or an acceptable payment arrangement is approved.

12.10. **Credit Balances (Student Accounts)**

- 12.10.1. Credit balances are retained for a three-year period and,
- 12.10.2. If not claimed, the amount will be allocated to a credit retained account by the Senior Manager: Student Finance or his or her proxy, however a student may still claim a prescribed credit balance.
- 12.10.3. The funds will be transferred to the statement of comprehensive income for the current year.

12.11. **Student Fees Receipts**

- 12.11.1. Due to the inherent risk associated with the receipt of cash, cash payments are not accepted on campus.
- 12.11.2. Payments are made through electronic transfers, card payments or electronic deposits into the University bank account.
- 12.11.3. Payments are received without prejudice. The University reserves the right to allocate received funds for the discharge of outstanding balances.

12.12. **Refunds**

- 12.12.1. Students with credit balances can apply for refunds online via uLink.
- 12.12.2. The University reserves the right to refund the student in tranches once the funder requirements have been fulfilled.
- 12.12.3. The refund process with the requirements is available on:
<https://rb.gy/in7brt>

12.13. **Bursary Payment Guidelines for Student Finance**

- 12.13.1. The University reserves the right to withhold payment of a bursary and to cancel payment thereof.
- 12.13.2. The University Bursary Policy provides for limiting multiple awards to individual students and the Staff Concession Policy that limits multiple awards to one individual from the University Main Fund, shall apply.
- 12.13.3. Double dipping will not be allowed (e.g. two or more awards may not be retained where the awards are all made for the same line items such as Tuition Fee Payment, Accommodation or Meals).

- 12.13.4. Students will be allowed to hold external funding in conjunction with University internal funding if the total of all awards does not exceed the student's full cost as determined by the University formula.
- 12.13.5. If students cancel their studies at the end of the first semester, the second half of the bursary (in respect of the second semester) will not be paid out.
- 12.13.6. If students cancel their studies before writing their June examinations, the bursary will be cancelled for the relevant semester and the rest of the year's University bursary will be cancelled. The student will be liable for the fees due.
- 12.13.7. If students who receive a bursary do not fulfil their obligations towards the University without providing plausible reasons, the bursary will be reversed in full. The student will be liable for the fees due.
- 12.13.8. In addition to the academic performance, the internal bursary criteria should consider the financial neediness of the students.

12.14. **Student Financial Aid**

- 12.14.1. The University awards merit bursaries to students who have achieved exceptional academic results.
- 12.14.2. The amount of the bursary is allocated directly to the student's account.
- 12.14.3. These merit bursaries are allocated according to the rules and regulations stipulated in the bursary booklet, which is available at:
<https://rb.gy/in7brt>
- 12.14.4. External bursaries are administered by the University according to the requirements of the external sponsors and in line with University policies and procedures.
- 12.14.5. If the University cannot source sufficient candidates who meet the criteria set by the donor, the University may amend such a criterion in consultation and in agreement with the donor as well as the bursary selection committee. The donor will, after being notified by the University, express its position to this effect in writing (viz. email and/or letter addressed to the University)

Various external bursaries with their requirements are available at:
<https://rb.gy/in7brt>

- 12.14.6. All applicants for NSFAS financial aid are required to apply directly to NSFAS through the student-centred model.
- 12.14.7. The University administers NSFAS funds in accordance with their terms and conditions, which are available at:
<https://rb.gy/in7brt>

13. RESEARCH FUNDS

13.1. Objective

- 13.1.1. To clarify the ownership of funds deposited with or held by the University, the responsibility for such funds, and what they may be used for.

13.2. Scope

- 13.2.1. Funds obtained from government institutions, such as the NRF, MRC, Innovation Hub, International Agencies / Donors and various others.
- 13.2.2. Funds transferred from the Central Research Fund, department and faculty funds.
- 13.2.3. Funds obtained from private companies for research.
- 13.2.4. Investment income for accumulated balances allocated by the University against the research fund.
- 13.2.5. Funds derived from publication subsidy income.

13.3. Guiding Principles

- 13.3.1. Research funds may be used only for research purposes and in line with the agreement with the donor/sponsor.
- 13.3.2. The University's Finance Policy and other relevant University policies apply to all research funds.
- 13.3.3. Expenses incurred against research funds are subject to the University Finance Policy and other relevant University policies.
- 13.3.4. Research contracts can only be approved as per the University delegation of authority.
- 13.3.5. No personal expenses, including personal remuneration, may be funded from a research fund.
- 13.3.6. No travelling or subsistence costs for family and/ or friends may be funded from a research fund.

13.4. Application of Research Funds

- 13.4.1. The following are examples of research running expenses:

- 13.4.1.1. Purchase of stock and services, e.g., chemicals for laboratories.
- 13.4.1.2. Buy-in of research assistantships.
- 13.4.1.3. Domestic and international research visits and attendance of conferences.
- 13.4.1.4. Purchase of apparatus and academic books.
- 13.4.1.5. Supplementing bursaries.
- 13.4.1.6. Salaries for ad hoc support to employees and students.
- 13.4.1.7. Membership fees related to research.
- 13.4.1.8. Awarding holder bursaries, student assistantships and doctoral bursaries.
- 13.4.1.9. Sabbatical support.
- 13.4.1.10. Employee and student development.

13.5. **Corporate Control**

- 13.5.1. In addition to complying with policies, any personal cost, e.g., entertainment or travel, must be approved according to the authorised signature form and in line with research project conditions.
- 13.5.2. Bursaries must be paid to the nominated student University account unless the institution concerned obtains approval in writing for the money to be paid to another student. If a bursary is not paid out at all, the money must be returned to the donor institution.
- 13.5.3. Funds must be used within a certain period, as stipulated by the donor institution, failing which the funds must be returned to the donor institution.
- 13.5.4. Unused funds should be managed as per the terms and conditions of the donor agreement.
- 13.5.5. Upon termination of services, which includes, resignation or retirement, the research funds are reconciled against the faculty's research fund or transferred to the employee who takes over the research. Only if the institution concerned gives permission in writing, funds may be transferred to another institution.
- 13.5.6. Researchers must comply with cross-border movement of research materials as stipulated in the various laws of the countries involved.

- 13.5.7. All claims for entertainment, as well as expenses, including personal expenses and amounts exceeding the annual approved amount, must be approved by the Executive Dean of the relevant faculty.
- 13.5.8. The appointment and remuneration of assistants are subject to all Human Capital Management policies and must be done by the Human Capital Management Department.
- 13.5.9. Assets acquired, which include, equipment, computers, and printers, remain the property of the University.
- 13.5.10. The insurance of assets, especially assets used somewhere other than on University campuses, must be arranged with Director: Risk Management and Insurance.

13.6. Research Reserve Funds

- 13.6.1. These funds are accumulated for supporting the sustainability of the University, research, capital and maintenance projects and strategic initiatives, for the benefit of faculties/departments and the University.
- 13.6.2. Income resources comprise:
 - 13.6.2.1. Subsidies for approved publications, as allocated by the Executive Dean of the relevant faculty.
 - 13.6.2.2. Transfers from the Central Research Fund, department and faculty reserve funds.
 - 13.6.2.3. Investment income generated.
- 13.6.3. The non-budget cost centres/funds may, at the discretion of the MEC or according to the sponsor's requirements, attract interest on credit balances and interest is levied on overdrawn balances.

13.7. Termination of service

- 13.7.1. Upon termination of service by a Researcher, e.g., resignation or retirement, the unutilised research funds and assets revert to the University's reserves and assets.

14. ACCOUNTS RECEIVABLE (SUNDRY DEBTORS)

14.1. Objectives

- 14.1.1. To ensure the effective management, control, and collection of the University's sundry debtors.
- 14.1.2. To deal with the administration of sundry debtors.

14.2. **Scope**

14.2.1. Debtors other than Student Debtors.

14.3. **Sundry Debtors Description**

14.3.1. Accounts receivable pertain to amounts owed to the University due to an official invoice that has been raised. Generally, these are amounts for goods and/or services provided by the University.

14.3.2. Accounts receivables are recognised as income at the time that the goods and/or services are provided and the amount owing as soon as the validity of the transaction is confirmed.

14.4. **Invoice Preparation**

14.4.1. All external supplies of goods or services by the University, except for student fees, must be invoiced via the Sundry Debtors system.

14.4.2. Invoices are issued by the Sundry Debtors Unit to ensure a single invoice number sequence is maintained in accordance with the Standard Operating Procedure.

14.5. **Credit Notes**

14.5.1. Any change or amendment to an invoice may only be made via a credit note processed centrally by an authorised staff member within the Sundry Debtors unit.

14.5.2. When a faculty or department requires a credit note, they must submit a full motivation, including any supporting documentation to the Sundry Debtors unit.

14.6. **Credit Balances (Overpayments to Debtors Account)**

- 14.6.1. Credit balances are retained for a three-year period (including current year).
- 14.6.2. If not claimed, the amount is allocated to a credit retained account by the Senior Manager: Treasury and Sundry Debtors.

14.7. General Terms of Payment

- 14.7.1. Full payment is required within 30 calendar days of statement date.
- 14.7.2. Payments are received without prejudice. The University reserves the right to allocate received funds for the discharge of outstanding balances.
- 14.7.3. Services should be suspended or placed on hold when debtor accounts are outstanding for more than 90 calendar days from the date of invoice unless alternative payment arrangements have been made and agreed upon by the University and the debtor.

14.8. Finance Charges and Reversal of Finance Charges

- 14.8.1. Interest will be charged monthly, commencing after 60 calendar days from statement date in terms of the Prescribed Interest Rate Act of 1975 (as amended).
- 14.8.2. Interest remains payable until a motivation has been presented to the Senior Manager: Treasury and Sundry Debtors. The Senior Manager: Treasury and Sundry Debtors is mandated to reverse or write back interest with low value. This value will be evaluated from time to time and applied through the Standard Operating Procedure.

14.9. Payment of Invoices

- 14.9.1. Payments may be made directly to the University's designated bank account, which is indicated on the invoice or at any of the University's campuses. Payments can also be made via the University's online payment portal.

- 14.9.2. All payments must be made against the outstanding invoice number on the debtor's account. No payment of invoices can be made directly into a cost centre.
- 14.9.3. Any proof of payment received by departments, in respect of outstanding invoices must be forwarded to the Sundry Debtors unit upon receipt.

14.10. Debt Collection and Management Process

- 14.10.1. A debt recovery process as described in the Standard Operating Procedure will be initiated for any invoice outstanding for more than 30 calendar days after statement date.
- 14.10.2. Exceptions to the debt collection process may be made whenever it is determined that an extension of the payment deadline is warranted, and a payment term has been agreed upon by the debtor. This decision is made by the Senior Manager: Treasury and Sundry Debtors.

14.11. Provision for Bad Debts

- 14.11.1. Management should provide for bad debts when it is evident that circumstances place the recovery of outstanding amounts in doubt.
- 14.11.2. The accounts that are administered by the external collectors are included in the provision.

14.12. Writing off Bad Debts

- 14.12.1. All available avenues for collection in the Standard Operating Procedure must first be exhausted before debt can be written off.
- 14.12.2. When write-off is considered, the following guidelines should be considered:
 - 14.12.2.1. The cost involved in recovering the arrears exceeds the amount owing.
 - 14.12.2.2. When all legal resources have been exhausted without any success in recovering the money.
 - 14.12.2.3. The debt cannot legally be enforced.
 - 14.12.2.4. The debt has prescribed per prescription provisions.
 - 14.12.2.5. All reasonable steps to trace the debtor have failed.
 - 14.12.2.6. The debtor can morally not be held accountable due to the University employee's negligence or incompetence.

- 14.12.3. Debt that has been outstanding for more than three years, including the current year, qualifies for write off. A full motivation must be presented by the Senior Manager: Treasury and Sundry Debtors for recommendation to the Director: Treasury and Reporting for approval.
- 14.12.4. The Senior Manager: Treasury and Sundry Debtors has the mandate to write off outstanding amounts smaller than a value which will be determined on a year-on-year basis and included in the Standard Operating Procedure. This must be reported to the Director monthly and Executive Dean: Financial Governance & Revenue quarterly.
- 14.12.5. All debtors whose accounts were written off will be blocked from any further business with the University and will be blacklisted unless approved in terms of the delegation of authority.

14.13. Recovery of Debts already Written off

- 14.13.1. Payments received after the account has been written off must be allocated to the bad debt recovered account.
- 14.13.2. Blacklisting can be reversed in line with the delegation of authority.

15. TREASURY

15.1. Objectives

- 15.1.1. To set the principles for sound cash management practices of the University.
- 15.1.2. To ensure that there is no mishandling of the University funds.
- 15.1.3. To provide guidelines and directions towards the management and investment of University funds which should generate adequate income and capital growth.
- 15.1.4. This policy sets out how to deal with payments and receipts on behalf of the University.

15.2. Scope

- 15.2.1. Includes bank and cash management at all University campuses and all locations where the University business is being concluded.

15.3. Guiding Principles for Sound Cash Management Practice

- 15.3.1. Use efficient cash management strategies, techniques, and procedures to increase the productivity of cash flow while achieving the following:
 - 15.3.1.1. Liquidity – Maintaining the ability to pay obligations when they become due.

- 15.3.1.2. Cash optimisation – Establishing systems and procedures to help minimise investment in non-interest earning cash resources while providing adequate liquidity.
- 15.3.1.3. Financial risk management – Monitoring and assisting in the control of the University's exposure to interest rates, foreign exchange, and other financial risks.
- 15.3.1.4. Coordination – Ensuring that cash management goals are communicated and integrated with the strategic objectives and policy decisions of other areas of the University that have an impact on cash flow.
- 15.3.1.5. Cash Flow Forecasting will be utilised to determine investment/disinvestment recommendations.
- 15.3.2. The Treasury Function is the University's nodal point for all University bank related matters. The Director: Treasury and Reporting is responsible for managing the University's banking relationships.

15.4. Responsibilities for Cash Management

- 15.4.1. The Treasury unit is responsible for planning, monitoring and control of the University bank accounts, short-term and long-term investments, to ensure that adequate funds are available to meet short, medium, and long-term objectives.
- 15.4.2. In addition, the department is responsible for establishing sound cash management practices to ensure the efficient utilisation of cash in a manner consistent with the overall strategic goals of the University.
- 15.4.3. To ensure that adequate funds are available to finance operational expenses timeously.
- 15.4.4. The Treasury unit is responsible for the movement of funds between bank accounts maintained by the University, which includes, but is not limited to the following:
 - 15.4.4.1. Initiating all wire transfers of funds for general business purposes.
 - 15.4.4.2. Establishing the daily cash flow.
 - 15.4.4.3. Appropriate funding of disbursements to meet obligations.
 - 15.4.4.4. Moving depository funds for investment purposes.

15.5. Short-term Investments

- 15.5.1. These apply to investments that provide high levels of liquidity.

15.5.2. Short-term Investments are defined in the Investment Policy Statement. Short-term investments may only be made on recommendation by the Senior Manager: Treasury and Sundry Debtors, and approval thereof as set out in the Standard Operating Procedure.

15.5.3. Optimising the benefits from short-term investments requires pro-active cash flow planning and forecasting by the Treasury unit.

15.6. Long-term investments

15.6.1. Long Term Investments are defined in the Investment Policy Statement.

15.6.2. The investments must be structured in such a way that funds can be liquidated timeously to meet future financial obligations of the University.

15.6.3. These investments are governed and controlled by the Investment Committee.

15.6.4. The roles and responsibilities of the Investment Committee are stipulated in the Investment Committee Charter, as approved by the Finance Sustainability Committee of Council.

15.6.5. A quarterly report on investments must be submitted to Council.

15.7. Long-term Loans

15.7.1. Long-term loans are subject to the criteria as set out by the Department of Higher Education and Training.

15.7.2. These loans require recommendation by the Financial Sustainability Committee of Council and approval by Council.

15.8. Deposit References and Allocations

15.8.1. The beneficiary faculty or department is responsible for communicating the correct reference and University banking account details to be used by payers to facilitate accurate allocation.

15.8.2. All receipt allocations should be processed by the Treasury unit.

15.8.3. Unreferenced deposits are to be held in the relevant suspense account until evidence is provided to allocate these appropriately.

15.8.4. Unreferenced deposits may be credited to the University after three years.

15.9. Payments

15.9.1. Approval of initial transaction must be in line with the University delegation of authority.

- 15.9.2. The University effects payments, through its approved banks, via EFT, as well as centralised procurement cards.
- 15.9.3. All EFT payments are to be approved by authorised signatories only unless approval is obtained to authorise otherwise.
- 15.9.4. Segregation of duties and authorities exists between loading, reviewing, and approving a payment.
- 15.9.5. Segregation of duties and authorities also applies where the Masterfile amendments for payees are not done by the same section where the payments were loaded.

15.10. Cash Receipts

- 15.10.1. All cash received must be recorded and banked within a reasonable period.
- 15.10.2. Line managers and supervisors must ensure that funds are safeguarded against wastage, loss, unauthorised use, fraud, and misappropriation.
- 15.10.3. Accessibility to funds and fund records is restricted and controlled.
- 15.10.4. An official receipt must be issued immediately upon receipt of money and will serve as proof of payment.
- 15.10.5. Cashiers are responsible for the safekeeping and correct handling of cash and capturing of receipts.
- 15.10.6. For any surplus, the receipt for the surplus should be issued immediately by the cashier.
- 15.10.7. When a shortage exists for cash paid in at the cashiers, the shortage must be paid in by the responsible cashier.

15.11. Opening of Bank Accounts

- 15.11.1. The appointment or termination of banking service providers shall be in line with the University Policy on Supply Chain Management approved as per the University's delegation of authority.
- 15.11.2. New bank accounts may only be opened by the Treasury Unit under the name of the University of Johannesburg and requires the approval of the Director: Treasury and Reporting and reported to ED and CFO on a regular basis.
- 15.11.3. Changes to existing banking services and banking limits should be approved by the Director: Treasury and Reporting and reported to ED and CFO on a regular basis.

16. ENTERTAINMENT

16.1. Objectives

- 16.1.1. To ensure that expenditure for official entertainment, hospitality and catering will not be excessive and should be able to withstand public scrutiny.
- 16.1.2. To ensure that this expenditure is incurred for a specific outcome that can be demonstrated to be of benefit to the University.

16.2. Scope

- 16.2.1. Entertainment.
- 16.2.2. Internal and External Staff functions/events.
- 16.2.3. Hospitality.
- 16.2.4. Attendance of University staff at official functions.
- 16.2.5. Employee farewell functions.
- 16.2.6. Catering during meetings.

16.3. Guiding Principles

- 16.3.1. Prior to any expenditure applicable to the entertainment policy, in-principle approval must be obtained, and the following should be considered by the senior line managers:
 - 16.3.1.1. The expense supports the departments, organisations, and University mission.
 - 16.3.1.2. The expense is reasonable, cost-effective and exhibits the best use of University funds.
 - 16.3.1.3. The expense is allowable from the fund source.

- 16.3.1.4. Funds are available for the expense.
- 16.3.1.5. Alternatives that would be equally effective in achieving the desired objective have been considered.
- 16.3.2. Hospitality, entertainment, and official functions, generally involving formal dining (i.e., "sit-down" meals), along with modest and publicly defensible refreshment expenditure are allowed.
- 16.3.3. All expenditure must be approved prior for budget control.
- 16.3.4. Expenditure will be limited to the annual approved budget.
- 16.3.5. Entertainment costs must be closely monitored by senior line managers and no overruns on budgets will be allowed.

16.4. Limit on Hospitality

- 16.4.1. While it is recognised that the cost of hospitality varies appreciably, depending upon the venue and the nature of the function, there is an obligation to ensure that expenditure is not excessive.
- 16.4.2. The University will meet hospitality costs if meals and beverages are limited to the approved budget.
- 16.4.3. Functions celebrating staff achievements, reward and recognition and other in-house social events are allowed.
- 16.4.4. As a rule, the frequency of in-house staff functions paid for by the University is restricted.
- 16.4.5. Staff year-end functions: The limit per head will be announced annually by the Chief Financial Officer.

16.5. Attendance by University staff at official functions (including student-focused events).

- 16.5.1. The number of staff attending official functions should be limited to those with a direct involvement in the business being conducted, for instance, only those who will be able to advance the University's business should be in attendance.
- 16.5.2. Generally, the number of staff attending should comprise a minor or balanced proportion compared to external representatives.
- 16.5.3. Expenditure should not be incurred for attendance of staff members' partners, unless approved by the Executive Leadership Group.

16.6. Catering during Meetings

- 16.6.1. Provision of morning and afternoon teas and working lunches is restricted.
- 16.6.2. Working lunches shall only be considered where meetings exceed four (4) hours or is a Council or Council Committee meeting.

16.7. Tipping

- 16.7.1. The University will meet the costs of tipping only where dictated by national custom.

16.8. Employee Farewell Functions

- 16.8.1. The Executive Dean/Director to whom the cost will be allocated must approve expenses for farewell functions, in principle, beforehand.
- 16.8.2. The requisition must reflect the name, position, and number of years' service of the employee who is leaving the University employ.
- 16.8.3. The function is dependent on the length of employment and position held at the University.
- 16.8.4. This would usually involve a "snacks-and-drinks" type farewell and is open to all who had dealings with that person. To the extent to which the farewell relates to retirement, consult the Farewell Policy for further guidance.
- 16.8.5. Anything beyond "snacks-and-drinks", which is exclusive for invitees, would need to be funded personally or be "subsidised" rand-for-rand amount, as approved by the Executive Dean or Executive Dean.
- 16.8.6. For farewell gifts, consult the Gifts policy for further guidance.

16.9. Extraordinary Expenses

- 16.9.1. The Executive Leadership Group is authorised to approve the following extraordinary expenses:
 - 16.9.1.1. Entertainment involving the spouse (or partner) of a host or a guest, the expenditure must serve a bona fide University business purpose. A brief justification on why it is necessary for the spouse (or partner) to attend must be provided.
 - 16.9.1.2. Employee team-building activities require the Executive Dean's/Dean's approval.
 - 16.9.1.3. Table sponsorships or instances where the University is underwriting the cost of the event require approval as per the Sponsorship policy.
 - 16.9.1.4. Event tickets (for example, sporting, theatrical or musical) require the Executive Dean's/Dean's approval. The request must be justified in writing and submitted with the payment request.

16.10. Payment of Entertainment Costs or Reimbursement of Expenditure

- 16.10.1. Staff can either request payment through submission of a payment requisition or an iProc for the appointment of a catering company or can alternatively use their corporate credit cards.
- 16.10.2. The following will apply:
 - 16.10.2.1. Staff will be reimbursed for approved actual expenses only on submission of original documentary proof.
 - 16.10.2.2. Proper motivation must be given why internal facilities were not used.
 - 16.10.2.3. Proper authorisation from the line manager and Financial Business Partner for budget approval must be obtained before any person is entertained by any University employee.
 - 16.10.2.4. The following information must be specified on the payment request, iProc or credit card voucher:
 - 16.10.2.5. Names and positions of the guests to be entertained.
 - 16.10.2.6. Reason for entertainment/function.
 - 16.10.2.7. Name of the organisation or group that the guests represent.
 - 16.10.2.8. If employees do not provide the above details, all costs will be for their personal accounts.
 - 16.10.2.9. Corporate credit card slips and supporting vouchers must be submitted to the Finance division at the end of each month.

17. GIFTS

17.1. Objectives

- 17.1.1. To provide guidance on expenditure on gifts.
- 17.1.2. To provide guidance on the use of gift vouchers.

17.2. Scope

- 17.2.1. Gifts offered on behalf of the University.

17.3. Guiding Principles

- 17.3.1. The University will pay for appropriate gifts made in the normal course of business, for example, to visitors if protocol requires, but corporate gifts should rather be given where appropriate.
- 17.3.2. Gifts must be approved by the authorised Executive Dean/Dean.
- 17.3.3. Under no circumstances may any gift be given as payment for services rendered.
- 17.3.4. Human Capital Policy and Procedures should be consulted for guidance on receiving of gifts by staff members from external parties.

17.4. University Gifts for Personal Events

- 17.4.1. Gifts, for example, flowers and fruit baskets, for the following personal events: births, family deaths and sickness in a department, can be funded from University funds, within reason.
- 17.4.2. No gifts or flowers may be purchased for personal occasions, for example, birthdays, weddings or wedding anniversaries or other occasions, for example, Boss's Day and Secretary Day. Any exception must be approved by the relevant Executive Dean/Dean/Senior Director.

17.5. Personal Gifts for People at/leaving the University

- 17.5.1. Gifts should not have a tax implication for the recipient. Therefore, any monetary amount given will be taxed.
- 17.5.2. All gifts for staff leaving, who have been in the employ of the institution, must be approved by the Executive Dean/Dean within approval limits as set by the MEC. Limits are indicated in the Human Capital Policy. Any amount above these thresholds set by the MEC must be approved by the Chief Financial Officer.
- 17.5.3. All other gifts should be financed against collections received from members of the department or faculty concerned and will not be for the University's account.

17.6. Gift Vouchers

- 17.6.1. Gift vouchers to external parties.
 - 17.6.1.1. Vouchers can be given to external parties as a token of appreciation and not as a payment for services rendered.
 - 17.6.1.2. Gift vouchers can be given as reimbursement costs, where individuals have willingly participated in a survey/trial.
- 17.6.2. Gift vouchers to the University of Johannesburg staff/students:

- 17.6.2.1. Gift vouchers can be given to students as a prize for recognition of academic achievements.
- 17.6.3. Gift vouchers can be given to staff for recognition of extraordinary achievements and who are excluded from participating in the merit bonus or performance management scheme, if they are funded from external curriculum course income and have been approved by the Executive Dean.
- 17.6.4. Gift vouchers cannot be given to staff members where there is a relationship to services rendered, for example, for long-service awards, payment of overtime/additional work, payment in lieu of a year-end function. Exception only granted if approved by MEC.

18. SPONSORSHIPS

18.1. Objective

- 18.1.1. To ensure adequate management and reporting of sponsorships made.

18.2. Scope

- 18.2.1. All sponsorships made from University funds/ resources.

18.3. Guiding Principles

- 18.3.1. The University may sponsor an event when the sponsorship provides a tangible or intangible benefit to the University on condition that that sponsorship achieves the following:
 - 18.3.2. Enhances the image of the University as a responsible corporate citizen.
 - 18.3.3. Is permitted under the terms and conditions of the funding source.
 - 18.3.4. Is within the budget for such expenditures.
 - 18.3.5. Is approved by an ELG member and the relevant deputy vice-chancellor.

19. DONATIONS

19.1. Objectives

- 19.1.1. To guide donations made and received.

19.2. Scope

- 19.2.1. All donations

19.3. Donations Made

- 19.3.1. University funds may under no circumstances be used for donations to any other business, person, or organisation.
- 19.3.2. The University may, however, supply wearable paraphernalia such as branded T-shirts, ball-caps, scarves, sweatshirts or similar with the University logo to employees and students participating in corporate functions, such as sports events, conferences, and symposia.
- 19.3.3. Expenditure must be approved by the relevant line manager.

19.4. Donations Received

- 19.4.1. A Section 18(A) Tax Certificate can only be issued in terms of Section 18(A) of the Income Tax Act (as amended) for a donation that is given without any obligations.
- 19.4.2. Departments and/or donors must request tax certificates from the Sundry Debtors unit.
- 19.4.3. Donors will be furnished with either a Section 18(A) Tax Certificate or an invoice, but not both.

20. PAYROLL

20.1. Objective

- 20.1.1. To ensure timely and accurate payments of salaries.
- 20.1.2. To ensure that payroll transactions comply with IFRS principles, legislation and are in line with the University policies and procedures.

20.2. Scope

- 20.2.1. All payments in respect of salaries.

20.3. Line Manager's Responsibilities

- 20.3.1. Accurate and timely reporting of an employee's time and attendance is the direct responsibility of the employee's immediate manager.
- 20.3.2. This responsibility includes the following:

- 20.3.2.1. Being familiar with the University policies in respect of time and attendance that govern hours worked, lunch times, overtime pay, compensatory time, leave pay and pay for shifts and weekends.
- 20.3.2.2. Ensuring that all documents for the appointment of an employee are submitted to the Division of Human Capital and Transformation by the cut-off dates as reflected on the University's intranet. Thus, ensuring that they have an active employment record on the first day of work and that they can be paid on time.
- 20.3.2.3. Transmitting accurate and authorised claims with valid supporting documents, for example, overtime and subsistence claims, to Payroll department before the established deadlines, which is available on the University's intranet.
- 20.3.2.4. Ensuring that employees have been appointed against the correct cost centre after the first payment run and that payroll data contained on payroll reports are accurate and that discrepancies are given through to the Division of Human Capital Management for resolution.

20.4. Employee Responsibilities

20.4.1. Biographical details.

20.4.2. It is each employee's responsibilities to ensure that the following information is provided to payroll, and it is kept up to date:

20.4.2.1. Banking details.

20.4.2.2. Identification number or Passport number.

20.4.2.3. Income tax reference number.

20.4.2.4. Employee's address – this includes the employee's physical and postal addresses.

20.4.2.5. Contact numbers – business and cellular phone numbers.

20.4.2.6. Email address.

20.5. Salary Payments

20.5.1. All local salary payments must be done via electronic transfer. These transfers can be made into current, savings and transmission accounts. Salary payments cannot be made into credit card or bond accounts.

20.5.2. Employees must complete banking details online via Oracle self- service and attach a bank statement or a letter no older than three months from the bank confirming the bank account detail.

- 20.5.3. The Payroll department will verify the banking details, and it will become active on the pay cycle depending on the date of receiving the request. The cut-off is two working days before pay day.
- 20.5.4. The employee's payslip will reflect the banking details used for the transfer.
- 20.5.5. Should the payment be rejected due to incorrect banking details, correct banking details need to be submitted to Payroll via the Oracle online self-service.

20.6. **International staff payments**

- 20.6.1. International payments should be approved by Director/ Dean/ Head of Department.
- 20.6.2. Supporting documents to be attached:
 - 20.6.2.1. Claim form signed by employee and approved by Director/Dean/ Head of Department.
 - 20.6.2.2. Clearly state the amount claimed.
 - 20.6.2.3. Copy of Passport.
 - 20.6.2.4. Proof of banking details.
- 20.6.3. Payroll is responsible to verify and send foreign payments to the bank for processing.

20.7. **Leave Encashment**

- 20.7.1. Employees who qualify for leave encashment need to submit the completed form, which is available on the intranet, to the Division of Human Capital Management before the cut-off date.
- 20.7.2. A minimum of five days accumulated from historical leave can be encashed.
- 20.7.3. The payment will be paid out with the next pay run.

20.8. **Subsistence and Travel Claims Payments**

- 20.8.1. Subsistence and travel claims refer to local and overseas subsistence claims.
- 20.8.2. The University pays a subsistence allowance to staff for each night spent away from home or part of a day away from the usual place of work on official University business for incidental costs in accordance with the Travel, Accommodation and Subsistence Policy.
- 20.8.3. The claim form can be obtained from <https://rb.gy/vitegu>

- 20.8.4. Forms and supporting documents must be submitted four weeks prior to the local travel date. In the case of an overseas trip six weeks prior to the travel date for the payment to be made on pay day or nearest travel.
- 20.8.5. Reimbursement for travel (private vehicle use):
- 20.8.6. No salary advance for local travel unless travel is more than 30 days for research purposes.
- 20.8.7. Payments will be made with the normal salary run.
- 20.8.8. The University will reimburse staff according to the Travel, Accommodation and Subsistence Policy.
- 20.8.9. The claim form can be obtained from the <https://rb.gy/vitegu>
- 20.8.10. The completed and authorised form is then submitted to the Payroll department and payment will only be made with the normal salary run.

20.9. Payroll Sub-Department Responsibilities

- 20.9.1. Third-party payments/Payroll Creditors: Third parties/payroll creditors are paid via electronic fund transfer on prescribed due dates.

20.10. Overtime Payments

- 20.10.1. Overtime will be paid according to the Conditions of Service and labour legislation.
- 20.10.2. Also refer to the Overtime Policy and any collective agreements.
- 20.10.3. Prior approval for overtime must be obtained by the employee via the Line Manager, Head of Department and Financial Business Partner to ensure there is sufficient funds.

20.11. Emolument Orders and Payroll Deductions

- 20.11.1. The University deducts the following from the salary:

- 20.11.1.1. Garnishee and maintenance orders.
- 20.11.1.2. NSFAS deductions.
- 20.11.1.3. Bankruptcy and administration orders.
- 20.11.1.4. PAYE debt recoveries.
- 20.11.1.5. Statutory deductions.
- 20.11.1.6. Court order deductions.
- 20.11.1.7. Collective agreement deductions.
- 20.11.1.8. Arbitration award deductions.
- 20.11.1.9. Discretionary or voluntary deductions.

20.12. Temporary Appointments and Payments

- 20.12.1. All temporary appointments and claims are processed via the online temporary appointment and claim system.
- 20.12.2. Requesters and approvers from faculties and divisions must ensure that the approval hierarchy for the online process is followed.
- 20.12.3. This process must be completed in line with the communicated cut-off dates for each month, which is available on the intranet.

20.13. Tax Certificates (IRP5 and IT3(a)) and Payslips

- 20.13.1. The Payroll department is responsible for the issuing of annual tax certificates in accordance with the Income Tax Act and SARS requirements.
- 20.13.2. Payslips and tax certificates will be distributed electronically via email.

20.14. Termination of Employment Payments

- 20.14.1. Employees that terminate service will be paid via an electronic funds transfer (EFT) on the last working day of the month.
- 20.14.2. The payment will include leave payments and deduct all the outstanding debts from the employee.
- 20.14.3. All termination forms need to be completed and submitted to payroll as early as possible to enable the payment on the last working day of the month.

21. PETTY CASH

21.1. Objectives

- 21.1.1. To provide guidelines to officials in the University regarding the administration and utilisation of petty cash.
- 21.1.2. To ensure accountability of all parties involved in the financial management of University petty cash floats.

21.2. Scope

- 21.2.1. Petty cash floats.
- 20.2.1. Petty cash requests/claims from petty cash floats.

21.3. Guiding Principles

- 21.3.1. Petty cash is intended for small, incidental purchases for which the use of a Purchase Order (PO) is not cost effective, usually less than an amount specified in the associated Standard Operating Procedure or is unacceptable to the vendor, or a Credit/ Purchase Card is not accepted.
- 21.3.2. The facility is intended for small, incidental reimbursements for individual staff members for out-of-pocket University expenditures.
- 21.3.3. The facility is intended to enable the cost-effective purchasing of small or petty items which are often urgently needed.
- 21.3.4. Petty Cash may under no circumstances be issued for non-official purposes.
- 21.3.5. Petty Cash shall at no times be issued to avoid following the University Supply Chain Management (SCM) processes.
- 21.3.6. Splitting payments to circumvent the petty cash policy constitutes financial misconduct and is prohibited.
- 21.3.7. Where high value floats or frequent reimbursements are needed, the SCM must be consulted to evaluate the purchasing requirements of the department needing such imbursements, this should be done in consultation with the Director: Treasury and Reporting to suggest alternative purchasing solutions.
- 21.3.8. Petty Cash must be strictly controlled.
- 21.3.9. All expenses incurred should be transparent, economical, and utilised in the best interest of the University.

- 21.3.10. Petty cash should be safeguarded against wastage, unauthorised use, fraud, and misappropriation.
- 21.3.11. Misuse and abuse of petty cash must be reported to Director: Treasury and Reporting.
- 21.3.12. Gifts and donations must be addressed in accordance with the gifts and donations section within this policy.
- 21.3.13. Supporting documentation for the transactions should be submitted to the relative petty cash officer within 30 days.
- 21.3.14. If the original supporting documentation has been lost, and every effort has been made to get a copy of the original supporting documentation, a signed affidavit should be presented to the Card Administration Office to be signed off by the relevant Executive Leadership Group Member.

21.4. Petty Cash Restrictions:

- 21.4.1.1. Inventory such as stationery.
- 21.4.1.2. Travel and subsistence requests, which could be procured under the provisions of the Travel and Subsistence Policy of the University, cannot be paid by means of petty cash.
- 21.4.1.3. Purchasing of any items that may be classified as an asset. All assets must be procured through the normal procurement process to ensure proper recording of assets within the asset register. The manager in charge of assets may be approached in cases of doubt whether an item could be classified as an asset or not. Proof of the asset manager's response must be provided where petty cash issued is in doubt.

21.5. Petty Cash Float

- 21.5.1. A petty cash float is requested annually in accordance with the associated Standard Operating Procedure.
- 21.5.2. A maximum float amount per department/faculty will be applied, with possible exceptions, depending on circumstances and location.
- 21.5.3. The maximum amount of the petty cash reimbursement will be reviewed from time to time and applied through the Standard Operating Procedure.
- 21.5.4. Petty cash will be replenished on the University Imprest System. The value of all vouchers must be submitted to bring the float back to its original amount.

21.6. Safekeeping of petty cash

- 21.6.1. The responsibility for safekeeping, disbursement and administration of petty cash is assigned to an employee from the requesting department/ faculty.
- 21.6.2. All the cash must be kept in a bank account of the University and disbursement must be done via e-wallet, except for the department/faculty that does not have the e-wallet facility.
- 21.6.3. Departments that do not make use of the electronic facility, must keep the petty cash in a fireproof safe.
- 21.6.4. If one or more officials share access to a single safe, adequate measures must be in place to ensure that only the designated petty cash officer or supervisor has access to petty cash.
- 21.6.5. The custodian of petty cash is always personally responsible for the appropriate and adequate safekeeping of these funds.

21.7. Appointment of a Petty Cash Officer

- 21.7.1. All Petty Cash Officer appointments and replacements must be done in writing by the Director: Treasury and Reporting.
- 21.7.2. At the end of term, a handing over process must be conducted with documented proof of the reconciliation of the actual cash, receipts, and outstanding vouchers.

21.8. Administrative Responsibilities

- 21.8.1. Petty cash must be kept separate from other monies.
- 21.8.2. Petty cash must be checked at least once a month and at that time the cash with receipts added to the outstanding vouchers must add up to the amount approved.
- 21.8.3. Managers of a department/faculty must ensure that petty cash is replenished within sufficient time for Finance to effect the transaction within the minimum required time of five days. This will ensure the availability of petty cash on a continuous basis.

22. UNIVERSITY CARDS

22.1.1. Objectives

- 22.1.2. To define the parameters around the use of University cards and the associated roles and responsibilities.

22.1.3. To ensure that maximum benefits are achieved from the use of the cards, while minimising the risk to the University.

22.2. **Scope**

22.2.1. Covers all activities related to the use of the University cards.

22.2.2. University cards include University debit cards, credit cards and purchase cards.

22.3. **Guiding Principles on the use of University Cards**

22.3.1. University cards provide a convenient and cost-effective purchasing tool for low value items and online purchases of University approved business expenditure.

22.3.2. Approval of initial transaction must be in line with the University delegation of authority.

22.3.3. University cards shall at no times be issued and used to avoid following the institution's Supply Chain Management processes.

22.3.4. All purchases must be business related and remain within the limits of the budget.

22.3.5. A card holder agreement should be in place.

22.3.6. Repeated non-compliance will lead to possible revoking of the card.

22.4. **Corporate Credit Cards**

22.4.1. Eligibility: Members of the Executive Leadership Group.

22.4.2. Only the Chief Financial Officer or his/her proxy may approve the issuing of a corporate credit card.

22.4.3. Application for a card is required to be submitted, in writing, to the Chief Financial Officer or his/her proxy.

22.4.4. Default credit limit on application of the credit card will be applied.

22.4.5. Applications for a credit limit increase is required to be submitted, in writing, to the Chief Financial Officer or his/her proxy.

22.5. **University Procurement Credit Cards**

22.5.1. The Executive Dean: Financial Governance & Revenue or his/her proxy may make a procurement credit card available to a nominated employee.

22.5.2. Default credit limit on application of the credit card will be applied in accordance with the associated standard operating procedure.

22.5.3. Applications for credit limit increase must be submitted, in writing, to the office of the Executive Dean: Financial Governance & Revenue.

22.6. Residences Bank Cards

22.6.1. The Residence bank card is a debit card linked to a savings bank account.

22.6.2. Eligibility: issued to the House Warden/House Manager of Residences (University of Johannesburg) to enable POS (Point of Sale) transactions with non-University suppliers, specifically those of lower value purchases.

22.6.3. The ED: Financial Governance & Revenue or his/her delegate approves applications for new cards and reserves the right to cancel a card and its privileges at any time. In such an event, the cardholder must return the card immediately.

22.7. Responsibilities of Cardholders

22.7.1. The cardholder is accountable for all transactions processed on their card.

22.7.2. The cards are issued in the name of the individual and should only be used by that person, or persons duly authorised by the card holder.

22.7.3. The card holder must ensure that adequate funds/budget are available before using the card for any transaction.

22.7.4. The card must be used within the card limit as per agreement.

22.7.5. The cardholder is responsible for the safekeeping of the card, its security number (CVC) and Pin number as well as for transactions on the card.

22.7.6. The cardholder is responsible for monitoring the relevant expenses on the card bank statement. This will enable him/her to timeously identify fraudulent transactions on the card.

22.7.7. Fraudulent transactions must be reported immediately to the issuing bank and to the Cards Administration office of the University.

22.7.8. Cardholders are required to submit signed statement and receipts with meaningful text explaining the purpose of the transaction to the Cards Administration office within 30 days to avoid possible card suspension.

- 22.7.9. If the original supporting documentation has been lost, and all efforts to obtain a copy of the original supporting document have failed, then a signed affidavit should be presented to the Card Administration office and the relevant Executive Leadership Group Member for sign off.
- 22.7.10. In case of loss or theft of the University card, it must be reported immediately to the issuing bank and to the Cards Administration office of the University.
- 22.7.11. Failure to use the card in accordance with the University's policies may constitute fraud and/or conflict of interest and may result in the withdrawal of the card and disciplinary action.
- 22.7.12. Use of the card by the cardholder after it has been reported lost or stolen will be regarded as fraud and the University may take legal action.
- 22.7.13. The cardholder must return the card immediately upon termination of employment and/or redeployment.

22.8. Responsibilities of Card Administration

- 22.8.1. The Treasury and Reporting department/ Card Administration Office together with the Budget and Project Management department coordinates card administration and liaises with the service providers.
- 22.8.2. The Budget and Project Management department has a responsibility to:
 - 22.8.2.1. Ensure all funding requests are in line with the University Finance Policy in conjunction with Policy of Residence Life where applicable.
 - 22.8.2.2. Daily and monthly limits on card transactions per project must be aligned to approved budgets.
- 22.8.3. The misuse of a purchasing card must immediately be reported to the Executive Dean: Financial Governance & Revenue and the Chief Financial Officer or his/her proxy.

23. ACCOUNTS PAYABLE

23.1. Objectives

- 23.1.1. To standardise the method of handling accounts payable/creditors, advance and reimbursement payments to enhance uniformity.
- 23.1.2. To ensure accurate and timely payment of invoices for goods and services, according to the payment terms established with suppliers.

23.2. Scope

- 23.2.1. Payment of suppliers (local and international suppliers).

23.2.2. Advance payments.

23.2.3. Payment of reimbursements.

23.2.4. International Students refunds.

23.3. **Guiding Principles**

23.3.1. As a principle, the University effects all accounts payable payments through its approved bank, via electronic fund transfer. No cash cheques or cash will be issued as a form of payment.

23.4. **Responsibilities for Accounts Payable**

23.4.1. The Accounts Payable department is responsible for the accurate and timely payment of invoices for goods and services, according to the payment terms established with suppliers.

23.4.2. There should be segregation of duties that separates roles and responsibilities to ensure that an individual cannot process a transaction from initiation through to payment without the involvement of others. Segregation of duties so implemented mitigates the risk of fraud or error to an acceptable level.

23.4.3. No one individual should be able to create a new vendor, create a purchase order for that vendor, post and approve an invoice for that vendor, create, approve, and record a payment for that vendor. No single individual is allowed to perform any combination of more than one of the above operations.

23.5. **Payment of Suppliers**

23.5.1. Suppliers fall into three categories:

23.5.1.1. Term creditors

23.5.1.2. Ad hoc creditors

23.5.1.3. International creditors

23.6. **Term Creditors**

23.6.1. A term creditor is a supplier that is paid in accordance with arranged terms, e.g., 7, 15, 30 or 60 days from date of invoice or statement. Payment terms for University suppliers is 30 days from date of statement.

- 23.6.2. Term creditors must be registered on the University supplier database and must be issued with an official University Purchase Order (PO) before they can supply or render a service.
- 23.6.3. The following is required in order to effect a payment:
 - 23.6.3.1. A signed invoice and statement that indicates:
 - 23.6.3.2. Supplier name and address
 - 23.6.3.3. Supplier company registration number.
 - 23.6.3.4. Supplier VAT number.
 - 23.6.3.5. University of Johannesburg VAT number.
 - 23.6.3.6. An official University of Johannesburg purchase order number.
 - 23.6.3.7. Proof of Delivery (POD) or Goods Received Voucher (GRV).
- 23.6.4. All invoices, statements, and proof of delivery must be emailed to apinvoices@uj.ac.za.
- 23.6.5. When authorising invoices or proof of delivery for payments, the following is mandatory: full name, staff number, department, date, cost centre and authorised signature.
- 23.6.6. To amend banking details, a supplier must submit an official bank-stamped letter not older than three months, indicating the new banking details.

23.7. **Ad hoc Creditors**

- 23.7.1. This function, within Accounts Payable, is responsible for accelerated payments.
- 23.7.2. Ad hoc payments are also made to suppliers that are not on the approved supplier database of the University and are “once-off” payments.
- 23.7.3. Ad hoc payments are made within 10 working days from the date the request is received by Accounts Payable.
- 23.7.4. To create an ad hoc supplier on the system, one of the following is required:
 - 23.7.4.1. A valid tax invoice.
 - 23.7.4.2. A supplier registration document.
 - 23.7.4.3. A valid subscription renewal document.
- 23.7.5. Banking details are accepted as those that are reflected on the supplier’s invoice.

23.7.6. To amend banking details, a supplier must submit an official bank-stamped letter not older than three months indicating the new banking details.

23.8. Ad hoc payments - Procure-to-Pay Electronic Payment Processes

23.8.1. The following commodity categories are deemed to be ad hoc payments and are dealt with electronically via the Procure-to-Pay system:

23.8.1.1. Accommodation (national).

23.8.1.2. Conference fees.

23.8.1.3. Entertainment.

23.8.1.4. Licenses (not software or hardware).

23.8.1.5. Membership fees.

23.8.1.6. National shuttle services.

23.8.1.7. Transport.

23.8.2. The end-user submits a requisition (iProc).

23.8.3. A signed/ authorised valid tax invoice with all necessary details (e.g. name, address, VAT number, banking details, etc.) must be attached to the iProc.

23.8.4. An order is then created based on the iProc.

23.9. Ad hoc payments - Reimbursement Processes

23.9.1. Reimbursements are deemed to be ad hoc payments and are dealt with electronically via the i-Expense system (These expenses should be pre-approved by a line manager and Financial Business Partner).

23.9.2. Original documentary evidence or written confirmation by the Financial Business Partner is required to substantiate the reimbursement claim.

23.9.3. The HOD approves the reimbursement by cancelling and signing all the original receipts related to that specific request for reimbursement.

23.9.4. The staff number, date and title must be added to the signature above.

23.9.5. The claimant (requestor) scans and saves the document on his/her computer.

23.9.6. The requestor creates an i-Expense, attaches the saved receipts to the transaction, and submits the transaction to the Financial Business Partner for checking on approval.

- 23.9.7. Approved travel annexures must be provided in cases of travel cost with i-Expense claims.
- 23.9.8. The Financial Business Partner forwards the i-Expense to Accounts Payable for validation and processing.
- 23.9.9. No subsequent payment for a reimbursement will be made until Accounts Payable receives the original documentary evidence or written confirmation by the Financial Business Partner to substantiate the previous claim.

23.10. Ad hoc Payments - Payment Requisition Processes

- 23.10.1. The following ad hoc payments are processed from payment requisitions:
 - 23.10.1.1. Daily Subsistence.
 - 23.10.1.2. Funeral Assistance.
 - 23.10.1.3. Student Refunds.
 - 23.10.1.4. Petty Cash Replenishment.
 - 23.10.1.5. Refunds to outsiders.
- 23.10.2. The relevant payment requisition is filled in and signed by the applicant with supporting documents attached (receipt, travel form, etc.).
- 23.10.3. The respective HOD and accountant also must sign/authorise.
- 23.10.4. Banking details of the applicant need to be filled in.
- 23.10.5. The cost centre string must reflect on the requisition form.

23.11. International Creditor Payments

- 23.11.1. Accounts Payable is responsible for making payments to international suppliers.
- 23.11.2. Payments take 15 working days to process, provided all relevant documents are received.
- 23.11.3. On license payment requirements, an invoice and agreement should be signed by both parties (supplier and the University representative) and must specify if it is an annual renewal or once-off payment.
- 23.11.4. License payments take up to six weeks to be processed.

- 23.11.5. Payment to staff based outside South African borders fall under the jurisdiction of the payroll department.
- 23.11.6. Daily subsistence will be paid only to international visiting delegates.
- 23.11.7. The importation from and payment to international suppliers for all physical goods, books and software must follow normal procurement processes and must be requested via the regular iProc system.
- 23.11.8. iProc must be in the foreign currency – same as the invoice.
- 23.11.9. Invoice or pro forma invoice addressed to University of Johannesburg should contain the following:
 - 23.11.9.1. Supplier name and full address
 - 23.11.9.2. Invoice number and date
 - 23.11.9.3. Amount to be paid
 - 23.11.9.4. Full name, signature, and staff number of the approver
 - 23.11.9.5. Banking details:
 - 23.11.9.5.1. Bank name
 - 23.11.9.5.2. Account name
 - 23.11.9.5.3. Bank account number/IBAN number
 - 23.11.9.5.4. Sort code/Swift code
 - 23.11.9.5.5. Physical address of the bank
- 23.11.10. Requirements to process international payments
- 23.11.11. An iProc is required for international payments in the categories below:
 - 23.11.11.1. International Conference registration.
 - 23.11.11.2. International Accommodation.
 - 23.11.11.3. International Reimbursement.
 - 23.11.11.4. International Membership.
 - 23.11.11.5. International Subscription.

- 23.11.11.6. International Publication.
- 23.11.12. An iProc must be completed of the following by the end-user in the foreign currency indicated on the invoice:
 - 23.11.12.1. The amount to be displayed on the invoice.
 - 23.11.12.2. Supplier individual address.
 - 23.11.12.3. Bank details.
 - 23.11.12.4. Bank physical address.
 - 23.11.12.5. Account name.
 - 23.11.12.6. Account number/IBAN number.
 - 23.11.12.7. Swift code/Sort code.
 - 23.11.12.8. The banking details of the supplier can be submitted on the invoice or independently.
- 23.11.13. Requirements to create ad hoc and international suppliers on the system
 - 23.11.13.1. Supplier's VAT registration number (if applicable)
 - 23.11.13.2. Full contact details of the supplier (postal, physical and email addresses, and telephone numbers).
 - 23.11.13.3. Supplier banking details, which will be uploaded by the Finance Expenditure Departmental Accountant.
- 23.11.14. Requirements to process international travel payments
- 23.11.15. Annexure 1 of the Policy for Travel, Accommodation and Subsistence Allowances for staff members must be completed and submitted to Accounts Payable, and a copy must be sent to Salaries.
- 23.11.16. Annexure 1 must be approved and signed by the Head of Department for local travel, and an Executive Leadership Group member for international travel prior to travel.
- 23.11.17. Refer to the Travel Policy (Staff) and Travel Policy: Executive Leadership Group and MEC for detailed guidelines.
- 23.11.18. Requirements to process international conference registrations
- 23.11.19. Annexure 1 of the Policy for Travel, Accommodation and Subsistence Allowances must be completed and submitted to Accounts Payable.

23.11.20. Annexure 1 must be approved and signed by the Head of Department for local travel and an Executive Leadership Group member for international travel prior to travel.

23.11.21. An invoice must be attached to the request.

23.12. Advance Payments

23.12.1. Advances shall be granted for the following requests only:

23.12.1.1. Meals for tours and excursions

23.12.1.2. Informal accommodation

23.12.1.3. Unforeseen costs for tours and excursions

23.12.2. An application for an advance, sundry and/or entertainment expenses form must be completed in full and be duly authorised with a motivation giving a breakdown of expenses the money will be used for.

23.12.3. Documents must be attached to indicate how the advance amount was calculated with a motivation giving a breakdown of expenses the money will be used for.

23.12.4. The Financial Business Partner must co-sign the request to approve the availability of funds and to ensure that the correct string is used.

23.12.5. The advance is prepared with the provision that the requester understands and agrees that the advance is given on the condition that a reconciliation, with supporting original documentation, is presented to Finance Expenditure within 14 working days of return from the trip/excursion.

23.12.6. The requester further understands and agrees that should he/she not abide by the above, the advance will be recovered from his/her salary and is taxable. This clause is explicitly highlighted in the application form and the applicant is bound by this once he/she has signed the application forms.

23.12.7. No new advances will be allowed if the documents for the first advance were not submitted.

23.12.8. Finance Business Partners shall check for outstanding advances before approving a new advance.

23.12.9. No cash cheques will be issued.

23.12.10. No advances can be issued to students. Advances are issued to student supervisors to ensure policies and procedures are adhered to.

24. FIXED ASSETS

24.1. Objectives

- 24.1.1. Ensure the economical and efficient management and safeguarding of all University property, plant, and equipment.
- 24.1.2. Identify the assets to be included in the University fixed asset register.
- 24.1.3. Clarify the asset management processes and responsibilities.
- 24.1.4. Assist the University in recording, monitoring, and reporting of fixed assets.

24.2. Scope

- 24.2.1. Property, plant, or equipment purchased/leased from University funds with a useful life of more than one year.
- 24.2.2. Donated assets.

24.3. Guiding Principles

- 24.3.1. A fixed asset in this policy refers to property, plant, or equipment with the following conditions:
 - 24.3.1.1. Useful life of more than one year.
 - 24.3.1.2. Unit cost of R10 000 or more (inclusive of VAT).
- 24.3.2. Purchases thereof is normally for productive use within the University.
- 24.3.3. A fixed asset as defined above is recorded in the fixed asset register of the University.
- 24.3.4. Fixed assets below the capitalisation threshold (currently R 10 000 including VAT) are not capitalised in University's fixed asset register.
- 24.3.5. Faculties and departments are required to maintain a record (list) of purchases of assets below the asset capitalisation threshold for control purposes.
- 24.3.6. Property, plant, and equipment not owned by the University but under the care of the University should be managed according to the agreements concluded.

24.3.7. The Fixed Asset policy should be read in conjunction with the Insurance Management Policy.

24.3.8. Assets are defined in terms of the procurement category to which they belong.

24.4. Responsibility for the management and use of University assets

24.4.1. All University of Johannesburg employees are responsible for ensuring the economical and efficient management and safeguarding of all University property and equipment issued to them for use in the performance of their assigned duties.

24.4.2. Employees are held personally responsible for the safekeeping of assets allocated to them.

24.4.3. The benefits derived from the use of such property and equipment will be for the sole and exclusive benefit of the University, and individual employees may not use University property and equipment for their personal gain.

24.4.4. Employees are obliged to report any underutilisation, redundancy, theft and abuse of University property and equipment to their line managers.

24.4.5. The line managers must report the above to the Fixed Assets department.

24.4.6. For reporting purposes, the Executive Dean/Director/Head of Department retains ultimate responsibility for their assets.

24.4.7. The overall responsibility for the movement or disposal of their assets resorts with the Executive Dean/Director/Head of Department.

24.5. Movement, relocation, transfer or removal of assets

24.5.1. The Fixed Assets department must be notified of any temporary or permanent relocation, which results in the movement or transfer of assets, so that the Fixed Asset Register may be updated accordingly.

24.5.2. Removal of an asset from the campus without authorisation will be regarded as theft.

24.5.3. Any student or employee removing assets from the campus may be approached by Protection Services and requested to provide proof of authorisation to remove the asset(s).

24.6. Retirement of assets

24.6.1. Fixed Assets are retired for the following reasons:

24.6.1.1. Underutilisation.

24.6.1.2. Redundancy/obsolescence.

24.6.1.3. Theft.

24.6.1.4. Trade-in.

24.6.1.5. Damage.

24.6.1.6. Sale.

24.6.2. Fixed Assets may not be traded-in, sold, donated, transferred, or removed from the fixed asset register without approval from the relevant Head of Department and the Director: Supply Chain Management.

24.6.3. A list of fixed assets for retirement must be sent to the Director Supply Chain Management for authorisation.

24.6.4. The Fixed Asset Register is updated accordingly by the Fixed Asset department.

24.7. Theft

24.7.1. The procedure pertaining to the loss/theft of fixed assets:

24.7.1.1. An internal review on the theft should be conducted and the necessary remedial actions taken in the case where there was negligence by a member of staff.

24.7.1.2. The theft must be reported to the South African Police Service and a case number obtained.

24.7.1.3. The Risk Management and Insurance sub-department must be informed.

24.8. Sale

24.8.1. Fixed Assets that cannot be redeployed will be sold voetstoots or as scrap to outside companies on a bidding process. The Fixed Assets will be sold to the highest bidder.

24.8.2. A list of fixed assets for disposal must be sent to the Director: Finance Expenditure for authorisation.

24.8.3. Employees and staff are not allowed to buy redundant/ surplus fixed assets, however, when an employee retires, he/she may buy his/her computer/laptop at his/her manager's discretion, but it must be authorised by an ELG member.

24.8.4. Funds realised when a fixed asset is sold must be kept at a central cost centre.

24.9. Assets received as donations

24.9.1. All assets that are donated to the University of Johannesburg, irrespective of their value, must be declared to the Fixed Assets sub-department and included in the Fixed Asset Register.

24.9.2. The amount indicated on the section 18A certificate will be deemed to be the market value of the asset and will be capitalised at that value.

24.10. Donation to external bodies by the University

24.10.1. Fixed Assets that cannot be redeployed within the University may be donated to stakeholders.

24.10.2. This is channelled from the Office of Community Engagement through charitable organisations, schools, and other community projects.

24.10.3. Fixed assets should then be removed from the Fixed Asset Register.

24.11. Accounting/Record keeping

24.11.1. The Fixed Assets department is responsible for the following functions:

24.11.1.1. Ensuring that all fixed assets that are purchased, disposed of, or written off, are accounted for in the accounting records.

24.11.1.2. The maintenance and administration of the General Ledger and Fixed Asset Register.

24.11.2. The Fixed Asset Register must contain the following details:

24.11.2.1. Asset number.

24.11.2.2. Description.

24.11.2.3. Depreciation rates.

24.11.2.4. Cost value.

24.11.2.5. Accumulated depreciation.

24.11.2.6. Net book value.

24.12. Depreciation

24.12.1. All capitalised assets shall be depreciated over their estimated useful lives, according to the straight-line method of depreciation.

- 24.12.2. Depreciation shall apply as soon as the asset is available for use and continues until the asset is derecognised, even if it is idle.
- 24.12.3. The rate of depreciation applied to each asset category will be reviewed during each financial year, for review and assessment of useful life.

24.13. Residual value

- 24.13.1. Residual value is the estimated amount an entity would currently obtain from the disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Refer to IAS 16.
- 24.13.2. Vehicles will be the only category to be reviewed annually for residual values.

24.14. Impairment

- 24.14.1. Property, plant, and equipment shall not be carried at a value that differs from the recoverable amount. Refer to IAS 36.
- 24.14.2. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.
- 24.14.3. Assets will be assessed for any indicators of impairment at the end of each financial period.
- 24.14.4. IDU Software, is distributed to all departments to enable them to do online verification and confirm the condition of an asset.

24.15. Physical verification

- 24.15.1. The Fixed Assets department is responsible for physical verification of the Fixed Asset register annually.
- 24.15.2. The electronic application, IDU Software, is distributed to all departments to enable them to do online verification, and adjustments to their assets.
- 24.15.3. The Fixed Assets department will follow-up with the end-user or department on a regular basis, but the responsibility lies with the end-user/department to verify the assets.
- 24.15.4. Information regarding adjustments is forwarded to the Fixed Assets department to update the official records.

24.15.5. These changes or adjustments may be physically verified on a random basis by the Fixed Assets department.

25. OPENING, CLOSING AND RENAMING OF CHART OF ACCOUNT ITEMS

25.1. Objective

25.1.1. Ensuring that the chart of accounts remains relevant for accurate financial reporting.

25.2. Scope

25.2.1. Chart of Accounts.

25.3. Process for Opening, Closing and Renaming of Chart of Accounts

25.3.1. The request forms for opening, closing, and renaming of charts of account items must be submitted to the relevant Financial Business Partner.

25.3.2. The Financial Business Partner will sign, approve, and forward the request to the office of the Senior Manager: General Ledger and Reporting.

26. GENERAL LEDGER JOURNALS

26.1. Objective

26.1.1. To ensure the validity, completeness, and accuracy of accounting balances.

26.2. Scope

26.2.1. General Ledger Journals.

26.3. General Ledger Journal Processing

26.3.1. The completed application form, with a motivation and supporting documentation, must be submitted to the relevant Financial Business Partner.

26.3.2. The Financial Business Partner will approve the application form and forward it, with a motivation and supporting documentation to the office of the Senior Manager: General Ledger and Reporting for processing.

27. RETENTION OF DOCUMENTS

27.1.1. Recordkeeping is of major importance at University, because of the large volume of information that must be stored and legal requirements as per various statutes.

- 27.1.2. These statuses specify minimum retention periods for certain records.
- 27.1.3. To ensure legal compliance, a table indicating the period of safekeeping of financial documents is provided below to ensure that documents are kept for the stipulated period and should be adhered to.

Approval History Table	
Name of Approval Body (Committee)	Date that the review was approved
Council	23 November 2018
Council	30 March 2023

Table 1: Periods of safekeeping of financial documents

Details	Safekeeping period
Bank statements	Five years
Assets register	Permanently
Investment register	Permanently
Receipts, creditors, and sundries	Five years
Bursary and loan applications	Two years
Deposit books	Two years
Invoice books (handwritten invoices)	Five years
Invoice instructions	Five years
Published financial statements	Permanently
Handwritten receipts	Ten years
IRP5s and SARS documents	Fifteen years
Journal entries	Five years
Cashbooks, ledgers	Permanently
Portfolios, monthly portfolio reports	Three years
Records: Asset control	Permanently
Records in respect of repayments of board and lodging deposits	Three years
Salaries: Third-party payments	Ten years
Salary records	Ten years
Systems receipts	Permanently
Bank-returned cheques	Five years

Details	Safekeeping period
Insurance documents: <ul style="list-style-type: none"> ➤ Claims ➤ Renewal documents 	Five years Two years
Working documents: <ul style="list-style-type: none"> ➤ Budget ➤ Financial statements 	Five years Nine years