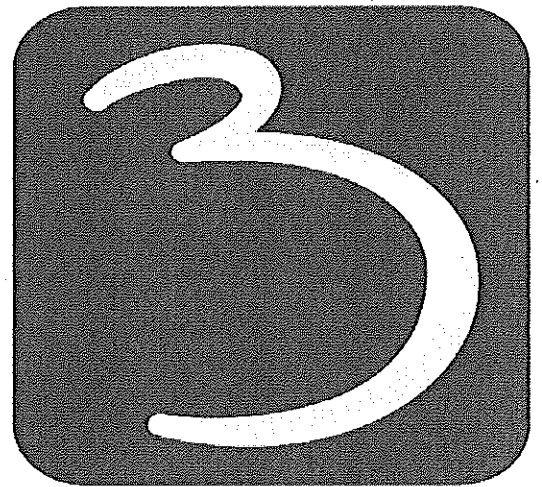


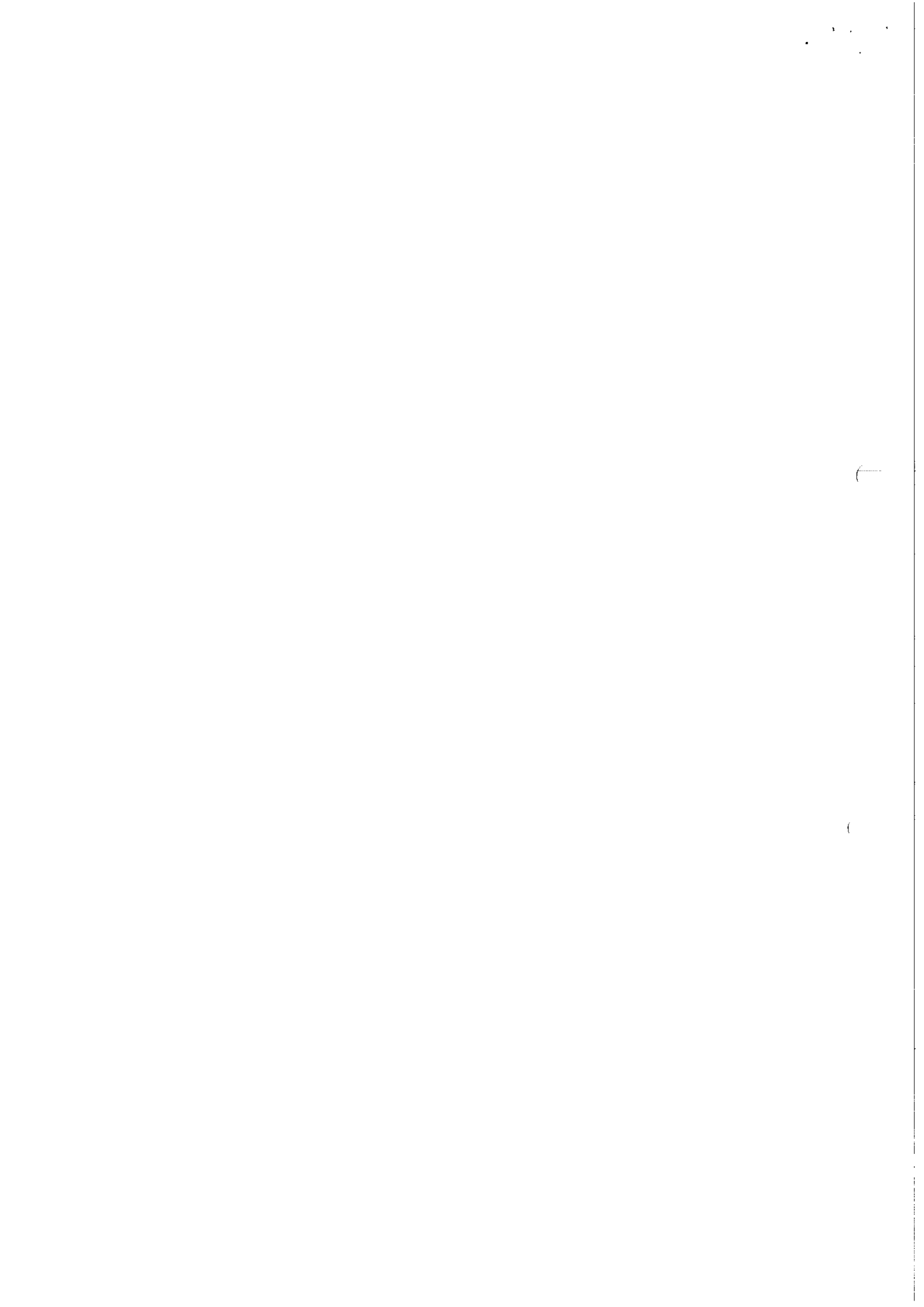
Journal Policy



***Boxing
South
Africa***



INDEX	PAGE
1. Introduction	3
2. Terms and definitions	3
3. Objective of the policy	3
4. Journal process	4
5. Format of a Journal entry	5
6. Approval and implementation	5
6. Levels of approval	5



1. Introduction

It is of vital importance that BSA creates proper control procedures to control the passing of general journal entries for the purpose of correcting errors.

2. Terms and definitions

Journal entry – the general journal provides a chronological record of transactions that affect the financial statements. An accounting entry into the general journal is called a journal entry.

Compiler – a person who is responsible for completing a document and gathering the necessary information.

Authoriser- a person on a higher delegation who is responsible for approving

Capturer- Input of data, not as a direct result of data entry but instead as a result of performing a different but related activity.

3. Objective of the policy

The objective of the policy is to ensure that only valid journal entries are passed.



4. Journal process

- 4.1. Whenever it comes to the attention of any official about any incorrect entries, then he/she should initiate the rectification process by completing a **manual general journal advice form**.
- 4.2. The manual general journal advice forms are pre numbered.
- 4.3. The form is used to administer the approval of the correcting entry and record the details of compiler, authorizer and capturer.
- 4.4. Original supporting evidence must be attached to the manual forms.
- 4.5. Forms are completed by the compiler and approved by the authorizer before capturing the correcting transaction onto the system.
- 4.6. The Authorizer compares the original supporting evidence to the information on the manual form and if it is correct he will approve the journal entry by signing and dating accordingly
- 4.7. The authorizer sends the manual form back to the compiler for correction, wherever the details of the compiled journal are incorrect.
- 4.8. The approved manual general journal advice form is then submitted to the capturer to update the system accordingly.
- 4.9. The capturer signs the manual form as confirmation that he has captured the transaction and attaches the evidence of capturing to the manual journal advice form.
- 4.10. The manual journal advice form is then filed sequentially in the journal file.
- 4.11. On a monthly basis the authorizer verifies that information captured on the system is the same as that captured on the manual form, reviews the journal file and signs to confirm that it is in order.

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5. Format of Journal entry

- 5.1 The first column in the general accounting journal shows the date of the transaction.
- 5.2 The second column shows the account debited or credited with a brief explanation.
- 5.3 The third column shows a reference to the specific account.
- 5.4 When the accounting entries are posted into the individual general ledger accounts, a reference is made to the account number to indicate that the accounting entries were transferred
- 5.5 Finally, the last two columns show the amount of the debit or the credit
- 5.6 The following is an example of a journal entry:

Date	Account & explanation	Reference	Debit	Credit
31-Mar-10	Telephone	3000/001	4 000.00	
	Water and electricity	4000/001		4 000.00
	<i>Telephone expense incorrectly debited to water and electricity account</i>			

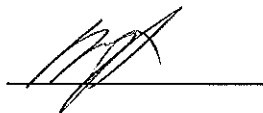
6. Approval and implementation

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

7. Levels of approval

Dr.P.Ngatane

Board Chairperson



Signature

2011 -05- 06

Date

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