POLICY TITLE	BANK AND CASH MANAGEMENT POLICY
DATE OF APPROVAL	22 May 2025
REVIEW DATES	21 May 2026

1. INTRODUCTION

This policy document is drafted to provide guidance with regard to the bank, cash and investment management of SCTIE in accordance with treasury regulations and section 86 of the MFMA. This policy aims at ensuring efficient and effective banking, cash and investment management by the entity.

2. PRINCIPAL OBJECTIVES OF THIS POLICY

- To ensure that the entity complies with provisions of Treasury Regulations and MFMA;
- To provide the management of the entity with procedures and guidelines in managing the entity's banking and cash flow;
- To provide guidance on how the Entity's Investment must be managed;
- To ensure that SCTIE's cash management performance is reported regularly.

3. ELEMENTS OF SOUND CASH MANAGEMENT

Treasury Regulations in terms of cash management provides components of sound cash management listed below:

- Collecting revenue when it is due and banking it promptly;
- Making payments no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the public entity's normal terms of account payments;
- Avoiding pre-payments for goods or services unless required by the contractual arrangements with the supplier;
- Accepting discounts to effect early settlement when the payment has been included in the monthly cash flow estimates provided to the GM: Fin, CS & Admin;
- Pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the public entity are collected and banked promptly;
- Accurately forecasting the public entity's cash flow in order to optimise its central cash management responsibilities;
- Timing the in- and outflow of cash;
- Recognising the time value of money;
- Taking any other action that avoids locking up money unnecessarily and inefficiently (e.g. selling surplus or under-utilised assets);
- Conducting Bank Reconciliations at least weekly;
- Making regular cash forecasts;
- Alignment of the approved budget with monthly cash flows;
- Variance analysis of actual cash flow with the approved budget;
- Sweeping bank accounts to effectively utilise surplus cash.

4. BANKING ACCOUNT

a) The Chief Executive Officer is accountable to the Board of Directors for SCTIE's bank accounts;

b) The Board of Directors must authorise the opening and closure of all banking accounts at institutions registered as banks in terms of the Banks Act 1990 (Act 94 of 1990;

c) The Chief Executive Officer must ensure that all banking accounts are opened in the name of South Coast Tourism and Investment Enterprise and that all relevant details are accurate and complete;

d) All financial instruments shall be signed by any two of the signatories as approved by the Board. Any changes to this must be approved in writing by the Chief Executive Officer;

e) The accounts that are currently in operation for SCTIE are for Current Account and Investment Account;
f) The Current account is the main and the only account through which SCTIE will be transacting.

The following transactions will be done through the account:

- Transfer and/or deposit of grants from the shareholder and any other authorised donations to the entity;
- Transfers and/or debit transactions for the payment of SCTIE staff salaries and Board fees and their related statutory deductions;
- Payment of all authorised staff and board claims;
- Payment of all SCTIE creditors;
- Any other authorised payment falling within the scope of SCTIE's business.

g) The Investment account is the investment account opened solely to invest funds that are not for day-to-day transactional purposes – i.e. mainly project funds. No transactions will be allowed on this account other than transfers in to and from the account for the purpose of investing the funds.

5. RECEIPTING AND DEPOSITING OF MONIES

a) No money should be received over the counter, without issuing of a receipt;

b) Appropriate and adequate records supporting the receipt and banking of funds are to be kept and adequately safeguarded;

c) All collections should be recorded electronically using the accounting software used by the entity to record its transactions;

d) Cash received must be accepted and banked and never offset against expenditure;

e) Private money may not be deposited into the SCTIE's official banking accounts;

f) The safekeeping of private money or personal possessions in a SCTIE safe or strong room is prohibited;

g) Funds that are not deposited promptly should be kept in a safe;

h) All funds deposited must be accompanied by a bank stamped deposit slip;

i) The keys to the safe should be kept by the Coordinator: Finance & CS or his/her delegate with the duplicate key kept by the GM: Fin, CS & Admin and to be used only in the case where the Coordinator: Finance & CS is off;

j) In the case where one set of keys to the safe is missing, the safe lock must be changed immediately.

6. INVESTMENT ETHICS

6.1 The GM: Fin, CS & Admin officer shall be responsible for investing the surplus revenues of the Entity, and shall manage such investments in consultation with the Accounting Officer and in compliance with any policy directives formulated by the Board and prescriptions made by the Minister of Finance.

6.2 In making such investments the GM: Fin, CS & Admin, shall at all times have only the best considerations of the Entity in mind, and, except for the outcome of the consultation process with the Accounting Officer, shall not accede to any influence by or interference from Board Members, investment agents or institutions or any other outside parties.

6.3 No official of the Entity may accept any gift, from any investment agent or institution or any party with which the Entity has made or may potentially make an investment.

7. INVESTMENT PRINCIPLES

7.1 Limiting Exposure

Where large sums of money are available for investment the GM: Fin, CS & Admin shall ensure that they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the Entity. The GM: Fin, CS & Admin shall further ensure that, as far as it is practically and legally possible, the Entity's investments are so distributed that more than one investment category is covered (that is, call, money market and fixed deposits).

7.2 Risk and Return

Although the objective of the GM: Fin, CS & Admin in making investments on behalf of the Entity shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. Deposits shall be made only with registered deposit-taking institutions

7.3 Payment of Commission

Every financial institution with which the Entity makes an investment must issue a certificate to the GM: Fin, CS & Admin in regard to such investment, stating that such financial institution has not paid and will not pay any commission and has not and will not grant any other benefit to any party for obtaining such investment.

7.4 Call Deposits and Fixed Deposits

7.4.1 Before making any call or fixed deposits, the GM: Fin, CS & Admin, shall obtain quotations from at least three financial institutions.

7.4.2 Given the volatility of the money market, the GM: Fin, CS & Admin, shall, whenever necessary, request quotations telephonically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant (for example, whether the interest is payable monthly or only on maturity, and so forth).

7.4.3 Once the best investment terms have been identified, written confirmation of the telephonic quotation must be immediately obtained (by facsimile, e-mail or any other expedient means).

7.4.4 Any monies paid over to the investing institution in terms of the agreed investment (other than monies paid over in terms of part 8 below) shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the GM: Fin, CS & Admin shall ensure that the Entity receives a properly documented receipt or certificate for such investment, issued by the institution concerned in the name of the Entity.

7.5 Restriction on Tenure of Investments

No investment with a tenure exceeding twelve (12) months shall be made without the prior approval of the Accounting Officer, the Chairman of the Board of Directors and without guidance having been sought from the Entity's bankers or other credible investment advisers on the security and financial implications of the investment concerned.

7.6 Permitted investments

A municipal entity may invest funds only in any of the following investment types as may be appropriate to the anticipated future need for the funds:

a) securities issued by the national government;

b) listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency;

c) deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);

d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984);

e) deposits with the Corporation for Public Deposits as contemplated by the corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);

f) banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990;

g) guaranteed endowment policies with the intention of establishing a sinking fund;

h) repurchase agreements with banks registered in terms of the Banks Act, 1990;

i) municipal bonds issued by a municipality; and

j) any other investment type as the Minister may identify by regulation in terms of section168 of the Act, in consultation with the Financial Services Board.

7.7 General Investment Practice

7.7.1 The following are approved institutions through which the Entity may invest:

a) ABSA
b) First National Bank
c) Standard Bank
d) Nedbank
e) Investec
f) Capitec

as long as these institutions still have a rating of AA and above, and any other bank registered in terms of the Bank Act, which also has a rating of AA or AAA.

7.7.2 The Entity shall only invest in deposits and securities, which render either a risk free or low risk rate of return.

7.7.3 All investments made by the Entity must be in the name of South Coast Tourism and Investment Enterprise

7.8 Investment maturity

7.8.1 Upon maturity of the investment the Entity shall do one of the following:

a) Shall withdraw the whole amount invested including interest,

b) Shall re-invest 100% interest plus the original amount that had been invested, in terms of the investment procedure unless if Board wishes to utilize the original money or the interest, or

c) Shall withdraw the interest and re-invest the original capital amount.

7.8.2 The re-investment of funds will follow the full normal quotation cycle of the Entity. Therefore, the funds will not automatically be re-invested with the same/previous financial institution, but a competitive and transparent bidding process will be followed.

7.9 Early withdrawal of invested funds

a) When investing the funds with the banking institution the GM: Fin, CS & Admin, shall ensure that such funds are not withdrawn earlier than the maturity date agreed upon, by doing so the Entity will not incur fruitless and wasteful expenditures in form of penalties resulting from early withdrawal of investments.

b) The GM: Fin, CS & Admin, shall only withdraw funds if:

(i) The banking institution concerned has agreed to exempt any penalties due to early withdrawal of investment or,

(ii) The Accounting Officer may grant approval to withdraw the invested funds after he/she has satisfied him/herself that the urgency was unforeseeable at the time when funds were invested and that the need for funds far outweighs the penalties being paid for such early withdrawal.

8. CONTROL OVER INVESTMENTS

8.1 The GM: Fin, CS & Admin shall ensure that proper records are kept of all investments made by the Entity. Such records shall indicate the date on which the investment is made, the institution with which the monies are invested, the amount of the investment, the interest rate applicable, and the maturity date. If the investment is liquidated at a date other than the maturity date, such date shall be indicated.

8.2 The GM: Fin, CS & Admin shall ensure that all interest and capital properly due to the Entity are timeously received, and shall take appropriate steps or cause such appropriate steps to be taken if interest or capital is not fully or timeously received.

8.3 The GM: Fin, CS & Admin shall ensure that all investment documents and certificates are properly secured in a fireproof safe with segregated control over the access to such safe.

9. OTHER EXTERNAL INVESTMENTS

9.1 From time to time it may be in the best interests of the Entity to make longer-term investments in secure stock issued by the national government, Eskom or any other reputable parastatal or institution, or by another reputable municipality. In such cases the GM: Fin, CS & Admin, must be guided by the best rates of interest pertaining to the specific type of investment, which the Entity requires, and to the best and most secure instrument available at the time.

9.2 No investment with a tenure exceeding twelve (12) months shall be made without the prior approval of the Accounting Officer and without guidance having been sought from the Entity's bankers or other credible investment advisers on the security and financial implications of the investment concerned.

10. RAISING OF DEBT

10.1 The Accounting Officer is responsible for the raising of debt, but may delegate this function to the GM: Fin, CS & Admin, who shall then manage this responsibility in consultation with the Accounting Officer. All debt shall be raised in strict compliance with the requirements of the Municipal Finance Management Act 2003, and only with the prior approval of the Board of Directors.

10.2 Long-term debt shall be raised only to the extent that such debt is provided for as a source of necessary finance in the capital component of the approved annual budget or adjustments budget.

10.3 Short-term debt shall be raised only when it is unavoidable to do so in terms of cash requirements, whether for the capital or operating budgets or to settle any other obligations, and provided the need for such short-term debt, both as to extent and duration, is clearly indicated in the cash flow estimates prepared by the GM: Fin, CS & Admin. Short-term debt shall be raised only to anticipate a certain long- term debt agreement or a certain inflow of operating revenues.

11. INVESTMENTS FOR THE REDEMPTION OF LONG-TERM LIABILITIES

11.1 In managing the Entity's investments, the GM: Fin, CS & Admin shall ensure that, whenever a long- term (non-annuity) loan is raised by the Entity, an amount is invested at least annually equal to the principal sum divided by the period of the loan. Such investment shall be made against the bank account maintained for the external finance fund, and shall be accumulated and used only for the redemption of such loan on due date. The making of such investment shall be approved by the Board Of Directors at the time that the loan itself is approved.

11.2 If the loan raised is not a fixed term loan, but an annuity loan, the GM: Fin, CS & Admin shall ensure that sufficient resources are available in the account maintained for the external finance fund to repay the principal amounts due in respect of such loan on the respective due dates.

12. INTEREST ON INVESTMENTS

12.1 The interest accrued on all the Entity's investments shall, in compliance with the requirements of generally accepted municipal accounting practice, be recorded in the first instance in the Entity's operating account as ordinary operating revenues, and shall thereafter be appropriated, at the end of each month, to the fund or account in respect of which such investment was made.

12.2 In the case of the external finance fund, the GM: Fin, CS & Admin may reduce the amount which must be annually invested to redeem any particular loan by the amount of interest so accrued.

12.3 If the accrual of interest to the external finance fund, unutilized capital receipts and trust funds results in a surplus standing to the account of any such funds, that is, an amount surplus to the resources required in respect of such funds or accounts, such surplus amount shall be credited by the GM: Fin, CS & Admin to the appropriation account and re-appropriated to the asset financing reserve.

13. ELECTRONIC FUND TRANSFER (EFT)

Utilisation of technology in the current business environment, not only optimises the company's operational efficiency and effectiveness; it also provides a secure method of conducting transactions. EFT enables the company to facilitate the payment process electronically and will ensure that the process is done timeously at a decreased cost to the organisation.

13.1 **Purpose**

The purpose of using EFT is to improve security over handling of cash and achieving cost savings by avoiding the cost associated with cash handling and bank service fees.

13.2 **Controls over EFT transactions**

Effective controls are required to ensure that authorised users have been properly enabled to use an EFT system.

The following controls are required over EFT transactions:

a) Access to the EFT should be granted through passwords to those authorised to use the system;

b) None of the authorised users will be allowed to share a password and/or user another's password to authorise any transaction;

c) The Coordinator or the GM:Fin, CS & Admin will be the authorised person to load all recipients (creditors, staff, board members, etc.) including payments and transfers;

d) The CEO, GM: Fin, CS & Admin and the Coordinator authorised as signatories will be the three authorising officials.

e) There must be two levels of authorisation for all payments and transfers; whereas only one level of authorisation is allowed for authorisation of recipients' and payment details;

f) All payments will be loaded by the Coordinator or the GM:Fin, CS & Admin, checked and authorised by any two signatories;

g) All recipients and payment details will be loaded by the coordinator, checked by the GM: Fin, CS & Admin and authorised by the CEO;

h) All payments to be accompanied by supporting documents for proof of service rendered (signed invoice, payment voucher, etc.);

i) All authorised payments to be verified by printing of proof of payment for each transaction that must be filed with the supporting documents;

j) The GM: Fin, CS & Admin shall be responsible for the maintenance of clear audit trails of all EFT transactions.

13.3 **Supplier/employee changes**

Changes to recipients' payment details should be in writing accompanied by any supporting documents that may be deemed necessary to effect the changes. No changes to the payment details may be made based on verbal or telephonic conversations.

The GM: Fin, CS & Admin should review all changes to the recipients' payment details on the system. All documents for recipients' changes must be filed accordingly.

10.4 **Payment cycles**

All invoices must be paid within 30 days from the date of the invoice. Staff and Board claims must be paid every second Friday.

The following maximum payment limits on the online banking system shall apply:

- Once-off payment: R50 000.00
- Total of daily payments: R500 000.00
- Transfers between accounts: R1 500 000.00

Any change to the maximum payment limits must be authorised by the Chief Executive Officer

14. BANK RECONCILIATION

Bank reconciliation must be performed by the Financial Assistant or the Coordinator: Finance & CS at least once a week and monthly for the monthly reporting to the Provincial Treasury in terms of MFMA.

At the end of each month the balances in SCTIE's bank statements shall be reconciled with SCTIE's cashbook. This must be performed by the 15th of each month. Electronic Bank Transfer must be checked against the bank statements.

All reconciliations to be signed off by the GM: Fin, CS & Admin/CEO.

15. BANK SIGNATORIES

The authorised signatories for all bank related transactions must be as per approved Board resolution on the opening of the bank account.

16. POLICY REVIEW

This policy will be reviewed as and when the need arises.

17. APPROVAL

NAME	SIGNATURE	DESIGNATION	DATE
Mr Sandile Dlomo		**CHAIRPERSON: SCTIE**	**21.05.2026**