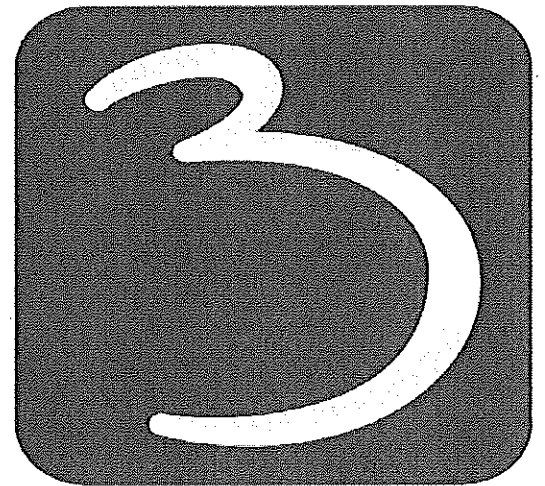


Cash Management Policy



***Boxing
South
Africa***



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1. Introduction

Boxing South Africa needs to ensure both efficient implementation of their budgets and good management of their financial resources take place. Sound management of financial assets and liabilities is also required.

2. Terms and definitions

Payments – The partial or complete discharge of an obligation by its settlement in the form of the transfer of funds, assets, or services equal to the monetary value of part or all of the debtor's obligation.

Receipts – A written acknowledgement which grants legal validation to a repayment of all or part of a debt.

Reconciliation – The act of confirming that the balance in one's checkbook matches the corresponding bank statement.

EFT – Electronic Fund Transfer relate to monies transferred directly from one bank account to another.

3. Objectives of the policy

The objective of the policy is to manage the financial affairs of the entity in such a manner that sufficient cash resources are available to finance the capital and operating budgets of the entity.

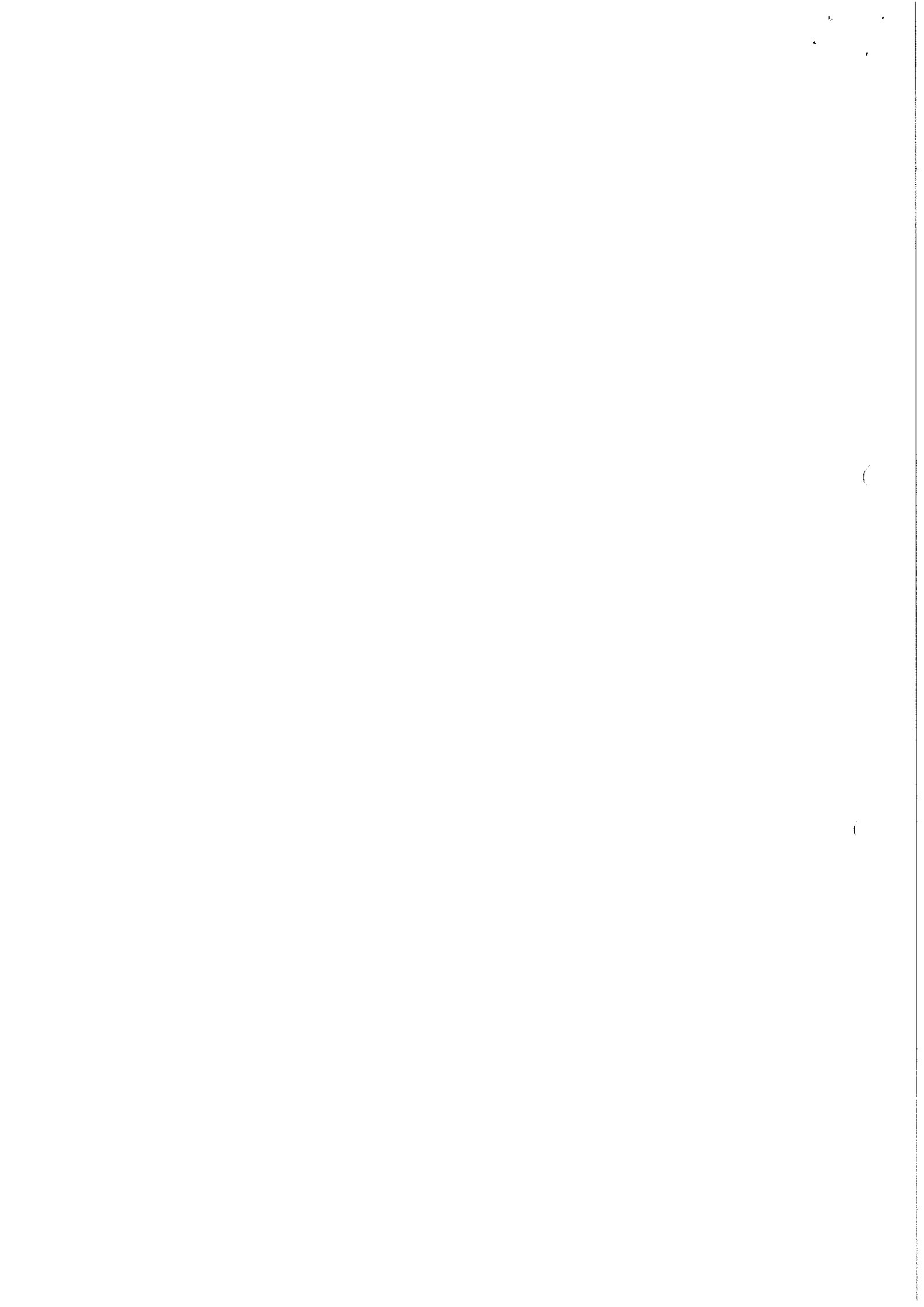


4. Monthly Reports

- 4.1 A monthly report must be prepared by the CFO comparing monthly actual to the monthly budget.
- 4.2 Comments must be included in instances of significant variances between monthly actual to the monthly budget.
- 4.3 New projections must be documented for the remaining month based on the remaining budget.
- 4.4 The monthly report must be submitted to the finance committee for review and discussed at finance committee meetings

5. Approvals Framework

- 5.1 Boxing South Africa may incur expenditure in accordance to the approvals framework.
- 5.2 Opening of new bank accounts can only take place upon approval from the full board.
- 5.3 Appointing/changing cheque signatories, changing of overdraft limits can only take place upon approval from the full board.
- 5.4 The CEO may approve all payments that relate to expenditure that is included in the approved budget.
- 5.5 If the expenditure has not been budgeted for or exceeds the approved budget the following levels of approval is required:
 - a) < R10 000 – CEO alone
 - b) R10 000 > R20 000 – CEO and one board member
 - c) R20 000 > R50 000 – Finance committee
 - d) > R50 000 – Full Board
- 5.6 Only once the proper approval is obtained, then the payment requisition maybe processed.
- 5.7 Payments are made via EFT transfers and in exceptional circumstances, using cash/cheque payments



6. Cash/cheques payments

6.1 There must be 2 signatories for all cheque payments.

6.2 The signatories assume full responsibility for the payment of the cheque by the bank.

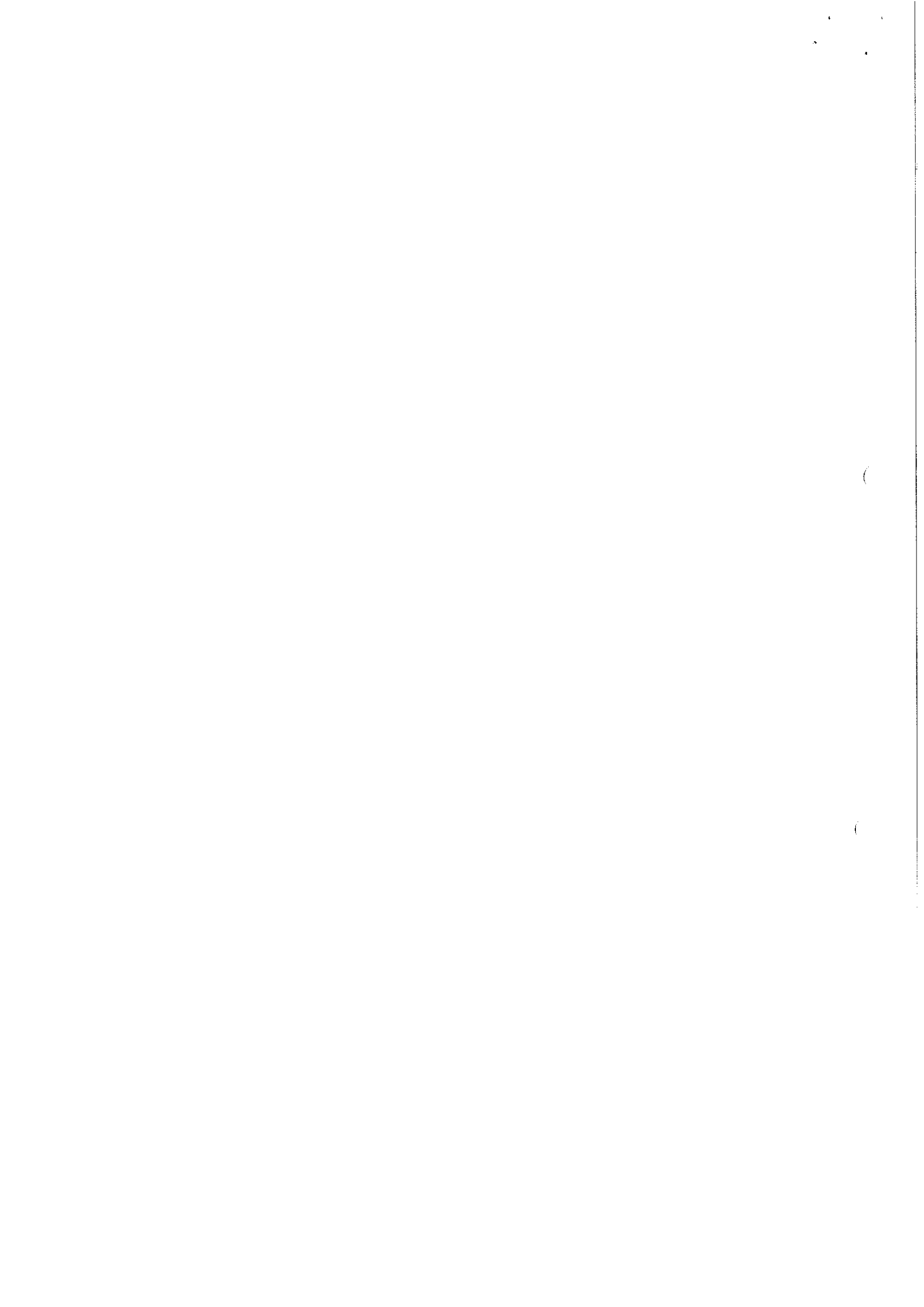
6.3 The signatories must ascertain that the following when signing a cheque:

- a) The cheque has a valid date
- b) That the beneficiary corresponds to the beneficiary on the requisition and invoice
- c) That the amount in words and figures corresponds with that on the payment invoice or claim.
- d) Where the amounts differ, reconciliation should accompany the supportive documents.
- e) The requisition is approved in terms of the delegated authority(The provision is that if a person authorised a payment , he may not also be a cheque signatory)
- f) That the cheque is a clean document – no change may made on the cheque document.
- g) The cheque signatory must ensure completeness of the cheque and that it has restrictive crossing "not transferable".
- h) That the cheque is not made out to an abbreviated name
- i) Should the signatory have any doubt about the purpose of payment reasonableness or any other matter mentioned above s/he must follow it up to their satisfaction, before signing or authorising a transfer.

6.4 Cash cheques may only be used in exceptional circumstances upon authorisation of the CEO.

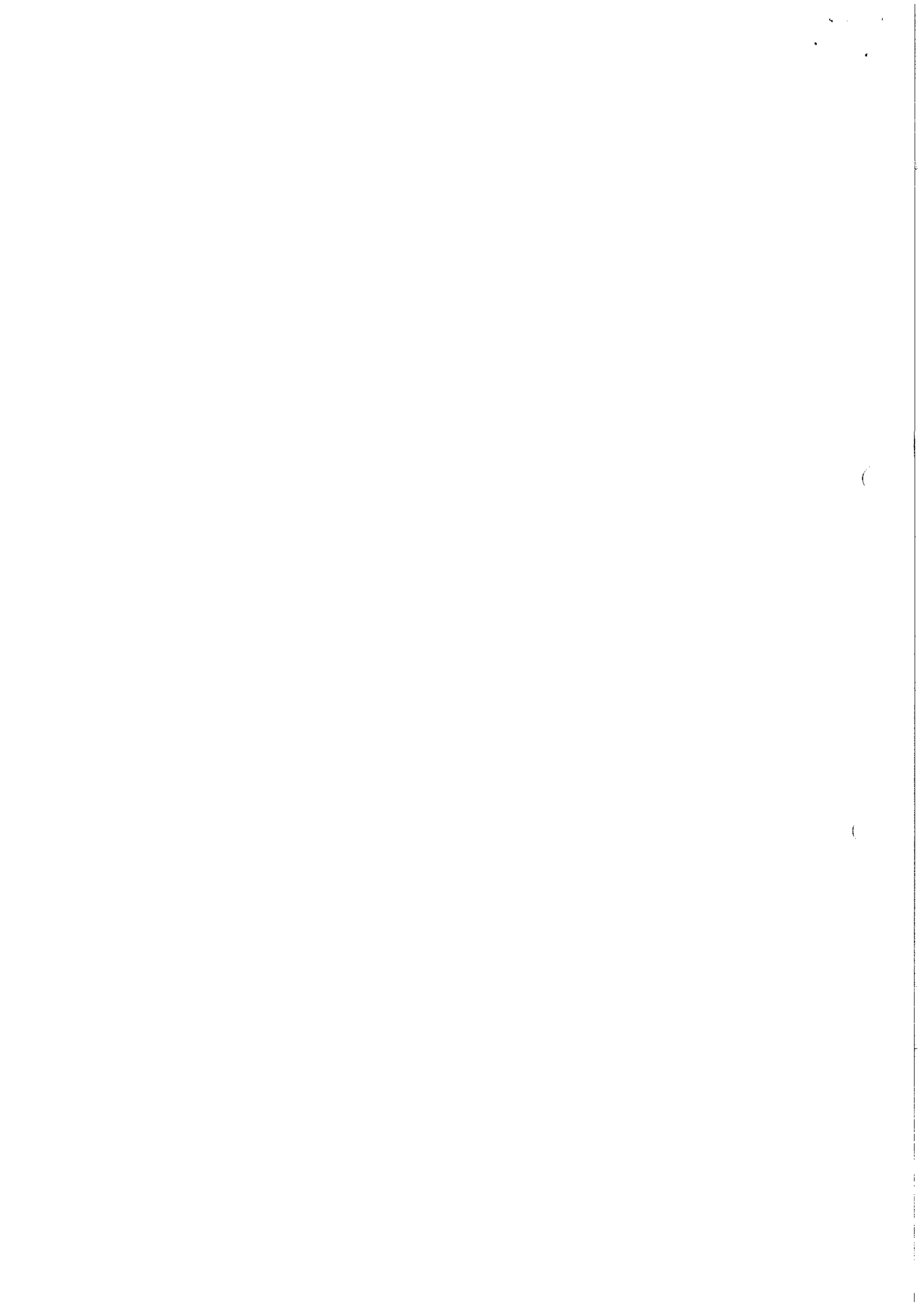
6.5 A memorandum stating the reason for use of a cash cheque must be signed by the CEO and attached to the payment requisition.

6.6 If a cash cheque is used, a copy of the cash cheque, plus the proof of payment must be attached to the payment requisition and filed accordingly.



7. EFT transfer payments

- 7.1 The approved payment requisition must be sent to the financial administrator for capturing.
- 7.2 Once the payment has been captured, the financial administrator must sign the payment requisition to confirm that the capturing has taken place and submit the document to the financial manager.
- 7.3 A higher delegation/ first level approver must review the payment requisition and agree to the transaction captured on the system and if once correct approve the payment on the system.
- 7.4 The first level approver must then sign the payment requisition and submit it to a higher delegation/second level approver for final approval.
- 7.5 The Second level reviewer maybe the CEO or CFO of Boxing South Africa.
- 7.6 The CEO/CFO then reviews the documents and the capturer and first level reviewer signatories and agrees the amounts to the system and if correct approves the transaction on the system.
- 7.7 Only when the CEO/CFO finally approves the transaction on the system will the payment be released.
- 7.8 The CEO/CFO then signs the payment requisition and submits it to the finance department to file accordingly.



8. Cash receipts

- 8.1 Only in exceptional circumstances should BSA accept cash from licensees for payment of licences.
- 8.2 Once the cash is received, a receipt is completed including the date, name and amount received and the original receipt are given to the licensee and a copy remains in the receipt book.
- 8.3 All cash received must be banked within 2 days upon receipt, in the Bank Licence Account.
- 8.4 Because deposits are made in batch, the deposit slip must include all receipt numbers relating to the amount being deposited.
- 8.5 On a monthly basis, the finance department captures all the deposits relating to licences onto the system
- 8.6 Bank reconciliation on the Licence account must be performed on a monthly basis between the cash receipts and cash deposits, to ensure that all monies received has been deposited.
- 8.7 The bank statement and the general ledger bank account print out must be attached to the bank reconciliation and submitted to the CEO/CFO.
- 8.8 The bank reconciliation must be reviewed and signed by the CEO/CFO.

9. EFT transfer receipts & cash deposits

- 9.1 Payments received via EFT transfers and cash deposits relates to monies received for licences fees, tournament deposits, grants, sponsorships, etc.
- 9.2 Payee's submit proof of payments to BSA to confirm payments relating to the revenue items mentioned in 9.1.
- 9.3 On a monthly basis, the finance department must draw a bank statement and compare such payees's proof of payments for the month.
- 9.4 If an amount as per Payee's proof of payment does not reflect on the bank statement, the finance department must query this with the relevant payee.
- 9.5 The finance department only captures deposits that reflect of the bank statement of each bank account.

10. Bank accounts

- 10.1 Boxing South Africa has different bank accounts used for different purposes ie. License account, main account, benevolent fund account & purse account.
- 10.2 Opening of new bank accounts can only take place upon approval from the full board.
- 10.3 A bank reconciliation must be performed on a monthly basis for each bank account.
- 10.4 The bank statements and the general ledger bank account print out must be attached to the relevant bank reconciliations and submitted to the CEO/CFO for review.
- 10.5 The bank reconciliation must be reviewed and signed by the CEO/CFO.
- 10.6 Long outstanding amounts must be cleared within six months.

11. Approval and implementation

- 11.1 This policy is effective from the date of approval by the Chairperson of the Accounting authority.
- 11.2 The CEO will be responsible for implementation and monitoring of the policy.
- 11.3 The policy will be reviewed on an annual basis and revision thereto must be obtain Board approval.

12. Level of approval

Dr P Ngatane

2011 -05- 0 6

Board Chairperson



Signature

Date

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